K + G Complex Public Company Limited

Report and financial statements
31 December 2015

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
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 2015, confirm that to the best of our knowledge:

(a) the annual consolidated and separate financial statements which are presented on pages 9 to 60:

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

(ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of 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
25 April 2016

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 Group and the Company for the year ended 31 December 2015.

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 2015 amounted to €200.216 (2014: €1.777.119). On 31 December 2015 the total assets of the Group were €102.616.191 (2014: €103.411.820) and the net assets were €81.985.480 (2014: €82.415.479). The loss of the Company for the year ended 31 December 2015 amounted to €151.811(2014: €1.377.635). On 31 December 2015 the total assets of the Company were €53.506.208 (2014: €53.912.207) and the net assets were €30.653.934 (2014: €30.805.745).

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 as 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 of the Group and the Company in the foreseeable future.

Report of the Board of Directors (continued)

Results

8 The results of the Group and the Company for the year are set out on pages 9,10 and 11. The net profit for the year for the Group and the net loss for the year for the Company is carried forward.

9 The Group's final results for the year 2015 amounted to a profit of €200.216 whereas the indicative results for the year announced on 26 February 2016 amounted to a profit of €199.000. The difference, amounting to €1.216 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 2015 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 2015.

12 In accordance with the Company's Articles of Association Messrs Stavros St. Galatariotis and Tasos Anastasiou 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.

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.

Corporate Governance Code (continued)

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 more than 5% of the issued share capital of the Company with voting rights on 25 April 2016, are as follows:

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

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 2015 and on 25 April 2016 was as follows:

	Interest at 25 April 2016 %	**Interest at 31 December 2015 %**
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.

K + G Complex Public Company Limited

Report of the Board of Directors (continued)

Contracts with Directors and related parties

23 Other than the transactions and the balances with the Directors and related parties referred to in Note 27 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries at 31 December 2015 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, 25 April 2016

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 collectively referred to as the "Group", and the separate financial statements of the Company, which comprise the consolidated balance sheet and the balance sheet of the Company as at 31 December 2015, and the consolidated statements of income, comprehensive income, changes in equity and cash flows, and the statements of comprehensive income, changes in equity and cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

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

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

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

Other matter

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

Liakos M. Theodorou
Certified Public Accountant and Registered Auditor

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

Limassol, Cyprus
25 April 2016

K + G Complex Public Company Limited

Consolidated income statement
for the year ended 31 December 2015

	Note	**2015** €	2014 €
Sales	6	**1.379.000**	-
Cost of sales	8	**(393.325)**	-
Gross profit		**985.675**	-
Administrative expenses		**(469.948)**	(540.586)
Selling and marketing expenses		**(177.203)**	(204.469)
Other income	7	**516.627**	595.221
Operating profit/(loss)		**855.151**	(149.834)
Finance costs	11	**(897.484)**	(1.167.671)
Share of profit/(loss) of investment in associates	17	**242.850**	(456.146)
Profit/(loss) before tax		**200.517**	(1.773.651)
Tax	12	**(301)**	(3.468)
Profit/ (loss) for the year		**200.216**	(1.777.119)
Profit/(loss) per share based on the weighted average number of ordinary shares (cents per share):			
- Basic and fully diluted	13	**0,16**	(1,38)

The notes on pages 18 to 60 are an integral part of these financial statements.

K + G Complex Public Company Limited

Consolidated statement of comprehensive income for the year ended 31 December 2015

	Note	2015 €	2014 €
Profit/(loss) for the year		**200.216**	(1.777.119)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of movement of reserves of associates	17	**(630.214)**	26.573
Total comprehensive loss for the year		**(429.998)**	(1.750.546)

The notes on pages 18 to 60 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 2015

	Note	2015 €	2014 €
Sales	6	**1.379.000**	-
Cost of sales	8	**(393.325)**	-
Gross profit		**985.675**	-
Administrative expenses		**(460.696)**	(524.301)
Selling and marketing expenses		**(177.203)**	(204.469)
Other income	7	**514.989**	672.154
Operating profit/(loss)		**862.765**	(56.616)
Finance costs	11	**(1.014.275)**	(1.317.551)
Loss before tax		**(151.510)**	(1.374.167)
Tax	12	**(301)**	(3.468)
Total comprehensive loss for the year		**(151.811)**	(1.377.635)

The notes on pages 18 to 60 are an integral part of these financial statements.

K + G Complex Public Company Limited

Consolidated balance sheet at 31 December 2015

	Note	**2015 €**	2014 €
Assets			
Non-current assets			
Property, plant and equipment	16	**20.681**	30.104
Investments in associates	17	**84.402.637**	84.790.001
Non-current receivables	19	**4.504.512**	4.840.335
		88.927.830	89.660.440
Current assets			
Inventories	20	**6.592.140**	6.963.118
Trade and other receivables	21	**7.003.240**	6.634.216
Tax refundable		**92.981**	92.981
Cash and cash equivalents	22	**-**	61.065
		13.688.361	13.751.380
Total assets		**102.616.191**	103.411.820
Equity and liabilities			
Capital and reserves			
Share capital	23	**21.859.647**	21.859.647
Share premium	23	**1.757.006**	1.757.006
Reserve of changes in equity of associates		**(8.261.329)**	(7.631.114)
Reserve arising on translation of share capital into Euro		**86.014**	86.014
Retained earnings		**66.544.142**	66.343.926
Total equity		**81.985.480**	82.415.479
Non-current liabilities			
Borrowings	24	**17.824.595**	17.845.366
Deferred income tax liabilities	25	**19.700**	19.700
		17.844.295	17.865.066
Current liabilities			
Trade and other payables	26	**537.047**	361.198
Borrowings	24	**2.248.466**	2.770.077
Tax liabilities		**903**	-
		2.786.416	3.131.275
Total liabilities		**20.630.711**	20.996.341
Total equity and liabilities		**102.616.191**	103.411.820

On 25 April 2016 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 18 to 60 are an integral part of these financial statements.

Company's balance sheet at 31 December 2015

	Note	2015 €	2014 €
Assets			
Non current assets			
Property, plant and equipment	16	**20.681**	30.104
Investments in subsidiaries	18	**3.000.000**	3.000.000
Investments in associates	17	**32.953.008**	32.953.008
Non-current receivables	19	**4.504.512**	4.840.335
		40.478.201	40.823.447
Current assets			
Inventories	20	**6.436.665**	6.807.643
Trade and other receivables	21	**6.505.236**	6.133.946
Tax refundable		**86.106**	86.106
Cash and cash equivalents	22	**-**	61.065
		13.028.007	13.088.760
Total assets		**53.506.208**	53.912.207
Equity and liabilities			
Capital and reserves			
Share capital	23	**21.859.647**	21.859.647
Share premium	23	**1.757.006**	1.757.006
Reserve arising on translation of share capital into Euro		**86.014**	86.014
Retained earnings		**6.951.267**	7.103.078
		30.653.934	30.805.745
Non current liabilities			
Borrowings	24	**20.411.454**	20.324.812
		20.411.454	20.324.812
Current liabilities			
Trade and other payables	26	**207.878**	24.700
Borrowings	24	**2.232.040**	2.756.950
Current income tax liabilities		**902**	-
		2.440.820	2.781.650
Total liabilities		**22.852.274**	23.106.462
Total equity and liabilities		**53.506.208**	53.912.207

On 25 April 2016 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 18 to 60 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 2015

	Share capital €	Share premium [2] €	Reserve arising on translation of share capital into Euros[2] €	Reserve of changes in equity of associates [2] €	Retained earnings [1] €	Total €
Balance at 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 reserves of associates (Note 17)	-	-	-	26.573	-	26.573
Total comprehensive loss for the year 2014	-	-	-	26.573	(1.777.119)	(1.750.546)
Balance at 31 December 2014/ 1 January 2015	21.859.647	1.757.006	86.014	(7.631.115)	66.343.927	82.415.479
Profit for the year	-	-	-	-	200.216	200.216
Other comprehensive income						
Share of reserves of associates (Note 17)	-	-	-	(630.214)	-	(630.214)
Total comprehensive income for the year 2015	-	-	-	(630.214)	200.216	(429.998)
Balance at 31 December 2015	**21.859.647**	**1.757.006**	**86.014**	**(8.261.329)**	**66.544.142**	**81.985.480**

(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 18 to 60 are an integral part of these financial statements.

Company's statement of changes in equity for the year ended 31 December 2015

	Share Capital €	Share premium (2) €	Reserve arising on translation of share capital into Euro (2) €	Retained earnings (1) €	Total €
Balance at 1 January 2014	21.859.647	1.757.006	86.014	8.480.713	32.183.380
Comprehensive loss					
Loss for the year	-	-	-	(1.377.635)	(1.377.635)
Total comprehensive loss for the year 2014	-	-	-	(1.377.635)	(1.377.635)
Balance at 31 December 2014/ 1 January 2015	21.859.647	1.757.006	86.014	7.103.078	30.805.745
Comprehensive loss					
Loss for the year	-	-	-	(151.811)	(151.811)
Total comprehensive loss for the year 2015	-	-	-	(151.811)	(151.811)
Balance at 31 December 2015	**21.859.647**	**1.757.006**	**86.014**	**6.951.267**	**30.653.934**

(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 18 to 60 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 2015

	Note	2015 €	2014 €
Cash flows from operating activities			
Profit/(loss) before tax		**200.517**	(1.719.996)
Adjustments for:			
Depreciation of property, plant and equipment	16	**9.423**	10.207
Interest expense	11	**897.484**	1.167.671
Interest income	7	**(512.627)**	(591.804)
Share of profit/(loss) of associates	17	**(242.850)**	456.146
		351.947	(677.776)
Changes in working capital:			
Inventories		**370.978**	-
Trade and other receivables		**289.619**	(122.897)
Trade and other payables		**27.514**	(150.184)
Cash generated from operations		**1.040.058**	(950.857)
Tax paid		**-**	(143.813)
Net cash generated from/(used in) operating activities		**1.040.058**	(1.094.670)
Cash flows from investing activities			
Loans granted to related parties	27(vii)	**(93.200)**	(817.479)
Repayments of loans from related parties	27(vii)	**428.665**	868.000
Investments in deposits with original maturity over three months	22	**60.351**	(60.351)
Interest received		**3.272**	591.804
Proceeds from sale of shares		**-**	158.285
Net cash generated from investing activities		**399.088**	740.259
Cash flows from financing activities			
Repayments of credit balances with related parties		**-**	(384.886)
Interest paid		**(918.250)**	(655.811)
Net cash used in financing activities		**(918.250)**	(1.040.697)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**520.896**	(1.395.108)
Cash, cash equivalents and bank overdrafts at the beginning of the year		**(2.769.362)**	(1.374.254)
Cash, cash equivalents and bank overdrafts at the end of the year	22	**(2.248.466)**	(2.769.362)

The notes on pages 18 to 60 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 2015

	Note	2015 €	2014 €
Cash flows from operating activities			
Loss before tax		**(151.510)**	(1.374.167)
Adjustments for:			
Depreciation of property, plant and equipment	16	**9.423**	10.207
Interest income	7	**(510.989)**	(591.804)
Interest expense	11	**1.014.275**	1.317.551
		361.199	(638.213)
Changes in working capital:			
Inventories		**370.978**	-
Trade and other receivables		**287.288**	(126.852)
Trade and other payables		**32.602**	(149.750)
Cash generated from/(used in) operations		**1.052.067**	(914.815)
Tax paid		**-**	(143.813)
Net cash generated from/(used in) operating activities		**1.052.067**	(1.058.628)
Cash flows from investing activities			
Loans to related parties	27 (vii)	**(93.200)**	(817.479)
Repayments of loans from related parties	27 (vii)	**428.665**	863.000
Investments in deposits with original maturity over three months	22	**60.351**	(60.351)
Interest income		**3.271**	591.804
Proceeds from sale of shares		**-**	158.285
Net cash generated from investing activities		**399.087**	735.259
Cash flows from financing activities			
Repayments of credit balances with related parties		**(9.328)**	(411.579)
Interest paid		**(917.632)**	(655.033)
Net cash used in financing activities		**(926.960)**	(1.066.612)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**524.194**	(1.389.981)
Cash, cash equivalents and bank overdrafts at the beginning of the year		**(2.756.234)**	(1.366.253)
Cash, cash equivalents and bank overdrafts at the end of the year	22	**(2.232.040)**	(2.756.234)

The notes on pages 18 to 60 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

Following three years of economic recession, the Cyprus economy has recorded positive growth in the first half of 2015. As from April 2015, the restrictive measures and capital controls which were in place since March 2013 have been lifted. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have upgraded the credit ratings for the Cypriot sovereign, however the rating continues to be "non-investment grade". At the same time there are some major downside risks emanating from the high level of non-performing loans in the banking sector and the limited availability of credit.

This operating environment, could affect (1) the ability of the Company/ the Group to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company's/ Group's trade and other debtors to repay the amounts due to the Company/ the Group (3) the ability of the Company/ the Group 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/ Group's management in relation to the impairment assessment for financial and non-financial assets.

The management of the Company/Group has assessed:

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

(2) Whether the net realizable value for the Group's/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.

1 General information (continued)

Operating environment of the Group and the Company (continued)

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

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

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

2 Summary of significant accounting policies

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

Basis of preparation

The consolidated financial statements of K + G Complex Public Company Limited and its subsidiaries (together the "Group") and the separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), 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 2015 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.

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

Adoption of new and revised IFRSs

During the current year the Company/ 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 2015. This adoption did not have a material effect on the accounting policies of the Company/ the Group.

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 periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company/ the Group, except the following set out below:

- Annual Improvements to IFRSs 2012 (issued in December 2013 and effective from the commencement date of its first financial year starting on or after 1 February 2015). The improvements consist of changes to seven standards. IFRS 2 was amended to clarify the definition of a 'vesting condition' and to define separately 'performance condition' and 'service condition'; The amendment is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.IFRS 3 was amended to clarify that (1) an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, and (2) all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. Amendments to IFRS 3 are effective for business combinations where the acquisition date is on or after 1 July 2014.

- IFRS 8 was amended to require (1) disclosure of the judgements made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics, and (2) a reconciliation of segment assets to the entity's assets when segment assets are reported. The basis for conclusions on IFRS 13 was amended to clarify that deletion of certain paragraphs in IAS 39 upon publishing of IFRS 13 was not made with an intention to remove the ability to measure short-term receivables and payables at invoice amount where the impact of discounting is immaterial. IAS 16 and IAS 38 were amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. IAS 24 was amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'), and to require to disclose the amounts charged to the reporting entity by the management entity for services provided.

- Annual Improvements to IFRSs 2014 (issued on 25 September 2014 and effective for annual periods beginning on or after 1 January 2016). The amendments impact 4 standards. IFRS 5 was amended to clarify that change in the manner of disposal (reclassification from "held for sale" to "held for distribution" or vice versa) does not constitute a change to a plan of sale ore distribution, and does not have to be accounted for as such. The amendment to IFRS 7 adds guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement, for the purposes of disclosures required by IFRS 7. The amendment also clarifies that the offsetting disclosures of IFRS 7 are not specifically required for all interim periods, unless required by IAS 34.The amendment to IAS 19 clarifies that for post-employment benefit obligations, the decisions regarding discount rate, existence of deep market in high-quality corporate bonds, or which government bonds to use as a basis, should be based on the currency that the liabilities are denominated in, and not the country where they arise. IAS 34 will require a cross reference from the interim financial statements to the location of "information disclosed elsewhere in the interim financial report".

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- 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. 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.

  iii. 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.

  iv. 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.

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

- Equity Method in Separate Financial Statements - Amendments to IAS 27 (issued on 12 August 2014 and 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.

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- 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.

- Disclosure Initiative Amendments to IAS 1 (issued in December 2014 and effective for annual periods on or after 1 January 2016). The Standard was amended to clarify the concept of materiality and explain that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, even if the IFRS contains a list of specific requirements or describes them as minimum requirements. The Standard also provides new guidance on subtotals in financial statements, in particular, such subtotals (a) should be comprised of line items made up of amounts recognised and measured in accordance with IFRS; (b) be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable; (c) be consistent from period to period; and (d) not be displayed with more prominence than the subtotals and totals required by IFRS.

The Company and the Group are currently assessing the impact of the above amendments on its financial statements.

Consolidated financial statements

The consolidated financial statements include the financial statements of K + G Complex Public Company Limited (the “Company”), its subsidiary companies, which are collectively referred to as the “Group”.

(1) Subsidiaries

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

2 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are 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 unless the transaction provides evidence of an impairment of the transferred asset. When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

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

2 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

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

(2) Associates

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

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

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

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

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

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

2 Summary of significant accounting policies (continued)

Separate financial statements of the Company

(1) Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

(2) Investments in associates

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

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

Segment reporting

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

Revenue recognition

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

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

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

(i) Sales of immovable property

Sales of completed property are recognized when significant risks and rewards of ownership of the property have been transferred to the customer. This is usually when the Group and the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured.

(ii) Interest income

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

(iii) Dividend income

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

Employee benefits

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

Foreign currency translation

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

2 Summary of significant accounting policies (continued)

Current and deferred income tax (continued)

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

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/ the Group where there is an intention to settle the balances on a net basis.

Dividend distribution

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

Property, plant and equipment

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 to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Motor vehicles	20
Furniture and office equipment	10

2 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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.

Financial assets

(i) Classification

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

- **Loans and receivables**

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

2 Summary of significant accounting policies (continued)

Financial assets (continued)

(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.

Loans and receivables are carried at amortised cost using the effective interest method.

(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.

2 Summary of significant accounting policies (continued)

Offsetting financial instruments

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

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.

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.

2 Summary of significant accounting policies (continued)

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.

Borrowings

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

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

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

Borrowing costs are interest and other costs that the 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.

2 Summary of significant accounting policies (continued)

Trade payables

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

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

Cash and cash equivalents

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

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.

- **Market risk**

  Cash flow interest rate risk

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

  The Company's and Group's interest rate risk arises from interest-bearing assets and long-term borrowings. Borrowings issued at variable rates expose the Company and the Group to cash flow interest rate risk.

  Interest-bearing assets and borrowings issued on fixed interest rates expose the Company and the Group to fair value interest rate risk.

  The Board of Directors monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Cash flow interest rate risk (continued)

At 31 December 2015 and 2014, if interest rates on Euro denominated borrowings fluctuated as presented below, with all other variables held constant the post tax profit/loss for the year would have been affected as presented in the table below:

	The Group		The Company	
	Interest rate-lower/higher %	**Effect on the profit/loss for the year €**	**Interest rate-lower/higher %**	**Effect on the loss for the year €**
2015				
Euro	0,5	100.365 Higher/lower	0,5	113.217 Lower/higher
2014				
Euro	0,5	90.193 Higher/lower	0,5	100.983 Lower/higher

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

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables with related companies and committed transactions. Refer to Note 15 for further information regarding credit risk.

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

The Board of Directors does not expect any losses from non-performance by these counterparties.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **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 €
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
At 31 December 2015			
Borrowings	2.992.108	743.642	18.258.387
Trade and other payables	537.047	-	-
	3.529.155	743.462	18.258.387

The Company

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €
At 31 December 2014			
Borrowings	3.650.069	799.472	21.976.882
Trade and other payables	24.700	-	-
	3.674.769	799.472	21.976.882
At 31 December 2015			
Borrowings	3.098.558	866.518	20.855.485
Trade and other payables	207.878	-	-
	3.306.436	866.518	20.855.485

Prudent liquidity risk management implies maintaining sufficient cash and 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 24) and cash and cash equivalents (Note 22) on the basis of expected cash flow.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

(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/Group 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 2015 and 2014 were as follows:

	The Group		**The Company**	
	2015	2014	**2015**	2014
	€	€	**€**	€
Total borrowings (Note 24)	**20.073.061**	20.615.443	**22.643.494**	23.081.762
Less: cash and cash equivalents (Note 22)	**-**	(61.065)	**-**	(61.065)
Net debt	**20.073.061**	20.554.378	**22.643.494**	23.020.697
Total equity	**81.985.480**	82.415.479	**30.653.934**	30.805.745
Total capital as defined by management	**102.058.541**	102.969.857	**53.297.428**	53.826.442
Gearing ratio	**20%**	20%	**43%**	43%

(iii) Fair value estimation

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

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.

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 and the Company 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 2015, 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 2015. Following the impairment test, the Company and the Group did not recognise any impairment charge for the investments in subsidiary and associated companies.

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 segment information provided to the Board of Directors of the Company/Group for the reportable segments is as follows:

For the year ended 31 December 2015

	Development and sale of land €	Holding of investments €	Total €
Revenue	1.379.000	-	1.379.000
Profit before interest, taxes, depreciation, amortisation, and share of profit/(loss) of associates	351.947	512.627	864.574
Depreciation and impairment	-	9.423	9.423
Income tax expense	(301)	-	(301)
Share of profit of associates	-	242.850	242.850
Total segment assets	6.592.140	96.024.051	102.616.191
Total assets include: Investments in associates	-	84.402.637	84.402.637
Total segment liabilities	20.700	20.610.011	20.630.711

5 Segment information (continued)

For the year ended 31 December 2014

	Development and sale of land €	Holding of investments €	Total €
Loss before interest, taxes, depreciation, amortisation, and share of loss of associates	(734.846)	595.221	(139.625)
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	6.963.118	96.448.702	103.411.820
Total assets include: Investments in associates	-	84.790.001	84.790.001
Total segment liabilities	19.700	20.976.641	20.996.341

Reconciliation of segment results

Results before interest, taxes, depreciation and amortization differs from the profit/loss before tax as follows:

	2015 €	2014 €
Loss before interest, taxes, depreciation, amortization, and share of loss of associates	**864.574**	(139.625)
Depreciation and impairment	**(9.423)**	(10.209)
Operating profit/(loss)	**855.151**	(149.834)
Finance costs	**(897.484)**	(1.167.671)
Share of profit/(loss) of associates	**242.850**	(456.146)
Profit/(loss) before tax	**200.517**	(1.773.651)

6 Revenue

	The Group		The Company	
	2015 €	2014 €	**2015 €**	2014 €
Sale of plots	**1.379.000**	-	**1.379.000**	-

7 Other income

	The Group 2015 €	The Group 2014 €	The Company 2015 €	The Company 2014 €
Interest income:				
Bank balances	**908**	11.562	**908**	11.562
Loans to related companies (Note 27(ii))	**506.407**	553.156	**506.407**	553.156
Receivables from related companies (Note 27(ii))	**1.311**	25.005	**1.311**	25.005
Other receivables	**1.638**	5.498	**-**	2.081
Other interest income	**2.363**	-	**2.363**	-
Other income	**4.000**	-	**4.000**	-
Total interest income	**516.627**	595.221	**514.989**	591.804
Dividend income (Note 27(iii))	**-**	-	**-**	80.350
	516.627	595.221	**514.989**	672.154

8 Cost of sales

	The Group 2015 €	The Group 2014 €	The Company 2015 €	The Company 2014 €
Cost of sales	**393.325**	-	**393.325**	-

9 Expenses by nature

	The Group 2015 €	The Group 2014 €	The Company 2015 €	The Company 2014 €
Other direct costs	**-**	15.661	**-**	15.661
Depreciation of property, plant and equipment (Note 16)	**9.423**	10.207	**9.423**	10.209
Tax and licences	**10.870**	1.114	**12.374**	845
Legal and professional fees	**833**	3.741	**833**	885
Management fees (Note 27 (i))	**340.733**	390.441	**334.781**	383.188
Selling and distribution expenses	**177.203**	188.809	**177.203**	188.808
Directors' fees	**2.000**	2.000	**2.000**	2.000
Staff and related costs (Note 10)	**32.775**	36.909	**32.775**	36.909
Auditor's remuneration charged by the statutory auditor -audit services	**18.100**	18.100	**15.500**	15.500
Other expenses	**55.214**	78.073	**53.010**	74.765
Total cost of goods sold, selling costs and administrative expenses	**647.151**	745.055	**637.899**	728.770

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

10 Staff costs

	The Group 2015 €	The Group 2014 €	The Company 2015 €	The Company 2014 €
Wages and salaries	**31.440**	35.370	**31.440**	35.370
Employer's and other contributions	**1.335**	1.539	**1.335**	1.539
	32.775	36.909	**32.775**	36.909

11 Finance costs

	The Group 2015 €	The Group 2014 €	The Company 2015 €	The Company 2014 €
Interest expense:				
Bank borrowings and overdrafts	**897.484**	946.330	**896.862**	945.552
Payable to subsidiary company (Note 27 (ii))	**-**	-	**117.413**	150.658
Bank charges	**-**	221.341	**-**	221.341
	897.484	1.167.671	**1.014.275**	1.371.551

12 Income tax expense

	The Group 2015 €	The Group 2014 €	The Company 2015 €	The Company 2014 €
Current tax charge:				
Defence contribution	**301**	3.468	**301**	3.468
Income tax charge	**301**	3.468	**301**	3.468

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

	The Group 2015 €	The Group 2014 €	The Company 2015 €	The Company 2014 €
Profit/(loss) before tax	**200.517**	(1.773.651)	**(151.510)**	(1.374.167)
Tax calculated at the applicable corporation tax rate of 12,5%	**25.065**	(221.706)	**(18.939)**	(171.771)
Tax effect of expenses not deductible for tax purposes	**3.625**	-	**3.625**	8.593
Tax effect of allowances and income not subject to tax	**(32.215)**	-	**(1.791)**	(12.667)
Tax effect of tax losses for which no deferred tax asset was recognised	**17.105**	221.706	**17.105**	175.845
Special contribution for defence	**301**	3.468	**301**	3.468
10% additional tax	**1.357**	-	**-**	-
Tax effect of Group relief	**(14.937)**	-	**-**	-
Income tax charge	**301**	3.468	**301**	3.468

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

As from tax year 2012 brought forward losses of only 5 years may be utilised. From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

12 Income tax expense (continued)

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% as from 1 January 2012; reduced to 17% as from 1 January 2014. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

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

Under the Cyprus Tax Law, the Company and its subsidiaries, of which the Company holds directly or indirectly at least 75% of the voting shares; are collectively referred to as the “Group” for tax purposes. A Company of the “Group” can set off its losses with the profits of the other companies of the Group.

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

Tax effects of components of other comprehensive income

The Group

	Year ended 31 December					
	2015			2014		
	Before tax €	**Tax (charge)/ credit €**	**After tax €**	Before tax €	Tax (charge)/ credit €	Before tax €
Associated companies:						
Share of other comprehensive income	**(630.214)**	**-**	**(630.214)**	26.573	-	26.573
Other comprehensive income	**(630.214)**	**-**	**(630.214)**	26.573	-	26.573

13 Earnings/(loss) per share

	2015	2014
Profit/(loss) attributable to the equity holders of the Company (€)	**200.216**	(1.777.119)
Weighted average number of ordinary shares in issue	**128.586.161**	128.586.161
Profit/(loss) per share - Basic and diluted (cent per share)	**0,16**	(1,38)

14 Financial instruments by category

The Group

	Loans and receivables €	Total €
31 December 2015		
Assets as per balance sheet		
Non-current receivables	4.504.512	4.504.512
Trade and other receivables	6.815.464	6.815.464
Total	11.319.976	11.319.976

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	20.073.061	20.073.061
Trade and other payables (excluding statutory liabilities)	537.047	537.047
Total	20.610.108	20.610.108

	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

14 Financial instruments by category (continued)

The Company

	Loans and receivables €	Total €
31 December 2015		
Assets as per balance sheet		
Non-current receivables	4.504.512	4.504.512
Trade and other receivables	6.317.460	6.317.460
Total	10.821.972	10.821.972

	Other financial liabilities €	Total €
Liabilities as per balance sheet		
Borrowings	22.643.494	22.643.494
Trade and other payables (excluding statutory liabilities)	207.878	207.878
Total	22.851.372	22.851.372

	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 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Other receivables				
Group 1	**10.775.142**	10.930.716	**10.775.141**	10.930.716
Group 2	**544.834**	543.835	**46.831**	43.565
	11.319.976	11.474.551	**10.821.972**	10.974.281

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Cash at bank and short term bank deposits (Moody's)				
Caa3	**-**	61.024	**-**	61.024
Caa2	**-**	41	**-**	41
	-	61.065	**-**	61.065

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.

16 Property, plant and equipment

The Group

	Furniture and office equipment €	Total €
At 1 January 2014		
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**
Year ended 31 December 2015		
Opening net book amount	30.104	**30.104**
Depreciation charge (Note 9)	(9.423)	**(9.423)**
Closing net book amount	20.681	**20.681**
At 31 December 2015		
Cost	94.680	**94.680**
Accumulated depreciation	(73.999)	**(73.999)**
Net book amount	20.681	**20.681**

16 Property, plant and equipment (continued)

The Company

	Furniture and office equipment €	**Total €**
At 1 January 2014		
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**
Year ended 31 December 2015		
Opening net book amount	30.104	**30.104**
Depreciation charge (Note 9)	(9.423)	**(9.423)**
Closing net book amount	20.681	**20.681**
At 31 December 2015		
Cost	94.680	**94.680**
Accumulated depreciation	(73.999)	**(73.999)**
Net book amount	20.681	**20.681**

17 Investments in associates

	The Group		**The Company**	
	2015 €	2014 €	**2015 €**	2014 €
At beginning of year	**84.790.001**	85.219.574	**32.953.008**	32.953.008
Share of profit/(loss) after tax	**242.850**	(456.146)	**-**	-
Share of changes in reserves	**(630.214)**	26.573	**-**	-
At end of year	**84.402.637**	84.790.001	**32.953.008**	32.953.008

17 Investments in associates (continued)

Set out below are the associates of the Company as at 31 December 2015, 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 2015 and 2014:

Name	Country of incorporation	% of ownership interest	Nature of relationship	Measurement method
2015 and 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 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 2015, the fair value of the Company's interest in The Cyprus Cement Public Company Limited (the "associate"), which is listed on the Cyprus Stock Exchange, was €15.004.815 (2014: €17.635.315) and the carrying amount of the Company's interest was €86.469.024 (2014: €84.784.574). The market price listed on the stock exchange is not representative since these shares are not traded in an active market.

17 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	
	2015	2014	**2015**	2014	**2015**	2014
	€	€	**€**	€	**€**	€
Current						
Cash and cash equivalents	**603**	465	**1.031.823**	13.699	**1.032.426**	14.164
Other current assets	**275.122**	527.826	**802.454**	928.991	**1.077.576**	1.456.817
Total current assets	**275.725**	528.291	**1.834.277**	942.690	**2.110.002**	1.470.981
Financial liabilities (excluding trade payables)	**(37.142)**	(110.451)	**(2.272.417)**	(2.965.484)	**(2.309.559)**	(3.075.935)
Other current liabilities (including trade payables)	**(235.331)**	(433.940)	**(174.275)**	(495.260)	**(409.606)**	(929.200)
Total current liabilities	**(272.473)**	(544.391)	**(2.446.692)**	(3.460.744)	**(2.719.165)**	(4.005.135)
Non-current						
Assets	**33.248**	45.993	**346.040.883**	348.415.678	**346.074.131**	348.461.671
Financial liabilities	**-**	-	**(21.891.221)**	(20.153.878)	**(21.891.221)**	(20.153.878)
Other liabilities	**-**	-	**(53.565.714)**	(53.565.714)	**(53.565.714)**	(53.565.714)
Total non-current liabilities	**-**	-	**(75.456.935)**	(73.719.592)	**(75.456.935)**	(73.719.592)
Net assets	**36.500**	29.893	**269.971.533**	272.178.032	**270.008.033**	272.207.925
Net assets distributed to shareholders	**36.500**	**29.893**	**263.161.202**	**265.367.255**	**263.197.702**	**265.397.148**

17 Investments in associates (continued)

Summarised income statement

	C.C.C. Secretarial Limited As at 31 December		The Cyprus Cement Public Company Limited As at 31 December		Total As at 31 December	
	2015 €	2014 €	**2015 €**	2014 €	**2015 €**	2014 €
Revenue	**1.201.166**	1.452.433	**575.666**	797.933	**1.776.832**	2.250.366
Depreciation and amortisation	**(16.540)**	(26.362)	**(16.540)**	(26.362)	**(33.080)**	(52.724)
Interest income	**-**	-	**493**	878	**493**	878
Finance costs	**(4.386)**	(6.501)	**(1.193.036)**	(1.272.829)	**(1.197.422)**	(1.279.330)
Pre-tax profit/(loss) from continuing operations	**10.556**	7.980	**742.982**	(1.219.708)	**753.538**	(1.211.728)
Income tax expense	**(3.519)**	(2.500)	**(3.667)**	97.446	**(7.186)**	94.946
Post-tax profit/(loss) from continuing operations	**7.037**	5.480	**739.315**	(1.122.262)	**746.352**	(1.116.782)
Total comprehensive income/(loss) for the year	**7.037**	5.480	**739.315**	(1.449.230)	**746.352**	(1.443.750)

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.

17 Investments in associates (continued)

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	
	2015 €	2014 €	**2015 €**	2014 €	**2015 €**	2014 €
Summarised financial information						
Opening net assets 1 January	**29.463**	23.983	**265.367.255**	266.816.485	**265.396.718**	266.840.468
Profit/loss for the period	**7.037**	5.480	**739.315**	(1.122.262)	**746.352**	(1.116.782)
Other comprehensive income	**-**	-	**(2.945.368)**	(326.968)	**2.945.368**	(326.968)
Closing net assets attributable to shareholders	**36.500**	29.463	**263.161.202**	265.367.255	**263.197.702**	265.396.718
Interests in associates (20%;32,07%)	**7.300**	5.979	**84.395.337**	84.784.574	**84.402.637**	84.790.553
	7.300	5.979	**84.395.337**	84.784.574	**84.402.637**	84.790.553

18 Investments in subsidiaries

	2015 €	2014 €
At the beginning of the year	**3.000.000**	3.000.000
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

19 Non-current receivables

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Non- current receivables				
Receivable from associated companies (Note 27(vii))	**4.504.512**	4.840.335	**4.504.512**	4.840.335

All non-current receivables are due within four years from the balance sheet date.

The effective interest rate on non-current receivables was 4,75% (2014: 6,25%).

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

The carrying amounts of the Company's and the Group's non-current receivables are denominated in Euro.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security. None of the non-current receivables is either past due or impaired.

20 Inventories

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Land and development costs	**6.436.665**	6.621.405	**6.436.665**	6.621.405
Completed shops and villas	**155.475**	341.713	**-**	186.238
	6.592.140	6.963.118	**6.436.665**	6.807.643

The cost of inventories recognised as expense and included in the cost of sales amounts to €393.325 (2014: €nil).

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 (Note 24).

21 Trade and other receivables

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Trade receivables	**494.649**	492.263	**28.390**	26.004
Loans to related parties (Note 27 (vii))	**6.251.265**	6.062.787	**6.251.265**	6.062.787
Receivables from related parties (Note 27 (v))	**19.364**	27.594	**19.364**	27.594
Other receivables	**237.962**	51.572	**206.217**	17.561
	7.003.240	6.634.216	**6.505.236**	6.133.946

The fair value of trade and other receivables approximates their carrying amount.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2015, the Company had trade receivables of €28.390 (2014: €26.004) which were past due but not impaired. The trade receivables of the Group that were past due but not impaired amounted to €494.649 (2014: €492.263). These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Over 6 months	**494.649**	492.263	**28.390**	26.004

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

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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Euro	**7.003.240**	6.634.216	**6.505.236**	6.133.946

22 Cash and cash equivalents

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Cash at bank and in hand	**-**	41	**-**	41
Short term bank deposits	**-**	61.024	**-**	61.024
	-	61.065	**-**	61.065

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Cash and bank balances	**-**	61.066	**-**	61.066
Less:				
Bank deposits with original maturity over 3 months	**-**	(60.351)	**-**	(60.351)
Bank overdrafts (Note 24)	**(2.248.466)**	(2.770.077)	**(2.232.040)**	(2.756.949)
	(2.248.466)	(2.769.362)	**(2.232.040)**	(2.756.234)

On 31 December 2014, bank deposits with original maturity over 3 months include time deposits with Bank of Cyprus amounting to €60.351 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. During the year ended 31 December 2015, the Bank of Cyprus did not exercise its option to renew these for a further term and the balances were transferred in cash and bank deposits available for use.

All cash and cash equivalents are denominated in Euro.

23 Share capital and share premium

	Number of shares	Share capital €	Share premium €	**Total €**
At 1 January 2014/31 December 2014/ 31 December 2015	128.586.161	21.859.647	1.757.006	**23.616.653**

The total authorized number of ordinary shares is 500 000 000 shares (2014: 500 000 000 shares) with a par value of €0,17 per share (2014: €0,17 per share). All issued shares are fully paid and carry equal voting rights.

24 Borrowings

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Current				
Bank overdrafts (Note 22)	**2.248.466**	2.770.077	**2.232.040**	2.756.950
	2.248.466	2.770.077	**2.232.040**	2.756.950
Non-current				
Bank borrowings	**17.824.595**	17.845.366	**17.824.596**	17.845.366
Borrowings from subsidiary company (Note 27 (vi))	**-**	-	**2.586.858**	2.479.446
	17.824.595	17.845.366	**20.411.454**	20.324.812
Total borrowings	**20.073.061**	20.615.443	**22.643.494**	23.081.762
Maturities on non-current borrowings				
Between 2 to 5 years	**17.824.595**	17.845.366	**20.411.454**	20.324.812
	17.824.595	17.845.366	**20.411.454**	20.324.812

The Company

Bank loans of €17.824.596 are repayable up until July 2018. Loans from subsidiary of €2.586.858 are repayable up until 2018, bear interest of 4,75% (2014: 6,16%) and are not secured.

The Group

Bank loans of €17.824.596 are repayable up until July 2018.

The bank loans and overdrafts of the Company/Group are secured as follows:

(i) By guarantees from the parent company C.C.C. Holdings & Investments Limited for an unlimited amount (Note 27 (viii)).

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

(iii) Limited corporate guarantee for the amount of €23.920.420 plus interest from C.C.C. Holdings & Investments Limited (Note 27 (viii)).

(iv) General assignment of proceeds from sale of plots of the Group.

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

	2015	2014
	%	%
Borrowings from subsidiary	**4,75**	6,16
Bank borrowings	**4,17**	4,54
Bank overdrafts	**5,15**	6,07

24 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 reprising dates at the balance sheet dates are as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
6 months or less	**20.073.061**	20.615.443	**20.056.636**	20.602.316
	20.073.061	20.615.443	**20.056.636**	20.602.316

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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Euro	**20.073.061**	20.615.443	**22.643.494**	23.081.762

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Floating rate:				
- Expiring within one year	**1.076.415**	507.925	**1.074.841**	503.051

The facilities expiring within one year are annual facilities subject to review at various dates during 2016.

25 Deferred tax liabilities

The analysis of deferred income tax liabilities are as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Deferred income tax liabilities:				
- Deferred tax liabilities to be settled after more than twelve months	**19.700**	19.700	**-**	-

25 Deferred tax liabilities (continued)

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
At beginning of year	**19.700**	19.700	**-**	-
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 2014	19.700	**19.700**
At 31 December 2014/1 January 2015/31 December 2015	19.700	**19.700**

26 Trade and other payables

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Trade payables	**326.453**	332.495	**70**	6.110
Payables to related parties (Note 27 (v))	**450**	7.781	**-**	406
Other payables and accrued expenses	**210.144**	20.922	**207.808**	18.590
	537.047	361.198	**207.878**	24.700

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

27 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments 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 parent 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Management services	**340.733**	390.441	**334.781**	383.188
Selling and marketing costs	**172.157**	185.216	**172.157**	185.216
	512.890	575.657	**506.938**	568.404

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/Group.

(ii) Interest on balances with related companies

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Interest payable (Note 11):				
Subsidiary company	**-**	-	**117.413**	150.658
	-	-	**117.413**	150.658
Interest receivable from loans and balances (Note 7):				
Ultimate parent company, associated company and companies under common control	**507.718**	578.161	**507.718**	578.161
Associate company	**227.706**	273.065	**227.706**	273.065
Under Common Control	**-**	305.096	**-**	305.096
Parent company	**13.480**	-	**13.480**	-
Ultimate parent company	**266.532**	-	**266.532**	-
	507.718	578.161	**507.718**	578.161

(iii) Dividends receivable from related companies under common control

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 its associate.

27 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Fees	**2.000**	2.000	**2.000**	2.000
Emoluments in their executive capacity (Note 10)	**32.775**	36.909	**32.775**	36.909
	34.775	38.909	**34.775**	38.909

The Group and the Company

	Fees	Wages and employer's contributions	Employer's provident fund contributions	Total
	€	€	€	€
Year ended 31 December 2015				
Executive Directors				
George St. Galatariotis	400	31.440	1.335	33.175
Michalis Christoforou	400	-	-	400
Tasos Anastasiou	400	-	-	400
Costas St. Galatariotis	400	-	-	400
Stavros G. St. Galatariotis	400	-	-	400
Total	2.000	31.440	1.335	34.775
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

27 Related party transactions (continued)

(v) Year end balances

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Receivables from related parties (Note 21):				
Associated companies	**19.364**	27.594	**19.364**	27.594
	19.364	27.594	**19.364**	27.594
Payable to related parties (Note 26):				
Associated companies/Parent company	**450**	7.781	**-**	406

Balances with related parties bear average annual interest at the rate of 4,75% (2014: 6,25%), are not secured and are payable/receivable on demand.

(vi) Loans from related parties

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Borrowings from subsidiary company:				
At beginning of year	**-**	-	**2.479.446**	2.414.138
Amounts repaid during the year	**-**	-	**(10.000)**	(5.000)
Interest charged (Note 11)	**-**	-	**117.413**	150.658
Dividend	**-**	-	**-**	(80.350)
At end of year (Note 24)	**-**	-	**2.586.858**	2.479.446

The loan from the subsidiary entity bears average annual interest at 4,75% (2014: 6,16%), is unsecured and is repayable by 2018.

(vii) Loans to related parties

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Loans granted to the ultimate parent company and associated company and other companies under common control:				
At beginning of year	**10.612.569**	10.280.887	**10.611.258**	10.280.887
Amounts advanced during the year	**93.200**	817.479	**93.200**	817.479
Amounts settled with related parties	**(27.734)**	337.609	**(27.734)**	337.609
Amounts repaid during the year	**(428.665)**	(1.111.014)	**(428.665)**	(1.111.014)
Interest charged (Note 7)	**506.407**	578.161	**507.718**	578.161
At end of year (Notes 19 and 21)	**10.755.777**	10.903.122	**10.755.777**	10.903.122

The loan from related companies bears average annual interest rate of 4,75% (2014: 6,25%).

Balance with the associate company of €4.504.512 (2014:€4.840.335), is not secured and is repayable in 2018 (Note 19).

27 Related party transactions (continued)

(vii) Loans to related parties (continued)

Balance with the ultimate parent company of €5.819.963 (2014:€5.492.789), is secured through corporate guarantee from the related entity, Galatariotis Enterprises Limited, is repayable on demand and bears interest of 4,75% (2014:5,5%). The loan granted to the parent company, C.C.C. Holdings & Investment Limited amounting to €431.303 (2014:€279.447), is not secured, bears interest of 4,75% (2014:6,25%) and is repayable on demand.

(viii) Loan guarantees from related companies

The parent company C.C.C. Holdings & Investments Limited, has guaranteed a loan provided to the Company/Group which as at 31 December 2015 had a balance of €17.824.595 (2014: €17.845.366) (Note 24).

(ix) Transactions with Directors and related parties

Other than 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 2015, in which Directors or other related parties had a material interest.

28 Events after the balance sheet date

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

Independent auditor's report on pages 7 to 8.