K + G Complex Public Company Limited

Report and financial statements
31 December 2014

Contents

K + G Complex Public Company Limited

Board of Directors and other officers

Board of Directors

George St. Galatariotis, Executive Chairman
Costas St. Galatariotis, Director
Vassos G. Lazarides, Finance Director (passed away 26 October 2014)
Stavros G. St. Galatariotis, Director
Michalis Christoforou, Director
Tasos Anastasiou, Director

Company Secretary

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

Registered office

197 Makarios III Avenue
Gala Tower
CY-3030 Limassol
Cyprus

K + G Complex Public Company Limited

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

In accordance with Article 9 sections (3)(c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law of 2007 to 2014 ("Laws"), we, the members of the Board of Directors and the other responsible officers of the Company for the preparation of the consolidated and separate financial statements of K + G Complex Public Company Limited for the year ended 31 December 2014, confirm that to the best of our knowledge:

(a) the annual consolidated and separate financial statements which are presented on pages 10 to 63:

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

  (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of K + G Complex Public Company Limited and the businesses that are included in the consolidated accounts as a total, and

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

Members of the Board of Directors

Name and surname	Signature
George St. Galatariotis (Executive Chairman)	
Costas St. Galatariotis (Director)	
Stavros G. St. Galatariotis (Director)	
Michalis Christoforou (Director)	
Tasos Anastasiou (Director)	

Responsible for the preparation of the financial statements

Name and surname	Position	Signature
Elena Stylianou	Financial Controller	

Limassol
28 April 2015

K + G Complex Public Company Limited

Report of the Board of Directors

1 The Board of Directors of K + G Complex Public Company Limited (the “Company”), and its subsidiary company collectively referred to as the ‘Group’, presents to its members its Annual Report together with the audited consolidated and separate financial statements of the Company for the year ended 31 December 2014.

Principal activities

2 The principal activities of the Company and the Group, which are unchanged from last year, are the following:

(a) Development and sale of residential units
(b) Development and sale of land located in the Amathus area of Limassol
(c) Holding of investments

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

3 The loss of the Group for the year ended 31 December 2014 amounted to €1.777.119 (2013: €3.641.781). On 31 December 2014 the total assets of the Group were €103.411.820 (2013: €104.235.189) and the net assets were €82.415.479 (2013: €84.166.025). The loss of the Company for the year ended 31 December 2014 amounted to €1.377.635 (2013: €840.718). On 31 December 2014 the total assets of the Company were €53.912.207 (2013: €54.302.049) and the net assets were €30.805.745 (2013: €32.183.380).

4 The results of the Group for the year were improved due to the favorable share of profits in its investment in associate company The Cyprus Cement Public Company Limited.

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

Principal risks and uncertainties

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

Future developments of the Company and the Group

7 The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Group and the Company in the foreseeable future.

Results

8 The results of the Group and the Company for the year are set out on pages 10 and 11, respectively. The net loss for the year is carried forward.

9 The Group's final results for the year 2014 amounted to a loss of €1.777.119 whereas the indicative results for the year announced on 27 February 2015 amounted to a loss of €1.723.464. The difference, amounting to €53.655 arose due to the difference in the results of the associated company, The Cyprus Cement Public Company Limited.

Share capital

10 There were no changes in Company's share capital.

Board of Directors

11 The members of the Board of Directors as at 31 December 2014 and at the date of this report are shown on page 1. All of them were members of the Board of Directors throughout the year 2014, except Mr Vassos G. Lazarides, who has passed away on 26 October 2014.

12 In accordance with the Company's Articles of Association Messrs Costas St. Galatariotis and Michalis Christoforou retire at the next General Meeting and, being eligible, offer themselves for re election.

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

Corporate Governance Code

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

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

K + G Complex Public Company Limited

Report of the Board of Directors (continued)

Corporate Governance Code (continued)

16 According to Article 46 of the Auditors and Statutory audit and consolidated accounts Laws of 2009 and 2014, the Company has assigned the tasks of the Audit Committee to the Board of Directors as a body.

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

18 The appointment and replacement of the members of the Board of Directors is done at its Annual General Meeting in accordance with the provisions of the Company's Articles of Association. The Company's Articles of Association provides that the Board of Directors has the power to appoint, at any time, any person as Director and such person that is appointed by the Board of Directors will hold his office until the next Annual General Meeting of the Company. The Company's Articles of Association can be modified by the passing of a special resolution at an Extraordinary General Meeting of the shareholders.

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

20 The Board of Directors consists of 5 members and meetings are convened at regular intervals. The Board of Directors approves the Company's and Group's strategy and supervises the adoption and realization of the Company's and Group's strategic development.

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

21 The shareholders who held at least 5% of the issued share capital of the Company with voting rights on 28 April 2015, are as follows:

	% holding
C.C.C. Holdings & Investments Limited	83,81

Corporate Governance Code (continued)

Directors' interest in the Company's share capital

22 The beneficial interest in the Company's share capital held by each Director, their spouse, children and companies in which they hold directly or indirectly at least 20% of the shares with voting rights in a general meeting, at 31 December 2014 and on 28 April 2015 was as follows:

	Interest at 28 April 2015 %	**Interest at 31 December 2014 %**
George St. Galatariotis (1)	83,81	83,81
Costas St. Galatariotis (1)	-	-
Stavros G. St. Galatariotis (1)	-	-
Michalis Christoforou	-	-
Tasos Anastasiou	-	-

(1) The participation percentage share held by Mr George St. Galatariotis includes his indirect participation resulting from family relationships between himself and Stavros G. St. Galatariotis and Costas St. Galatariotis and their indirect participation in C.C.C. Holdings & Investments Limited.

Contracts with Directors and related parties

23 Other than the transactions and the balances with the Directors and related parties referred to in Note 29 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries at 31 December 2014 in which the Directors or related parties had a material interest. Related persons include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

Events after the balance sheet date

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

Branches

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

Independent auditors

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

By Order of the Board

C.C.C. Secretarial Limited
Secretary

Limassol, 28 April 2015

Independent auditor's report
To the members of K + G Complex Public Company Limited

Report on the consolidated financial statements and the separate financial statements of K + G Complex Public Company Limited

We have audited the accompanying consolidated financial statements of K + G Complex Public Company Limited (the "Company") and its subsidiaries (together with the Company the "Group"), and the separate financial statements of K + G Complex Public Company Limited, which comprise the consolidated balance sheet and the balance sheet of the Company as at 31 December 2014, 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.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements and the separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2014, 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 2014, 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 financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated and separate financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the consolidated and the separate financial statements.

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

Other matter

This report, including the opinion, has been prepared for and only for the Company s members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2014 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Yiangos Kaponides
Certified Public Accountant and Registered Auditor

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

Limassol, Cyprus

28 April 2015

K + G Complex Public Company Limited

Consolidated statement of comprehensive income for the year ended 31 December 2014

	Note	**2014 €**	2013 €
Sales	6	**-**	1.910.000
Cost of sales	9	**-**	(839.062)
Gross profit		**-**	1.070.938
Administrative expenses	9	**(540.586)**	(684.468)
Selling and marketing expenses	9	**(204.469)**	(200.330)
Other income	7	**595.221**	491.572
Impairment loss from converting cash deposits into shares	23	**-**	(529.910)
Operating (loss)/profit		**(149.834)**	147.802
Finance costs	11	**(1.167.671)**	(908.511)
Share of loss of investment in associates	18	**(456.146)**	(2.871.320)
Loss before tax		**(1.773.651)**	(3.632.029)
Taxes	12	**(3.468)**	(9.752)
Loss for the year		**(1.777.119)**	(3.641.781)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of movement of reserves of associates	18	**26.573**	(3.623.180)
Total comprehensive loss for the year		**(1.750.546)**	(7.264.961)
Loss per share based on the weighted average number of ordinary shares (cents per share):			
- Basic and fully diluted	14	**(1,38)**	(3,64)

The notes on pages 17 to 61 are an integral part of these financial statements.

K + G Complex Public Company Limited

Company's statement of comprehensive income for the year ended 31 December 2014

	Note	2014 €	2013 €
Sales	6	-	1.600.000
Cost of sales	9	-	(478.990)
Gross profit		**-**	1.121.010
Administrative expenses	9	**(524.301)**	(537.671)
Selling and marketing expenses	9	**(204.469)**	(200.330)
Other income	7	**672.154**	568.650
Impairment loss from converting cash deposits into shares	23	-	(529.910)
Other losses	8	-	(200.000)
Operating profit		**(56.616)**	221.749
Finance costs	11	**(1.317.551)**	(1.046.545)
Loss before tax		**(1.374.167)**	(824.796)
Taxes	12	**(3.468)**	(15.922)
Total comprehensive loss for the year		**(1.377.635)**	(840.718)

The notes on pages 17 to 61 are an integral part of these financial statements.

K + G Complex Public Company Limited

Consolidated balance sheet at 31 December 2014

	Note	**2014 €**	2013 €
Assets			
Non-current assets			
Property, plant and equipment	17	**30.104**	40.311
Investments in associates	18	**84.790.001**	85.219.574
Non-current receivables	20	**4.840.335**	3.832.513
		89.660.440	89.092.398
Current assets			
Available-for-sale financial assets	23	**-**	158.285
Inventories	21	**6.963.118**	6.963.118
Trade and other receivables	22	**6.634.216**	6.959.314
Tax refundable		**92.981**	92.988
Cash and cash equivalents	24	**61.065**	969.086
		13.751.380	15.142.791
Total assets		**103.411.820**	104.235.189
Equity and liabilities			
Capital and reserves			
Share capital	25	**21.859.647**	21.859.647
Share premium	25	**1.757.006**	1.757.006
Reserve of changes in equity of associates		**(7.631.114)**	(7.657.688)
Reserve arising on translation of share capital into Euro		**86.014**	86.014
Retained earnings		**66.343.926**	68.121.046
Total equity		**82.415.479**	84.166.025
Non-current liabilities			
Borrowings	26	**17.845.366**	17.737.900
Deferred income tax liabilities	27	**19.700**	19.700
		17.865.066	17.757.600
Current liabilities			
Trade and other payables	28	**361.198**	511.382
Borrowings	26	**2.770.077**	1.800.182
		3.131.275	2.311.564
Total liabilities		**20.996.341**	20.069.164
Total equity and liabilities		**103.411.820**	104.235.189

On 28 April 2015 the Board of Directors of K + G Complex Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Executive Chairman

Costas St. Galatariotis, Director

The notes on pages 17 to 61 are an integral part of these financial statements.

K + G Complex Public Company Limited

Company's balance sheet
at 31 December 2014

	Note	2014 €	2013 €
Assets			
Non current assets			
Property, plant and equipment	17	**30.104**	40.311
Investments in subsidiaries	19	**3.000.000**	3.000.000
Investments in associates	18	**32.953.008**	32.953.010
Non-current receivables	20	**4.840.335**	3.832.513
		40.823.447	39.825.834
Current assets			
Available-for-sale financial assets	23	**-**	158.285
Inventories	21	**6.807.643**	6.807.643
Trade and other receivables	22	**6.133.946**	6.455.088
Tax refundable		**86.106**	86.113
Cash and cash equivalents	24	**61.065**	969.086
		13.088.760	14.476.215
Total assets		**53.912.207**	54.302.049
Equity and liabilities			
Capital and reserves			
Share capital	25	**21.859.647**	21.859.647
Share premium	25	**1.757.006**	1.757.006
Reserve arising on translation of share capital into Euro		**86.014**	86.014
Retained earnings		**7.103.078**	8.480.713
		30.805.745	32.183.380
Non current liabilities			
Borrowings	26	**20.324.812**	20.152.038
		20.324.812	20.152.038
Current liabilities			
Trade and other payables	28	**24.700**	174.450
Borrowings	26	**2.756.950**	1.792.181
		2.781.650	1.966.631
Total liabilities		**23.106.462**	22.118.669
Total equity and liabilities		**53.912.207**	54.302.049

On 28 April 2015 the Board of Directors of K + G Complex Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Executive Chairman

Costas St. Galatariotis, Director

The notes on pages 17 to 61 are an integral part of these financial statements.

K + G Complex Public Company Limited

Consolidated statement of changes in equity for the year ended 31 December 2014

	Share capital €	Share premium [(2)] €	Reserve arising on translation of share capital into Euro [(2)] €	Reserve of changes in equity of associates [(2)] €	Retained earnings [(1)] €	Total €
Balance at 1 January 2013	17.000.000	1.757.006	86.014	(4.034.508)	76.762.827	91.571.339
Comprehensive loss						
Loss for the year	-	-	-	-	(3.641.781)	(3.641.781)
Other comprehensive income						
Share of other comprehensive income of associates (Note 18)	-	-	-	(3.623.180)	-	(3.623.180)
Total comprehensive loss for the year 2013	-	-	-	(3.623.180)	(3.641.781)	(7.264.961)
Transactions with owners						
Dividend relating to 2011 profits (Note 13)	-	-	-	-	(5.000.000)	(5.000.000)
Issue of share capital (Note 25)	4.859.647	-	-	-	-	4.859.647
Total transactions with owners	4.859.647	-	-	-	(5.000.000)	(140.353)
Balance at 31 December 2013/ 1 January 2014	21.859.647	1.757.006	86.014	(7.657.688)	68.121.046	84.166.025
Comprehensive loss						
Loss for the year	-	-	-	-	(1.777.119)	(1.777.119)
Other comprehensive income						
Share of other comprehensive income of associates (Note 18)	-	-	-	26.573	-	26.573
Net loss						
Total comprehensive loss for the year 2014	-	-	-	26.573	(1.777.119)	(1.750.546)
Balance at 31 December 2014	**21.859.647**	**1.757.006**	**86.014**	**(7.631.114)**	**66.343.926**	**82.415.479**

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

(2) The share premium reserve, the reserve of changes in equity of associates and the reserve arising on translation of share capital into Euro are not available for distribution in the form of dividends.

The notes on pages 17 to 61 are an integral part of these financial statements.

K + G Complex Public Company Limited

Company's statement of changes in equity for the year ended 31 December 2014

	Share Capital €	Share premium [(2)] €	Reserve arising on translation of share capital into Euro [(2)] €	Retained earnings [(1)] €	Total €
Balance at 1 January 2013	17.000.000	1.757.006	86.014	14.321.431	33.164.451
Comprehensive loss					
Loss for the year	-	-	-	(840.718)	(840.718)
Total comprehensive loss for the year 2013	-	-	-	(840.718)	(840.718)
Transactions with owners					
Dividend relating to 2011 profits (Note 13)	-	-	-	(5.000.000)	(5.000.000)
Issue of share capital (Note 25)	4.859.647	-	-	-	4.859.647
Total transactions with owners	4.859.647	-	-	(5.000.000)	(140.353)
Balance at 31 December 2013/1 January 2014	21.859.647	1.757.006	86.014	8.480.713	32.183.386
Comprehensive loss					
Loss for the year	-	-	-	(1.377.635)	(1.377.365)
Total comprehensive loss for the year 2014	-	-	-	(1.377.635)	(1.377.365)
Balance at 31 December 2014	**21.859.647**	**1.757.006**	**86.014**	**7.103.078**	**30.805.745**

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

(2) The share premium reserve, the reserve arising on translation of share capital into Euro are not available for distribution in the form of dividends.

The notes on pages 17 to 61 are an integral part of these financial statements.

K + G Complex Public Company Limited

Consolidated statement of cash flows for the year ended 31 December 2014

	Note	**2014** **€**	2013 €
Cash flows from operating activities			
Loss before tax		**(1.719.996)**	(3.632.029)
Adjustments for:			
Depreciation of property, plant and equipment	17	**10.207**	8.638
Interest expense	11	**1.167.671**	908.511
Interest income	7	**(591.804)**	(491.572)
Share of loss of associates	18	**456.146**	2.871.320
Impairment of available-for-sale financial assets	23	**-**	529.910
		(677.776)	194.778
Changes in working capital:			
Inventories		**-**	270.814
Trade and other receivables		**(122.897)**	268.741
Trade and other payables		**(150.184)**	(219.913)
Cash generated from operations		**(950.857)**	514.420
Tax paid		**(143.813)**	(56.209)
Net cash generated from operating activities		**(1.094.670)**	458.211
Cash flows from investing activities			
Loans granted to related parties	29(vii)	**(817.479)**	(4.643.851)
Repayments of loans from related parties	29(vii)	**868.000**	803.659
Investments in deposits with original maturity over three months	24	**(60.351)**	(543.158)
Deposits converted into shares	23	**-**	(688.195)
Interest received	24	**591.804**	491.572
Proceeds from sale of shares		**158.285**	-
Net cash used in investing activities		**740.259**	(4.579.973)
Cash flows from financing activities			
Repayments of credit balances with related parties		**(384.884)**	-
Interest paid		**(655.811)**	(691.927)
Net cash used in financing activities		**(1.040.695)**	(691.927)
Net decrease in cash, cash equivalents and bank overdrafts		**(1.395.106)**	(4.813.689)
Cash, cash equivalents and bank overdrafts at the beginning of the year		**(1.374.254)**	3.439.435
Cash, cash equivalents and bank overdrafts at the end of the year	24	**(2.769.360)**	(1.374.254)

Material non-cash transactions are presented in notes 20, 22 and 29(iii).

The notes on pages 17 to 61 are an integral part of these financial statements.

K + G Complex Public Company Limited

Company's statement of cash flows for the year ended 31 December 2014

	Note	2014 €	2013 €
Cash flows from operating activities			
Loss before tax		**(1.374.167)**	(824.796)
Adjustments for:			
Depreciation of property, plant and equipment	17	**10.207**	8.638
Interest income	7	**(591.804)**	(491.538)
Interest expense	11	**1.317.551**	1.046.545
Dividend income	7	**-**	(77.112)
Impairment of investment in subsidiary	19	**-**	200.000
Impairment of available-for-sale financial assets	23	**-**	529.910
		(638.213)	391.647
Changes in working capital:			
Inventories		**-**	270.814
Trade and other receivables		**(126.852)**	(174.997)
Trade and other payables		**(149.750)**	(221.526)
Cash generated from operations		**(914.815)**	265.938
Tax paid		**(143.813)**	(48.529)
Net cash generated from operating activities		**(1.058.628)**	217.407
Cash flows from investing activities			
Loans to related parties	29 (vii)	**(817.479)**	(4.643.851)
Repayments of loans from related parties	29 (vii)	**863.000**	803.059
Investments in deposits with original maturity over three months	24	**(60.351)**	(543.158)
Deposits converted into shares	23	**-**	(688.195)
Interest income		**591.804**	491.538
Proceeds from sale of shares		**158.285**	-
Net cash used in investing activities		**735.259**	(4.580.007)
Cash flows from financing activities			
Repayments of credit balances with related parties		**(411.579)**	-
Proceeds from borrowings from subsidiary company	29 (vi)	**-**	290.000
Interest paid		**(655.033)**	(743.219)
Net cash used in financing activities		**(1.066.612)**	(453.219)
Net decrease in cash, cash equivalents and bank overdrafts		**(1.389.981)**	(5.669.243)
Cash, cash equivalents and bank overdrafts at the beginning of the year		**(1.366.253)**	3.449.564
Cash, cash equivalents and bank overdrafts at the end of the year	24	**(2.756.234)**	(1.366.253)

The notes on pages 17 to 61 are an integral part of these financial statements.

Notes to the financial statements

1 General information

Country of incorporation

K+G Complex Public Company Limited (the “Company”) was incorporated in Cyprus in June 1980, as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113, and in May 1981 became a public company. The Company is listed on the Cyprus Stock Exchange. Its registered office of the Company is at 197 Makarios III Avenue, Gala Tower, CY-3030 Limassol, Cyprus.

Principal activities

The principal activities of the Company and the Group, which are unchanged from last year, are the following:

(a) Development and sale of residential units
(b) Development and sale of land located in the Amathus area of Limassol
(c) Holding of investments

Operating environment of the Group and the Company

(a) Operating environment of the Group and the Company

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking sector in conjunction with the inability of the Republic of Cyprus to borrow from international markets. These events led to negotiations between the Republic of Cyprus and the European Commission, the European Central Bank and the International Monetary Fund (the “Troika”) for financial support which resulted into the Eurogroup decision on 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through a “bail in”. Additionally, during 2013 and 2014 the Cyprus economy further contracted with a decrease in the Gross Domestic Product.

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

1 General information (continued)

Operating environment of the Group and the Company (continued)

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

The Company's management has assessed:

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

(2) Whether the net realizable value for the Group's and Company's inventory exceeds cost. When the net realizable value is below cost, the excess should be charged to the profit or loss for the year.

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

On the basis of the evaluation performed, the Company's management has concluded that no additional provisions or impairment charges are deemed necessary.

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

2 Summary of significant accounting policies

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

Basis of preparation

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

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2014 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

2 Summary of significant accounting policies (continued)

Basis of preparation (continued)

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

Adoption of new and revised IFRSs

During the current year the Company and the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company and the Group with the exception of the following:

- IFRS 10, Consolidated financial statements'. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- IFRS 12, "Disclosures of Interests in Other Entities". IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 sets out the required disclosures for entities reporting under the two new standards: IFRS 10, Consolidated financial statements, and IFRS 11, Joint arrangements, and replaces the disclosure requirements currently found in IAS 28, Investments in associates. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

- To meet these objectives, the new standard requires disclosures in a number of areas, including significant judgments and assumptions made in determining whether an entity controls, jointly controls, or significantly influences its interests in other entities, extended disclosures on share of non-controlling interests in group activities and cash flows, summarised financial information of subsidiaries with material non-controlling interests, and detailed disclosures of interests in unconsolidated structured entities. Refer to Note 18 for the relevant disclosures.

- IAS 28, Investments in Associates and Joint Ventures. The amendment of IAS 28 resulted from the Board's project on joint ventures. When discussing that project, the Board decided to incorporate the accounting for joint ventures using the equity method into IAS 28 because this method is applicable to both joint ventures and associates. With this exception, other guidance remained unchanged.

- IAS 27, "Separate Financial Statements" was changed and its objective is now to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The guidance on control and consolidated financial statements was replaced by IFRS 10, Consolidated Financial Statements.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual accounting periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. The Group and the company are currently evaluating the effect of the following in the financial statements.

- Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 January 2015). The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.

- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32. The amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms.

- Transition Guidance Amendments to IFRS 10, IFRS 11 and IFRS 12. The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements. Entities adopting IFRS 10 should assess control at the first day of the annual period in which IFRS 10 is adopted, and if the consolidation conclusion under IFRS 10 differs from IAS 27 and SIC 12, the immediately preceding comparative period (that is, year 2013 for a calendar year-end entity that adopts IFRS 10 in 2014) is restated, unless impracticable. The amendments also provide additional transition relief in IFRS 10, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities, by limiting the requirement to provide adjusted comparative information only for the immediately preceding comparative period. Further, the amendments will remove the requirement to present comparative information for disclosures related to unconsolidated structured entities for periods before IFRS 12 is first applied.

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

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

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

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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

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

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

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

- IFRIC 21 - Levies (effective for annual periods beginning 17 June 2014). The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional.

- IFRS 15, Revenue from Contracts with Customers (issued on 28 May 2014 and effective for the periods beginning on or after 1 January 2017)*. The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- Equity Method in Separate Financial Statements - Amendments to IAS 27 (effective for annual periods beginning 1 January 2016*). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after 1 January 2016)*. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.

  * Denotes standards, interpretations and amendments which have not yet been endorsed by the European Union.

Consolidated financial statements

The consolidated financial statements include the financial statements of K + G Complex Public Company Limited, its subsidiary company and its associates.

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

2 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

(2) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition net of any accumulated impairment losses.

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

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

2 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(2) Associates (continued)

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

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

Separate financial statements of the Company

(1) Investment in Subsidiaries

Subsidiaries are those companies and other entities (including special purpose entities) in which the Company directly or indirectly, has an interest of more than 50% of the voting rights, or otherwise has the power to govern the financial and operating policies so as to obtain economic benefits. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

(2) Associates

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

Investments in associates are measured at cost less impairment. Investments in associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

2 Summary of significant accounting policies (continued)

Segment reporting

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

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's and Group's activities. Revenue is shown net of value added tax and discounts.

The Company and the Group recognise revenues when the amount of revenue can be reliably estimated, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's and Group's activities as described below. The Company and the Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenues earned by the Company and the Group are recognised on the following bases:

(i) Sale of immovable property

Income from the sale of immovable property is recognised upon delivery. This usually happens when the Company and the Group has sold or delivered the goods to the customer, the customer has accepted the goods and the repayment of the corresponding receivable is virtually certain.

(ii) Interest income

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

(iii) Dividend income

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

2 Summary of significant accounting policies (continued)

Employee benefits

The Company/the Group and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition, the Company/the Group operated a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme was funded by payments from employees and by the Company/the Group. The Company's/the Group's contributions were expensed as incurred and were included in staff costs. The Company/the Group had no further payment obligations once the contributions have been paid. Prepaid contributions were recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. During the year the Group dissolved this fund.

Foreign currency translation

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

Current and deferred income tax

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

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

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

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

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

2 Summary of significant accounting policies (continued)

Dividend distribution

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

Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Motor vehicles	20
Furniture and office equipment	10

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

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

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

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

Impairment of non financial assets

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

2 Summary of significant accounting policies (continued)

Financial assets

(i) Classification

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

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

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

- **Loans and receivables**

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

(ii) Recognition and measurement

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

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

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

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

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(iii) Impairment of financial assets

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

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

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

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

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2 Summary of significant accounting policies (continued)

Trade receivables

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

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company/the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within ‘selling and marketing costs’. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against ‘selling and marketing costs’ in profit or loss.

Share capital

Ordinary shares are classified as equity.

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

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

Provisions

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

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

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Company/the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Company/the Group are not provided in advance. Provisions are not recognised for future operating losses.

2 Summary of significant accounting policies (continued)

Borrowings

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

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

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

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

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

Trade payables

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

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

2 Summary of significant accounting policies (continued)

Cash and cash equivalents

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

3 Financial risk management

(i) Financial risk factors

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

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

- **Cash flow interest rate risk**

The Company and the Group have significant interest bearing assets, which mainly represent cash held at bank which bear interest at market variable rates.

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

At 31 December 2014 and 2013, if interest rates on Euro denominated borrowings fluctuated as presented below, with all other variables held constant the post tax loss for the year would have been affected as presented in the table below:

	The Group		The Company	
	Interest rate-lower/higher %	**Effect on the loss for the year €**	**Interest rate-lower/higher %**	**Effect on the loss for the year €**
2014				
Euro	0,5	90.193 Higher/lower	0,5	100.983 Higher/lower
2013				
Euro	0,5	85.479 Higher/lower	0,5	96.006 Higher/lower

The effect on results for the year after tax charge is a result of higher/lower interest expense on floating rate bank borrowings.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables with related companies and committed transactions. Refer to Note 16 for further information regarding credit risk.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

- **Liquidity risk**

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

The Group

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €	Over 5 Years €
At 31 December 2013				
Borrowings	2.706.885	789.691	19.843.743	-
Trade and other payables	371.037	-	-	-
	3.078.192	789.691	19.843.743	-
At 31 December 2014				
Borrowings	3.664.048	799.472	19.177.820	-
Trade and other payables	361.464	-	-	-
	4.025.512	799.472	19.177.820	-

The Company

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €	Over 5 Years €
At 31 December 2013				
Borrowings	2.698.364	789.691	22.581.919	-
Trade and other payables	34.105	-	-	-
	2.732.469	789.691	22.581.919	-
At 31 December 2014				
Borrowings	3.650.069	799.472	21.967.882	-
Trade and other payables	24.700	-	-	-
	3.674.769	799.472	21.967.882	-

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Liquidity risk (continued)**

  Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Board of Directors maintains flexibility in funding by maintaining availability under committed credit lines.

  The Board of Directors monitors rolling forecasts of the Company's and the Group liquidity reserve (comprises undrawn borrowing facility (Note 26) and cash and cash equivalents (Note 24)) on the basis of expected cash flow.

(ii) Capital risk management

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

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

The gearing ratios at 31 December 2014 and 2013 were as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Total borrowings (Note 26)	**20.615.443**	19.538.082	**23.081.772**	21.944.219
Less: cash and cash equivalents (Note 24)	**(61.065)**	(969.086)	**(61.065)**	(969.086)
Net debt	**20.554.378**	18.568.996	**23.020.707**	20.975.133
Total equity	**82.415.479**	84.166.025	**30.805.744**	32.183.380
Total capital as defined by management	**102.996.940**	102.735.021	**53.826.451**	53.158.513
Gearing ratio	**20%**	18%	**43%**	39%

The increase in the gearing ratio during 2014 resulted primarily from the decrease in total cash and cash equivalents and the decrease in the equity of the Group and the Company due to the loss for the year.

3 Financial risk management (continued)

(iii) Fair value estimation

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

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

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

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

The Company and the Group owned no assets that are measured at fair value at 31 December 2014.

The following table presents the Company's and Group's financial assets and liabilities that are measured at fair value at 31 December 2013.

	Level 1	Level 2	Level 3	Total
	€	€	€	€
At 31 December 2013				
Assets				
Financial assets at fair value through profit or loss:				
- Equity securities	-	-	158.285	158.285
Total financial assets measured at fair value	-	-	158.285	158.285

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

Specific valuation techniques used to value financial instruments include:

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

3 Financial risk management (continued)

(iii) Fair value estimation (continued)

The following table presents the changes in Level 3 investments for the years ended 31 December 2014:

	Equity securities €	Total €
At 1 January 2014	158.285	158.285
Sale of shares	(158.285)	(158.285)
At 31 December 2014	-	-
Total losses for the period included in profit or loss for assets held at the end of the reporting period under other gains/losses	-	-
Changes in unrealised gains or losses for the year included in profit or loss for assets held at the end of the reporting period.	-	-

The following table presents the changes in Level 3 investments for the year ended 31 December 2013:

	Equity securities €	Total €
At 1 January 2013	-	-
Addition	158.285	158.285
At 31 December 2013	158.285	158.285
Total losses for the period included in profit or loss for assets held at the end of the reporting period under other gains/losses	529.910	529.910
Changes in unrealised gains or losses for the year included in profit or loss for assets held at the end of the reporting period.	529.910	529.910

In 2014, the Company/Group sold shares of Bank of Cyprus for €158.285 which were valued using a Level 3 valuation. The fair value of the shares acquired by the Company/Group was determined by the Board of Directors in 2013 based on the selling price of these shares in January 2014 (Note 23).

4 Critical accounting estimates and judgments

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

(i) Critical accounting estimates and assumptions

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

- **Impairment of trade receivables**

  The Company and the Group follows the guidance of IAS 39 on determining when trade receivables are impaired. The Group estimates the recoverable amount of trade receivables, when there are indications for impairment. This determination requires significant judgement. In making this judgement, the Group evaluates, the future cash flows from trade receivables. The Board of Directors believes that no additional credit risk beyond amounts already provided for collection losses is inherent in the Company's and Group's trade receivables.

- **Impairment of investments in subsidiary and associated companies**

  The Company and the Group follows the guidance of IAS 36 "Impairment of assets" in determining whether a non current asset is impaired. The Company and the Group review the carrying value for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

  As at 31 December 2014, the Company and the Group assessed whether the investments in subsidiary and associated companies have been impaired, in accordance with the accounting policies disclosed in Note 2. The recoverable amounts of the assets or the cash generating units have been determined based on their fair value. The fair value calculations are based on the fair value of the subsidiary and associated companies' net assets. The recoverable amounts have been compared with the carrying values of the investments as at 31 December 2014. Following the impairment test, the Company and the Group did not recognise any impairment charge for the investments in subsidiary and associated companies.

4 Critical accounting estimates and judgments (continued)

- **Impairment loss on bank deposits during 2013**

  As of 26 March 2013, the Company/Group held deposits of €1.448.831 in Bank of Cyprus. Following the Eurogroup decision on 25 March 2013, the Company's/ Group's uninsured bank deposit balances with Bank of Cyprus have suffered an impairment loss. In estimating the impairment loss on the uninsured bank balances with Bank of Cyprus held as of 26 March 2013, the Company/Group has considered that there was no impairment loss on the bank deposits which have not been converted into shares, but an impairment loss was incurred as a result of the conversion of 47,5% of the uninsured bank deposits into ordinary shares of Bank of Cyprus. The impairment loss has been estimated at €529.910, being the difference between the deposit balance of €688.195 which was converted into 688.195 ordinary shares of Bank of Cyprus and the fair value of these shares which has been estimated at €0,23 per share which were sold in January 2014 for €158.285 (fair value).

  In the absence of a listed market price for the Bank of Cyprus shares, and in view of the significant changes in the activities, operations and structure of Bank of Cyprus as a result of the Eurogroup decisions in March 2013, the Company/the Group has estimated the fair value of the shares both for the purposes of initial recognition of the shares and as of 31 December 2013, using a Level 3 valuation. The approach followed in this valuation considered the price which the shares were sold in January 2014.

(ii) Critical judgments in applying the Group's/ Company's accounting policies

There were no significant critical judgments in applying the Group's and the Company's accounting policies.

5 Segment information

The revenue of Company and the Group, relates to income from the sale of immovable property in Cyprus.

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

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

(1) Development and sale of land
(2) Holding of investments

The Board of Directors of the Company assesses the performance of the operating segments based on a measure of losses before interest, taxes, depreciation and amortization (EBITDA). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not allocated to segments. Other information presented, is accounted as per the financial statements. All the assets of the Group are situated in Cyprus. The Group does not have any major clients.

5 Segment information (continued)

The segment information provided to the Board of Director of the Company for the reportable segments is as follows:

For the year ended 31 December 2014

	Development and sale of land €	Holding of investments €	Total €
Segment revenue	-	-	-
Loss before interest, taxes, depreciation and amortisation	(956.187)	-	(956.187)
Depreciation and impairment	10.209	-	10.209
Income tax expense	(3.468)	-	(3.468)
Share of loss of associates	-	(456.146)	(456.146)
Total segment assets	18.621.819	84.790.001	103.411.820
Total assets include: Investments in associates	-	84.817.083	84.817.083
Additions of non-current receivables	1.007.822	-	1.007.822
Total segment liabilities	20.996.341	-	20.996.341

For the year ended 31 December 2013

	Development and sale of land €	Holding of investments €	Total €
Segment revenue	1.910.000	-	1.910.000
Earnings before interest, taxes, depreciation and amortisation	194.778	-	194.778
Depreciation and impairment	538.548	-	538.548
Income tax expense	9.752	-	9.752
Share of loss of associate	-	(2.871.320)	(2.871.320)
Total segment assets	19.015.615	85.219.574	104.235.189
Total assets includes: Investments in associates	-	85.219.574	85.219.574
Additions of non-current receivables	2.016.870	-	2.016.870
Total segment liabilities	20.069.164	-	20.069.164

5 Segment information (continued)

Reconciliation of segment results

Results before interest, taxes, depreciation and amortization differs from the total losses before tax and uncontinued operations as follows:

	2014 €	2013 €
Results before interest, taxes, depreciation and amortisation	**(956.187)**	194.778
Depreciation and impairment	**(10.209)**	(538.548)
Interest income	**595.221**	491.572
Operating (loss)/profit	**(371.175)**	147.802
Finance costs	**(946.330)**	(908.511)
Share of loss of associates	**(456.146)**	(2.871.320)
Loss before tax	**(1.773.651)**	(3.632.029)

6 Revenue

	The Group		The Company	
	2014 €	2013 €	2014 €	2013 €
Sale of plots	**-**	1.910.000	**-**	1.600.000

7 Other income

	The Group		The Company	
	2014 €	2013 €	2014 €	2013 €
Interest income:				
Bank balances	**11.562**	67.130	**11.562**	67.130
Debtors	**-**	34	**-**	-
Loans to related companies (Note 29(ii))	**553.156**	419.185	**553.156**	419.185
Receivables from related companies (Note 29(ii))	**25.005**	3.314	**25.005**	3.314
Other receivables	**5.498**	1.909	**2.081**	1.909
Total interest income	**594.221**	491.572	**591.804**	491.538
Other income	**-**	-	**-**	-
Dividend income (Note 29(iii))	**-**	-	**80.350**	77.112
	594.221	491.572	**672.154**	568.650

8 Other losses

	The Group		The Company	
	2014 €	2013 €	2014 €	2013 €
Impairment of investment in subsidiary	**-**	-	**-**	200.000

9 Expenses by nature

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Cost of goods sold	**-**	625.322	**-**	270.814
Other direct costs	**15.661**	13.740	**15.661**	8.176
Depreciation of property, plant and equipment (Note 17)	**10.209**	8.638	**10.209**	8.638
Tax and licences	**1.112**	10.328	**845**	6.840
Legal and professional fees	**3.741**	27.756	**885**	18.732
Management fees (Note 29 (i))	**390.441**	378.245	**383.188**	372.345
Selling and distribution expenses	**188.809**	400.330	**188.808**	400.330
Directors' fees	**2.000**	2.400	**2.000**	2.400
Staff and related costs (Note 10)	**36.909**	42.650	**36.909**	42.650
Auditor's remuneration charged by the statutory auditor -audit services	**18.100**	19.100	**15.500**	16.000
Other expenses	**78.073**	74.339	**74.765**	70.066
Trade receivables - Impairment charge (Note 22)	**-**	121.012	**-**	-
Total cost of goods sold, selling costs and administrative expenses	**745.055**	1.723.860	**728.770**	1.216.991

There were no other services charged by the statutory audit firm during the year.

10 Staff costs

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Wages and salaries	**35.370**	40.152	**35.370**	40.152
Employer's and other contributions	**1.539**	2.498	**1.539**	2.498
	36.909	42.650	**36.909**	42.650

11 Finance costs

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Interest expense:				
Bank borrowings and overdrafts	**946.330**	908.511	**945.552**	907.803
Payable to subsidiary company (Note 29 (ii))	**-**	-	**150.658**	-
Bank charges	**221.341**	-	**221.341**	138.742
	1.167.671	908.511	**1.371.551**	1.046.545

12 Income tax expense

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Current tax charge:				
Defence contribution	**3.468**	15.922	**3.468**	15.922
	3.468	15.922	**3.468**	15.922
Deferred tax:				
Creation and reversal of temporary differences (Note 27)	**-**	(6.170)	**-**	-
Income tax expense	**3.468**	9.752	**3.468**	15.922

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

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Loss before tax	**(1.773.651)**	(3.632.029)	**(1.374.167)**	(824.796)
Tax calculated at the applicable corporation tax rate of 12,5%	**(221.706)**	(454.004)	**(171.771)**	(103.100)
Tax effect of expenses not deductible for tax purposes	**-**	508.082	**8.593**	163.688
Tax effect of allowances and income not subject to tax	**-**	(18.160)	**(12.667)**	(18.125)
Tax effect of Group relief	**-**	(42.088)	**-**	(42.463)
Tax effect of tax losses for which no deferred tax liability was recognised	**221.706**	-	**175.845**	-
Special contribution for defence	**3.468**	15.922	**3.468**	15.922
Income tax charge	**3.468**	9.752	**3.468**	15.922

The Company/ Group is subject to income tax on taxable profits at the rate of 12,5% as from 1 January 2013.

As from tax year 2012 brought forward losses of only 5 years may be utilised. Up to 31 December 2008, under certain conditions interest may be subject to special contribution for defence at the rate of 10%. In such cases 50% of the same interest will be exempt from income tax thus having an effective tax rate burden of approximately 15%. From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

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

12 Income tax expense (continued)

Tax effects of components of other comprehensive income

The Group

	Year ended 31 December					
	2014			2013		
	Before tax	**Tax (charge)/ credit**	**After tax**	Before tax	Tax (charge)/ credit	Before tax
	€	**€**	**€**	€	€	€
Associated companies:						
Share of other comprehensive income	**26.573**	**-**	**26.573**	(3.623.180)	-	(3.623.180)
Other comprehensive income	**26.573**	**-**	**26.573**	(3.623.180)	-	(3.623.180)

13 Dividends per share

On 30 December 2013 a dividend of €0,05 per share in the form of shares, amounting to €5.000.000 was paid in relation to the profits for the year 2011. Dividends paid to individuals who are Cyprus tax residents are subject to a deduction of special contribution for defence at the rate of 20%. Therefore, from the dividend paid on 30 December 2013 defence contribution amounting to €140.345 was deducted. The net dividend after the deduction of defence contribution was paid in the form of shares (Note 25).

14 Loss per share

	2014	2013
Loss attributable to the equity holders of the Company (€)	**(1.777.119)**	(3.641.781)
Weighted average number of ordinary shares in issue	**128.586.161**	100.079.406
Loss per share - Basic and diluted (cent per share)	**(1,38)**	(3,64)

15 Financial instruments by category

The Group

	Loans and receivables	Total
	€	€
31 December 2014		
Assets as per balance sheet		
Non-current receivables	4.840.335	4.840.335
Trade and other receivables	6.634.216	6.634.216
Cash and bank balances	61.065	61.065
Total	11.535.616	11.535.616

	Other financial liabilities	Total
	€	€
Liabilities as per balance sheet		
Borrowings	20.615.443	20.615.443
Trade and other payables (excluding statutory liabilities)	361.198	361.198
Total	20.976.641	20.976.641

15 Financial instruments by category (continued)

The Group (continued)

	Available for sale €	Loans and receivables €	Total €
31 December 2013			
Assets as per balance sheet			
Non-current receivables	-	3.832.513	3.832.513
Trade and other receivables	-	6.959.313	6.959.313
Cash and bank balances	-	969.086	969.086
Available for-sale financial assets	158.285		158.285
Total	158.285	11.760.912	11.919.197

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	19.538.082	19.538.082
Trade and other payables (excluding statutory liabilities)	371.037	371.037
Total	19.909.119	19.909.119

The Company

	Loans and receivables €	Total €
31 December 2014		
Assets as per balance sheet		
Non-current receivables	4.840.335	4.840.335
Trade and other receivables	6.133.946	6.133.946
Cash and bank balances	61.065	61.065
Total	11.035.346	11.035.346

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	23.081.762	23.081.762
Trade and other payables (excluding statutory liabilities)	24.700	24.700
Total	23.106.462	23.106.462

15 Financial instruments by category (continued)

The Company (continued)

	Available-for-sale €	Loans and receivables €	Total €
31 December 2013			
Assets as per balance sheet			
Non-current receivables	-	3.832.513	3.832.513
Trade and other receivables	-	6.455.088	6.455.088
Cash and bank balances	-	969.086	969.086
Available-for-sale financial assets	158.285	-	158.285
Total	158.285	11.256.687	11.414.972

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	21.944.219	21.944.219
Trade and other payables (excluding statutory liabilities)	34.105	34.105
Total	21.978.324	21.978.324

16 Credit quality of financial assets

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

	The Group		The Company	
	2014 €	2013 €	**2014 €**	2013 €
Other receivables				
Group 1	**10.930.716**	10.229.012	**10.930.716**	10.229.012
Group 2	**77.576**	72.579	**43.565**	34.612
	11.008.292	10.301.591	**10.974.281**	10.263.624

	The Group		The Company	
	2014 €	2013 €	**2014 €**	2013 €
Cash at bank and short term bank deposits (Moody's)				
Caa3	**61.024**	-	**61.024**	-
Caa2	**41**	142.711	**41**	142.711
Ca	**-**	826.375	**-**	826.375
	61.065	969.086	**61.065**	969.086

Group 1 – Companies within the Group, common control companies and associates with no defaults in the past.

Group 2 – Other receivables with no defaults in the past.

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

17 Property, plant and equipment

The Group

	Furniture and office equipment €	Motor vehicles €	Total €
At 1 January 2013			
Cost	94.680	70.000	**164.680**
Accumulated depreciation	(45.731)	(70.000)	**(115.731)**
Net book amount	48.949	-	**48.949**
Year ended 31 December 2013			
Opening net book amount	48.949	-	**48.949**
Depreciation charge (Note 9)	(8.638)	-	**(8.638)**
Closing net book amount	40.311	-	**40.311**
At 31 December 2013			
Cost	94.680	-	**94.680**
Accumulated depreciation	(54.369)	-	**(54.369)**
Net book amount	40.311	-	**40.311**
Year ended 31 December 2014			
Opening net book amount	40.311	-	**40.311**
Depreciation charge (Note 9)	(10.207)	-	**(10.207)**
Closing net book amount	30.104	-	**30.104**
At 31 December 2014			
Cost	94.680	-	**94.680**
Accumulated depreciation	(64.576)	-	**(64.576)**
Net book amount	30.104	-	**30.104**

17 Property, plant and equipment (continued)

The Company

	Furniture and office equipment €	Motor vehicles €	**Total €**
At 1 January 2013			
Cost	94.680	70.000	**164.680**
Accumulated depreciation	(45.731)	(70.000)	**(115.731)**
Net book amount	48.949	-	**48.949**
Year ended 31 December 2013			
Opening net book amount	48.949	-	**48.949**
Depreciation charge (Note 9)	(8.638)	-	**(8.638)**
Closing net book amount	40.311	-	**40.311**
At 31 December 2013			
Cost	94.680	-	**94.680**
Accumulated depreciation	(54.369)	-	**(54.369)**
Net book amount	40.311	-	**40.311**
Year ended 31 December 2013			
Opening net book amount	40.311	-	**40.311**
Depreciation charge (Note 9)	(10.207)	-	**(10.207)**
Closing net book amount	30.104	-	**30.104**
At 31 December 2014			
Cost	94.680	-	**94.680**
Accumulated depreciation	(64.576)	-	**(64.576)**
Net book amount	30.104	-	**30.104**

18 Investments in associates

	The Group		**The Company**	
	2014 €	2013 €	**2014 €**	2013 €
At beginning of year	**85.219.574**	91.714.074	**32.953.008**	32.953.010
Share of loss after tax	**(456.146)**	(2.871.320)	**-**	-
Share of changes in equity	**26.573**	(3.623.180)	**-**	-
At end of year	**84.790.001**	85.219.574	**32.953.008**	32.953.010

18 Investments in associates (continued)

Set out below are the associates of the Company as at 31 December 2014, which, in the opinion of the Directors, are material to the Company. The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Company; the country of incorporation or registration is also their principal place of business.

Nature of investments in associates in 2014 and 2013:

Name	Country of incorporation	% of ownership interest	Nature of relationship	Measurement method
2014				
C.C.C. Secretarial Limited	Cyprus	20,00	Note 1	Equity Method
The Cyprus Cement Public Company Ltd	Cyprus	32,07	Note 2	Equity Method

Note 1: C.C.C. Secretarial Limited is acting as the secretary of the Companies and meanwhile providing other administrative services.

Note 2: The main activities of The Cyprus Cement Public Company Limited are the development and sale of land as well as providing strategic investment decisions in companies operating in the hotel and tourism sector and in the sector manufacturing and sale of cement.

As a 31 December 2014, the fair value of the Company's interest in The Cyprus Cement Public Company Limited (the "associate"), which is listed on the Cyprus Main Stock Exchange, was €17.635.315 (2013: €11.474.655) and the carrying amount of the Company's interest was €35.602.998 (2013: €35.602.998).

C.C.C. Secretarial Limited is a private company and there is no quoted market price available for its shares.

Significant restrictions

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

Summarised financial information for the associate companies.

Set out below are the summarized financial information for the associate companies C.C.C. Secretarial Limited and The Cyprus Cement Public Company Limited which are accounted for using the equity method.

18 Investments in associates (continued)

Summarised balance sheet

	C.C.C Secretarial Limited As at 31 December		The Cyprus Cement Public Company Limited As at 31 December		Total As at 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	€	€	**€**	€	**€**	€
Current						
Cash and cash equivalents	**465**	106.562	**13.208**	217	**13.673**	106.779
Other current assets	**527.826**	312.720	**2.475.368**	6.499.615	**3.003.194**	6.812.335
Total current assets	**528.291**	419.282	**2.488.576**	6.499.832	**3.016.867**	6.919.114
Financial liabilities (excluding trade payables)	**(82.857)**	(2.160)	**(1.663.518)**	(4.862.220)	**(4.923.192)**	(4.864.380)
Other current liabilities (including trade payables)	**(433.940)**	(423.741)	**(2.135.783)**	(909.981)	**(2.569.723)**	(1.336.722)
Total current liabilities	**(516.797)**	(425.901)	**(3.799.301)**	(5.772.201)	**(7.492.915)**	(6.198.102)
Non-current						
Assets	**45.993**	65.981	**336.382.629**	336.382.629	**336.428.622**	336.448.610
Financial liabilities	**(27.594)**	(34.949)	**(66.621.067)**	(68.300.980)	**(63.471.844)**	(68.335.929)
Other liabilities	**-**	-	**-**	-	**-**	-
Total non-current liabilities	**(27.594)**	(34.949)	**(66.621.067)**	(68.300.980)	**(63.471.844)**	(68.335.929)
Net assets	**29.893**	24.413	**268.450.837**	268.809.280	**268.480.730**	268.833.693

18 Investments in associates (continued)

Summarised statement of comprehensive income

	C.C.C. Secretarial Limited As at 31 December		The Cyprus Cement Public Company Limited As at 31 December		Total As at 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	€	€	**€**	€	**€**	€
Revenue	**1.452.433**	1.553.996	**-**	-	**1.452.433**	1.553.996
Depreciation and amortisation	**(26.362)**	(32.622)	**-**	-	**(26.362)**	(32.622)
Interest income	**-**	-	**637.872**	500	**637.872**	500
Interest expense	**(6.501)**	(8.187)	**(812.396)**	(1.013.735)	**(818.097)**	(1.021.922)
Pre-tax profit from continuing operations	**7.980**	13.664	**(358.180)**	(17.265.555)	**(345.200)**	(17.251.891)
Income tax expense	**(2.500)**	(10.049)	**263**	-	**(2.763)**	(10.049)
Post-tax profit from continuing operations	**5.480**	3.615	**(358.443)**	(17.265.555)	**(352.963)**	17.261.940
Total comprehensive income	**5.480**	3.615	**(358.443)**	(17.265.555)	**(352.963)**	17.261.940
Dividends received from associate	**-**	-	**-**	-	**-**	-

18 Investments in associates (continued)

Summarised financial information for associates (continued)

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

Reconciliation of summarised financial information

	C.C.C. Secretarial Limited As at 31 December		The Cyprus Cement Public Company Limited As at 31 December		Total As at 31 December	
	2014 €	2013 €	**2014 €**	2013 €	**2014 €**	2013 €
Summarised financial information						
Opening net assets 1 January	**24.413**	21.265	**268.809.280**	268.074.835	**268.833.693**	268.830.545
Profit/loss for the period	**5.480**	3.128	**(358.443)**	(17.265.555)	**(352.963)**	(17.262.427)
Other comprehensive income	**-**	-	**-**	-	**-**	-
Foreign exchange differences	**-**	-	**-**	-	**-**	-
Closing net assets	**29.893**	24.393	**268.450.837**	268.809.280	**268.482.730**	268.833.673
Interests in associates (20%;3,07%)	**5.979**	4.879	**84.784.574**	85.215.220	**84.790.553**	85.220.099
	5.979	4.879	**84.784.574**	85.215.220	**84.790.553**	85.220.099

19 Investments in subsidiaries

	2014 €	2013 €
At the beginning of the year	**3.000.000**	3.200.000
Impairment charge (Note 8)	**-**	(200.000)
At the end of the year	**3.000.000**	3.000.000

The details regarding the wholly owned subsidiary undertaking, which unlisted, is as follows:

Name	**Issued share capital**	**Country of incorporation**	**Principal activities**
Galatex Tourist Enterprises Limited	1 750 000	Cyprus	Property development

20 Non-current receivables

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Non- current receivables				
Receivable from associated companies (Note 29(vii))	**4.840.335**	3.832.513	**4.840.335**	3.832.513

The fair value of receivables from associated companies approximates their carrying amount.

In addition, during the year borrowings of €734.756 were provided to the associate company. Borrowings amounting to €164.480 were obtained by the associate company in account of other associated companies.

The loan to the associated company of €4.840.335 (2013: €3.832.515) is not secured and will be repaid by 2018.

None of the non-current receivables is either past due or impaired.

21 Inventories

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Land and development costs	**6.621.405**	6.621.405	**6.621.405**	6.621.405
Completed shops and villas	**341.713**	341.713	**186.238**	186.238
	6.963.118	6.963.118	**6.807.643**	6.807.643

The cost of inventories recognised as expense and included in the cost of sales for 2014 amounted to €nil (2013: €270.714).

Inventories are stated at cost. There were no inventories for which the net book value should decrease to the net realizable value.

The Company's/ Group's borrowings are secured on inventories for the amount of €20 million.

22 Trade and other receivables

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Trade receivables	**492.263**	490.235	**26.004**	23.976
Loans to related parties (Note 29 (viii))	**6.062.787**	6.160.008	**6.062.787**	6.160.008
Receivables from related parties (Note 29 (v))	**27.594**	236.492	**27.594**	236.492
Other receivables	**51.572**	72.579	**17.561**	34.612
	6.634.216	6.959.314	**6.133.946**	6.455.088

During the year, €337.609 was assigned from its ultimate parent company and other related companies (Note 29 (vii)).

22 Trade and other receivables (continued)

Trade receivables that are less than these months due are not considered impaired. As of 31 December 2014, the Company had trade receivables of €26.004 (2013: €23.976) past due but not impaired. The trade receivables of the Group that were past due but not impaired amounted to €492.263 (2013: €490.235). These relate to an number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is an follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Over 6 months	**492.263**	490.235	**26.004**	23.976

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

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Euro	**6.634.216**	6.959.314	**6.133.946**	6.455.088

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

23 Available-for-sale financial assets

	2014	2013
	€	€
Equity securities – Euro	**-**	158.285

The investments represent shares held in Bank of Cyprus, which resulted from the conversion of bank deposits amounting to €688.195 into shares (Note 4). The fair value losses arising amounted to €529.910 and are presented in the statement of comprehensive income and are analysed as follows:

	2014	2013
	€	€
Fair value loss	**-**	529.910

The fair value of equity securities held was estimated by the Board of Directors based on the price sold in January 2014 of 23 euro cents per share. Total proceeds from the sale of shares amounted to €158.285.

24 Cash and cash equivalents

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Cash at bank and in hand	**41**	128	**41**	128
Short term bank deposits	**61.024**	968.958	**61.024**	968.958
	61.065	969.086	**61.065**	969.086

The effective interest rate on short term bank deposits was 3,00% (2013:2,37%). Deposits amounting to €60.351 have an average maturity of more than three months.

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

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Cash and bank balances	**61.066**	969.086	**61.066**	969.086
Less:				
Bank deposits with original maturity over 3 months	**(60.351)**	(543.158)	**(60.351)**	(543.158)
Bank overdrafts (Note 26)	**(2.770.077)**	(1.800.182)	**(2.756.949)**	(1.792.181)
	(2.769.362)	(1.374.254)	**(2.756.234)**	(1.366.253)

Bank deposits with original maturity over 3 months include time deposits with Bank of Cyprus amounting to €60.351 (2013: €543.158) with maturities of six, nine and twelve months for which Bank of Cyprus has the option to renew them for an additional period of the same duration. The Company/Group has classified these balances as current as the Company/Group expects that Bank of Cyprus will not exercise its option to renew these for a further term and the balances will be available for use within the next 12 months from the balance sheet date.

All cash and cash equivalents are denominated in Euro.

25 Share capital and share premium

	Number of shares	Share capital €	Share premium €	**Total €**
At 1 January 2013	100.000.000	17.000.000	1.757.006	**18.757.006**
Issue of shares	28.586.161	4.859.647	-	**4.859.647**
At 31 December 2013/ 1 January 2014/ 31 December 2014	128.586.161	21.859.647	1.757.006	**23.616.653**

25 Share capital and share premium (continued)

The total authorized number of ordinary shares is 500 000 000 shares (2013: 500 000 000 shares) with a par value of €0,17 per share (2013: €0,17 per share). All issued shares are fully paid and carry equal voting rights.

During 2013 the Company issued 28.586.161 ordinary shares with nominal value of €0,17 per share at par, which were paid as a dividend to existing shareholders. During 2014, there was no change in share capital of the Company.

26 Borrowings

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Current				
Bank overdrafts (Note 24)	**2.770.077**	1.800.182	**2.756.949**	1.792.181
	2.770.077	1.800.182	**2.756.949**	1.792.181
Non-current				
Bank borrowings	**17.845.366**	17.737.900	**17.845.366**	17.737.900
Borrowings from subsidiary company (Note 29 (vi))	**-**	-	**2.479.446**	2.414.138
	17.845.366	17.737.900	**20.324.812**	20.152.038
Total borrowings	**20.615.443**	19.538.082	**23.081.761**	21.944.219
Maturities on non-current borrowings				
Between 2 to 5 years	**17.845.366**	17.737.900	**20.324.812**	20.152.038
	17.845.366	17.737.900	**20.324.812**	20.152.038

The bank loans are repayable by monthly installments by August 2018. The bank loans and overdrafts are secured as follows:

(i) By guarantees from the holding company C.C.C. Holdings & Investments Limited (Note 29 (ix)).

(ii) By negative pledge on the Company's assets.

(iii) By mortgage on the Company's land for the amount of €20 million (Note 21).

(iv) Limited corporate guarantee for the amount of €23.920.420 plus interest from C.C.C. Holdings & Investments Public Company Limited (Note 29 (ix)).

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

	2014	2013
	%	%
Borrowings from subsidiary	**6,16**	6,50
Bank borrowings	**4,54**	4,30
Bank overdrafts	**6,07**	6,50

26 Borrowings (continued)

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

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

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
6 months or less	**20.615.443**	19.538.082	**23.081.761**	21.944.219
	20.615.443	19.538.082	**23.081.761**	21.944.219

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

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

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Euro	**20.615.443**	19.538.082	**23.081.761**	21.944.219

The Company and the Group have the following undrawn borrowing facilities:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Floating rate:				
- Expiring within one year	**507.925**	2.376.093	**503.051**	2.366.094

The facilities expiring within one year are annual facilities subject to review at various dates during 2015.

27 Deferred tax liabilities

The analysis of deferred income tax liabilities are as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Deferred income tax liabilities:				
- Deferred tax liabilities to be settled after more than twelve months	**19.700**	19.700	**-**	-

27 Deferred tax liabilities (continued)

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

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
At beginning of year	**19.700**	25.870	**-**	-
Credited to:				
Profit or loss (Note 12)	**-**	(6.170)	**-**	-
At end of year	**19.700**	19.700	**-**	-

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

The Group

Deferred tax liabilities

	Difference in the recognition of gross profits, commissions payable and property tax	**Total**
	€	**€**
At 1 January 2013	25.870	**25.870**
Credited to:		
Profit or loss (Note 12)	(6.170)	**(6.170)**
At 31 December 2013/1 January 2014	19.700	**19.700**
Credited to:		
Profit or loss (Note 12)	-	**-**
31 December 2014	19.700	**19.700**

28 Trade and other payables

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Trade payables	**332.495**	340.648	**6.110**	14.147
Payables to related parties (Note 29 (v))	**7.781**	4.085	**406**	460
Other payables and accrued expenses	**20.922**	26.304	**18.590**	19.498
Special defence contribution on dividends payable	**-**	140.345	**-**	140.345
	361.198	511.382	**24.700**	174.450

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

29 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments Public Company Limited, which is registered in Cyprus and holds 83,81% of the share capital of the Company. The remaining issued share capital is widely held. The ultimate holding company of the Group is George S. Galatariotis & Sons Limited.

The related companies are companies under common control and companies controlled by the Directors of the Company.

The following transactions were carried out with related parties:

(i) Purchase of services from associated companies

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Management services	**390.441**	378.245	**383.188**	372.345
Selling expenses	**185.216**	196.554	**185.216**	196.554
	575.657	574.799	**568.404**	568.899

The services are charged from C.C.C. Secretarial Limited and are based on the time spent by its employees on the affairs of the Company and office space allocated to the Company.

(ii) Interest on balances with related companies

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Interest paid (Note 11):				
Holding company	**-**	-	**-**	-
Subsidiary company	**-**	-	**150.658**	138.742
	-	-	**150.658**	138.742
Interest received (Note 7):				
Ultimate holding company, associated company and companies under common control	**578.161**	422.499	**578.161**	422.499
Associate company	**273.065**	135.361	**273.065**	135.361
Under Common Control	**305.096**	287.138	**305.096**	287.138
	578.161	422.499	**578.161**	422.499

(iii) Dividends receivable from related companies

During 2014, the Company received from its subsidiary, Galatex Tourist Enterprises Limited, dividends amounting to €80.350 (Note 7) which was used to repay its borrowings from an investment in associate.

29 Related party transactions (continued)

(iv) Key management personnel and Directors compensation

The total remuneration of the key management personnel and Directors was as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Fees	**2.000**	2.400	**2.000**	2.400
Emoluments in their executive capacity (Note 10)	**36.909**	42.650	**36.909**	42.650
	38.909	45.050	**38.909**	45.050

The Group and the Company

	Fees	Wages and employer's contributions	Employer's provident fund contributions	Total
	€	€	€	€
Year ended 31 December 2014				
Executive Directors				
George St. Galatariotis	400	35.370	1.539	37.309
Michalis Christoforou	400	-	-	400
Tasos Anastasiou	400	-	-	400
Costas St. Galatariotis	400	-	-	400
Stavros G. St. Galatariotis	400	-	-	400
Total	2.000	35.370	1.539	38.909
Year ended 31 December 2013				
Executive Directors				
George St. Galatariotis	400	40.152	2.498	43.050
Michalis Christoforou	400	-	-	400
Tasos Anastasiou	400	-	-	400
Costas St. Galatariotis	400	-	-	400
Vassos G. Lazarides	400	-	-	400
Stavros G. St. Galatariotis	400	-	-	400
Total	2.400	40.152	2.498	45.050

29 Related party transactions (continued)

(v) Year end balances

	The Group 2014 €	The Group 2013 €	The Company 2014 €	The Company 2013 €
Receivables from related parties (Note 22):				
Associated companies	**27.594**	234.203	**27.594**	234.203
Companies under common control	**-**	2.289	**-**	2.289
	27.594	236.492	**27.594**	236.492
Payable to related parties (Note 28):				
Associated companies	**7.781**	4.085	**406**	460
	7.781	4.085	**406**	460

Balances with related parties bear average annual interest at the rate of 6,25% (2013: 6,50%), are not secured and are payable/receivable on demand.

(vi) Loans from related parties

	The Group 2014 €	The Group 2013 €	The Company 2014 €	The Company 2013 €
Borrowings from subsidiary company:				
At beginning of year	**-**	-	**2.414.138**	2.114.508
Amounts advanced during the year	**-**	-	**-**	290.000
Amounts repaid during the year	**-**	-	**(5.000)**	(52.000)
Interest charged (Note 11)	**-**	-	**150.658**	138.742
Dividend (Note 17)	**-**	-	**(80.350)**	(77.112)
At end of year (Note 26)	**-**	-	**2.479.446**	2.414.138

The loan from the subsidiary company bears average annual interest rate of 6,25% (2013: 6,50%), is not secured and is repayable between 2 and 5 years.

(vii) Loans to related parties

	The Group 2014 €	The Group 2013 €	The Company 2014 €	The Company 2013 €
Loans to the ultimate parent company and associated company and companies under common control:				
At beginning of year	**9.992.521**	6.152.329	**9.992.521**	6.152.329
Amounts advanced during the year	**817.479**	(4.643.851)	**817.479**	4.643.851
Amount received from related parties (Note 22)	**337.609**	-	**337.609**	-
Amounts repaid during the year	**(1.111.014)**	(1.223.442)	**(1.111.014)**	(1.223.442)
Interest charged (Note 7)	**575.976**	419.783	**575.976**	419.783
At end of year (Notes 20 and 22)	**10.612.571**	9.992.521	**10.612.571**	9.992.521

Loans to related parties bear average annual interest at the rate of 6,25% (2013: 6,50%)

29 Related party transactions (continued)

The loan to the associated company amounting to €48540.335 (2013: €3.832.515) is not secured and will be repaid by 2018 (Note 20).

The loan to the ultimate parent company amounting to €5.492.789 (2013: €4.905.242) is secured with corporate guarantees from the related company Galatariotis Enterprises Limited and is repayable on demand with interest of 5,5%. The loans granted to other related companies amounting to €279.447 (2013: €1.254.764) are not secured and are repayable on demand with interest of 6,25%.

(viii) Loan guarantees from related companies

The holding company C.C.C. Holdings & Investments Public Company Limited, has guaranteed a loan provided to the Company which as at 31 December 2014 had a balance of €17.845.366 (2013: €17.737.900).

(ix) Transactions with Directors and related parties

A part from the transactions and balances with Directors and key management and other related parties referred to above, there were no other material transactions with the Company as at 31 December 2014, in which Directors or other related parties had a material interest.

30 Subsidiary undertaking

The subsidiary undertaking of K+G Complex Public Company Limited is as follows:

	Proportion of ordinary shares held by parent company	**Country of incorporation**	**Nature of business**
Galatex Tourist Enterprises Limited	100%	Cyprus	Land developments

31 Events after the balance sheet date

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

Independent auditor's report on pages 7 to 9.