

K + G Complex Public Company Limited

Unaudited condensed interim consolidated financial statements for the six months ended 30 June 2014

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K + G Complex Public Company Limited

Declaration of the members of the Board of Directors and other responsible persons of the Company for the condensed interim consolidated financial statements

In accordance with Article 10 sections (3) (c) and (7) of the Transparency Requirements (Securities for Trading in Regulated Markets) Law of 2007 (“Law”), we, the members of the Board of Directors and the other responsible persons for the condensed interim consolidated financial statements of K + G Complex Public Company Limited (the “Company”) for the period from 1 January 2014 to 30 June 2014, we confirm that, to the best of our knowledge:

- (a) The condensed interim consolidated financial statements that are presented on pages 4 to 17:
 - (i) were prepared in accordance with the International Financial Reporting Standard IAS 34 “Interim Financial Reporting” as adopted by the European Union and in accordance with the provisions of Article 10, 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 condensed interim consolidated accounts as a total, and
- (b) The interim management report provides a fair review of the information required by Article 10, section (6) of the Law.

Members of the Board of Directors

Name and surname and position	Signature
George St. Galatariotis, Executive Chairman	
Costas St. Galatariotis, Director	
Vassos G. Lazarides, Director	
Stavros G. St. Galatariotis, Director	
Michalis Christoforou, Director	
Tasos Anastasiou, Director	

Responsible for the preparation of the condensed interim consolidated financial statements

Name and surname	Position	Signature
Elena Stylianiou	Finance Manager	

Limassol
28 August 2014

K + G Complex Public Company Limited

Interim management report for the six months ended 30 June 2014

The Board of Directors, at a meeting held on 28 August 2014, reviewed and approved the unaudited condensed interim consolidated financial statements of K + G Complex Public Company Ltd for the six-month period ended 30 June 2014.

The consolidated results include the results of its wholly owned subsidiary company Galatex Tourist Enterprises Limited as well as the share of the associated company The Cyprus Cement Public Company Limited.

The unaudited condensed interim consolidated financial statements, which are expressed in Euro, have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union (EU) and comply with the provisions of the Cyprus Stock Exchange Laws and Regulations in relation to the announcement of interim financial results.

The same accounting principles and bases of estimates were applied in compiling the interim results for the first six months period of 2014 as those applied for the preparation of the annual financial statements for the year ended 31 December 2013. The results for the first six months period of 2014 have not been audited by the external auditors of the Group.

The condensed interim consolidated financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2013.

Principal activities of the Group

The principal activities of the Group are the development and sale of land located in the Amathus area of Limassol, the sale of shops at Galatex Beach Centre, in the tourist area of Yermasogia in Limassol, and the holding of investments.

Review of the financial position of the Group

The net loss of the Group for the six-month period ended 30 June 2014 was €1,43 millions compared to a loss of €2,98 millions for the corresponding period of 2013. The change of the results compared to those of the last period is mainly due to the following:

- Loss of associated company: The share of loss of the associated company decreased by €890 thousands to €797 thousands compared to a loss of €1,687 thousands for the six month period ended 30 June 2013.
- During the corresponding period in 2013, there was a non-recurring impairment loss of €688 thousands which related to the impairment loss of the shares held in Bank of Cyprus after the conversion of the 47,5% of the uninsured deposits of the Company held into shares.

During the periods ended 30 June 2014 and 2013 there were no sales of plots.

K + G Complex Public Company Limited

Interim management report for the six months ended 30 June 2014 (continued)

Review of the financial position of the Group (continued)

The total assets of the Group at the end of the six month period ended 30 June 2014 amounted to €102,7 millions (31 December 2013: €104,2 million) of which €84,4 million represent investments in associated companies (31 December 2013: €85,2 millions), stocks held at cost amounting to €7 millions (31 December 2013: €7 millions) and €306 thousands cash at bank (31 December 2013: €960 thousands).

Total equity have decreased from €84,2 million in 2013 to €82,7 million as at 30 June 2014 as a result of the loss for the period.

Developments/Prospects

Under the current market conditions, the expected results for 2014 may fluctuate, due to uncertainties in the market that are difficult to predict.

Principal risks and uncertainties

The Group's activities are subject to various risks and uncertainties. The most significant risks are credit risk, liquidity risk and market risk that arises from adverse movements in interest rates as well as operational risks. The operations are affected by a number of factors including but not limited to:

- The operating environment of Cyprus and the conditions formed after the decision of the Eurogroup on 25 March 2013 (Note 1),
- International and national economic and geopolitical conditions, and
- The development of the construction and real estate sectors.

The Group is analyzing, monitoring and managing these risks through various control mechanisms, and forms, wherever possible, its strategy with a view to minimizing the effects of these risks.

Extracts of the results of the first six months of 2014 will be published in the newspaper "Simerini" on 1 September 2014.

Copies of the Group's unaudited condensed interim consolidated financial statements are available, at the Company's registered office at 197 Makarios III Avenue, Gala Tower, 3030 Limassol and in electronic form at the Galatariotis Group of Companies website (www.galatariotisgroup.com).

Limassol,
28 August 2014

K + G Complex Public Company Limited

Condensed interim consolidated statement of comprehensive income for the six months ended 30 June 2014

	Note	30 June 2014 €	30 June 2013 €
Administrative expenses		(318.988)	(312.446)
Selling and marketing expenses		(97.584)	(85.226)
Impairment loss from converting cash deposits into shares		-	(688.195)
Other income – net	6	278.069	254.732
Operating loss		(138.503)	(831.135)
Finance costs	8	(495.805)	(444.520)
Share of loss of associated companies	12	(796.510)	(1.687.025)
Loss before tax		(1.430.818)	(2.962.680)
Income tax expense		(2.484)	(14.220)
Loss for the period		(1.433.302)	(2.976.900)
Other comprehensive loss for the period			
Share of movement of reserves of associates	12	1.216	-
Total comprehensive loss for the period		(1.432.086)	(2.976.900)
Loss per share (cent per share):			
- Basic and fully diluted	10	(1,11)	(2,98)

The notes on pages 8 to 17 are an integral part of these condensed interim consolidated financial statements.

K + G Complex Public Company Limited

Condensed interim consolidated balance sheet as at 30 June 2014

	Note	30 June 2014 €	31 December 2013 €
Assets			
Non-current assets			
Property, plant and equipment	11	34.816	40.311
Investments in associates	12	84.424.280	85.219.574
Non-current receivables	17(e)	4.636.506	3.832.513
		89.095.602	89.092.398
Current assets			
Available for sale financial assets		-	158.285
Inventories		6.963.118	6.963.118
Trade and other receivables		6.268.828	6.959.314
Tax refundable		92.982	92.988
Cash and cash equivalents	13	306.439	969.086
		13.631.367	15.142.791
Total assets		102.726.969	104.235.189
Equity and liabilities			
Capital and reserves			
Share capital	14	21.859.647	21.859.647
Share premium	14	1.757.006	1.757.006
Reserve of changes in equity of associate company		(7.656.472)	(7.657.688)
Reserve arising on translation of share capital into Euro		86.014	86.014
Retained earnings		66.687.744	68.121.046
Total equity		82.733.939	84.166.025
Non-current liabilities			
Borrowings	15	17.275.008	17.737.900
Deferred income tax liabilities		19.700	19.700
		17.294.708	17.757.600
Current liabilities			
Trade and other payables		389.929	511.382
Borrowings	15	2.308.389	1.800.182
		2.698.322	2.311.564
Total liabilities		19.993.030	20.069.164
Total equity and liabilities		102.726.969	104.235.189

The notes on pages 8 to 17 are an integral part of these condensed interim consolidated financial statements.

K + G Complex Public Company Limited

Condensed interim consolidated statement of changes in equity for the six months ended 30 June 2014

	Share capital €	Share premium ⁽²⁾ €	Reserve arising on translation of share capital into Euro €	Reserve of changes in equity of associated company ⁽²⁾ €	Retained earnings ⁽¹⁾ €	Total €
Balance at 1 January 2013	17.000.000	1.757.006	86.014	(4.034.508)	76.762.827	91.571.339
Comprehensive loss						
Loss for the period	-	-	-	-	(2.976.900)	(2.976.900)
Total comprehensive loss for the period	-	-	-	-	(2.976.900)	(2.976.900)
Balance at 30 June 2013	<u>17.000.000</u>	<u>1.757.006</u>	<u>86.014</u>	<u>(4.034.508)</u>	<u>73.785.927</u>	<u>88.594.439</u>
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 period	-	-	-	-	(1.433.302)	(1.433.302)
Other comprehensive loss						
Share of reserves of associates	-	-	-	1.216	-	1.216
Total comprehensive loss for the period	-	-	-	1.216	(1.433.302)	(1.432.086)
Balance at 30 June 2014	<u>21.859.647</u>	<u>1.757.006</u>	<u>86.014</u>	<u>(7.656.472)</u>	<u>66.687.744</u>	<u>82.733.939</u>

(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 charges 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 8 to 17 are an integral part of these condensed interim consolidated financial statements.

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Condensed interim consolidated statement of cash flows for the six months ended 30 June 2014

	Note	30 June 2014 €	30 June 2013 €
Cash flows from operating activities			
Cash used in operations		(182.101)	(1.466.932)
Net cash used in operations		<u>(182.101)</u>	<u>(1.466.932)</u>
Cash flows from investing activities			
Interest received	6	8.279	53.959
Release of bank deposits		241.403	-
Loans granted to related companies	17(e)	(895.335)	(904.431)
Proceeds from repayment of borrowings to related companies	17(e)	857.000	-
Net cash from / (used in) investing activities		<u>(211.347)</u>	<u>(850.472)</u>
Cash flows from financing activities			
Repayment of borrowings		(462.892)	-
Interest paid		(495.805)	(444.520)
Net cash used in financing activities		<u>(958.697)</u>	<u>(444.520)</u>
Net decrease in cash, cash equivalents and bank overdrafts		<u>(929.451)</u>	<u>(2.761.924)</u>
Cash, cash equivalents and bank overdrafts at beginning of period		<u>(1.374.254)</u>	<u>3.439.435</u>
Cash, cash equivalents and bank overdrafts at end of period	13	<u>(2.303.705)</u>	<u>677.511</u>

The notes on pages 8 to 17 are an integral part of these condensed interim consolidated financial statements.

K + G Complex Public Company Limited

Notes to the unaudited condensed interim consolidated financial statements

1 General information

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 Companies Law, Cap. 113 and in May 1981 it was converted into a public company. The Company is listed in the Cyprus Stock Exchange.

The condensed interim consolidated financial statements of the Company for the six months ended 30 June 2014 consist of the Company and its subsidiary (Note 18) which together are referred to as the “Group” and the Group’s interest in associated companies (Note 12).

The condensed interim consolidated financial statements of the Group for the six-month period ended 30 June 2014 and the consolidated financial statements for the year ended as at 31 December 2013 are available upon request from the Company’s registered office at 197 Makarios III Avenue, Gala Tower, CY-3030 Limassol, Cyprus, and in electronic form at the Group’s website (www.galatariotisgroup.com).

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

- (a) development and sale of properties
- (b) holding of investments

The Board of Directors has approved these condensed interim consolidated financial statements for issue on 28 August 2014.

The condensed interim consolidated financial statements have not been audited by the external auditors of the Group.

Operating environment of the Group

The operating environment of the Group is described in the annual consolidated financial statements for the year ended 31 December 2013.

During the first six months of 2014, following the positive outcome of various reviews of Cyprus’s economic programme by the European Commission, the European Central Bank and the International Monetary Fund, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus. In addition, in 2014 a number of restrictive measures on bank transactions was lifted, however, some of them are still in force. Bank of Cyprus is in the process of recapitalisation, which has not been completed yet.

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

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

K + G Complex Public Company Limited

2 Basis of preparation

These unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2014 have been prepared in accordance with the International Accounting Standard 34, 'Interim financial reporting' as adopted by the EU. The condensed interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.

3 Significant accounting policies

All accounting policies, presentation of results and calculation methods, applied for the preparation of these unaudited condensed interim consolidated financial statements of the Group for the six months period ended 30 June 2014, are consistent with those used during the preparation of the annual consolidated financial statements for the year ended 31 December 2013. The new and amended standards effective for accounting periods beginning on or after 1 January 2014 did not have a significant impact to the financial statement of the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss for the year ended 31 December 2014.

Financial risk management

The 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 unaudited condensed interim consolidated financial statements do not include all financial risk management information and disclosures required for the annual financial statement and should be read in conjunction with the group's annual financial statements as at 31 December 2013. There have been no changes in the risk management policies since 31 December 2013.

4 Estimates

The preparation of the condensed interim consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. The significant judgments and estimations made by Management in applying the Group's accounting policies were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013, and no significant changes are expected.

5 Segment information

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

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.

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5 Segment information (continued)

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

- (1) Development and sale of properties
- (2) Holding of investments

The Management of the Group assesses the performance of the operating segments based on a measure of adjusted (loss)/profit 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.

The segment information which are provided to the Management of the Group for the reportable segments is as follows:

Segment results

	Development and sale of properties €	Holding of investments €	Total €
Six months ended 30 June 2014			
Earnings before interest, tax depreciation and amortisation	(411.077)	-	(411.077)
Share of loss of associated companies	-	(796.510)	(796.510)
As at 30 June 2014			
Segment assets	18.302.689	84.424.280	102.726.969
Total assets include:			
Investments in associated companies	-	84.424.280	84.424.280
Additions of non-current assets	803.993	-	803.993
Segment liabilities	19.993.030	-	19.993.030
Six months ended 30 June 2013			
Earnings before interest, taxes, depreciation and amortisation	(392.962)	-	(392.962)
Share of loss of associated companies	-	(1.687.025)	(1.687.025)
As at 31 December 2013			
Segment assets	19.015.615	85.219.574	104.235.189
Total assets include:			
Investments in associated companies	-	85.219.574	85.219.574
Additions of non-current assets	2.016.870	-	2.016.870
Segment liabilities	20.069.164	-	20.069.164

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5 Segment information (continued)

A reconciliation of earnings before interest, taxes, depreciation and amortisation is provided as follows:

	30 June 2014 €	30 June 2013 €
Earnings before interest, taxes, depreciation and amortisation	(411.077)	(392.962)
Depreciation and impairment	(5.497)	(692.905)
Interest received	278.069	254.732
	<u>(138.503)</u>	<u>(831.135)</u>
Loss from operations	(138.503)	(831.135)
Finance costs	(495.805)	(444.520)
Share of loss of associated companies	(796.510)	(1.687.025)
	<u>(1.430.818)</u>	<u>(2.962.680)</u>
Loss before tax	(1.430.818)	(2.962.680)

6 Other income – net

	30 June 2014 €	30 June 2013 €
Interest income:		
Bank balances	8.279	53.959
Related parties (Note 17 (b))	269.790	200.773
	<u>278.069</u>	<u>254.732</u>

7 Expenses by nature

	30 June 2014 €	30 June 2013 €
Depreciation of property, plant and equipment	5.495	4.710
Auditors' remuneration	9.550	10.600
Management, consultancy and secretarial fees (Note 17 (a))	197.590	205.868
Selling and marketing expenses	97.584	85.226
Salaries and fees of Directors and key management personnel	21.722	23.419
Other expenses	84.631	67.849
	<u>416.572</u>	<u>397.672</u>
Total cost of administrative and other operating expenses	416.572	397.672

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8 Finance costs

	30 June 2014 €	30 June 2013 €
Interest expense and bank charges:		
Bank borrowings and overdrafts	495.807	443.674
Balances with related companies (Note 17 (b))	-	846
	<u>495.805</u>	<u>444.520</u>

9 Tax

Tax charge for the period consists corporation tax, defence tax and deferred taxation. Income tax expense is recognised based on the expected annual income tax rate expected for the full financial year.

The corporation tax rate as at 31 December 2013 was 12,5% and remained the same since 1 January 2014.

10 Loss per share

	30 June 2014	30 June 2013
Loss for the period attributable to equity holders of the Company – (€)	<u>(1.433.302)</u>	<u>(2.976.900)</u>
Number of ordinary shares in issue during the period	<u>128.586.161</u>	<u>100.000.000</u>
Loss per share - basic and fully diluted (cent per share)	<u>(1,11)</u>	<u>(2,98)</u>

There is no difference between the basic and fully diluted loss per share for the current or prior period.

11 Property, plant and equipment

	Total €
Six months ended 30 June 2013	
Opening net book amount	48.949
Depreciation charge	(4.710)
Net book amount as at 30 June 2013	<u>44.239</u>
Six months ended 30 June 2014	
Opening net book amount	40.311
Depreciation charge	(5.495)
Net book amount as at 30 June 2014	<u>34.816</u>

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12 Investments in associates

	€
Six months ended 30 June 2013	
At the beginning of period	91.714.075
Share of loss after tax	(1.687.025)
At the end of period	<u>90.027.050</u>
Six months ended 30 June 2014	
At the beginning of period	85.219.574
Share of loss after tax	(796.510)
Share of changes in equity	1.216
At the end of period	<u>84.424.280</u>

The associated companies of the Group are The Cyprus Cement Public Company Limited and C.C.C. Secretarial Limited. The main activities The Cyprus Cement Public Company Limited are the development of land and the holding of strategic investments in companies operating in hotel and tourism industry and in the sector manufacturing and sale of cement. The interest held by the Group in The Cyprus Cement Public Company Limited, which is listed in the Cyprus Stock Exchange, is 32,07%. The interest held by the Group in C.C.C. Secretarial Services Limited which is not listed, is 20%.

13 Cash and cash equivalents

	30 June 2014	31 December 2013
Cash at bank and in hand	4.684	128
Short term bank deposits	301.755	968.958
	<u>306.439</u>	<u>969.086</u>

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

	30 June 2014	31 December 2013
Cash and bank balances	306.439	969.086
Less:		
Bank deposits with original maturity over 3 months	(301.755)	(543.158)
Bank overdrafts (Note 15)	(2.308.389)	(1.800.182)
	<u>(2.303.705)</u>	<u>(1.374.254)</u>

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14 Share capital and share premium

	Number of shares	Share capital €	Share premium €	Total €
At 1 January 2013 and 30 June 2013	<u>100 000 000</u>	<u>17.000.000</u>	<u>1.757.006</u>	<u>18.757.006</u>
At 1 January 2014 and 30 June 2014	<u>128 586 161</u>	<u>21.859.647</u>	<u>1.757.006</u>	<u>23.616.633</u>

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

During the second six months of 2013 the Company issued 28.586.161 ordinary shares with nominal value of €0,17 per share at par, which were paid as a dividend to existing shareholders.

There were no charges in the share capital structure of the Group during the first six months of 2014.

15 Borrowings

	30 June 2014 €	31 December 2013 €
Current		
Bank overdrafts	<u>2.308.389</u>	<u>1.800.182</u>
Non-current		
Bank borrowings	<u>17.275.008</u>	<u>17.737.900</u>
Total borrowings	<u>19.583.397</u>	<u>19.538.082</u>

Movement in bank loans during the period is analyzed as follows:

	30 June 2014 €	30 June 2013 €
Balance at 1 January	17.737.900	17.521.311
Repayments	(900.000)	(423.300)
Interest expenses	437.108	423.480
Balance at 30 June	<u>17.275.008</u>	<u>17.521.491</u>

The bank loans are repayable by one installment in August 2018. The bank loans and overdrafts are secured as follows:

- (i) By mortgage on the Group's land included in inventory for the amount of €20 millions for the benefit of Alpha Bank.
- (ii) By guarantees from the holding company C.C.C. Holdings & Investments Limited (Note 17(f)).
- (iii) By negative pledge on the Group's assets.

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15 Borrowings (continued)

The 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 Group to cash flow interest rate risk.

The carrying amounts of bank overdrafts, current and non-current borrowings approximate their fair value.

16 Contingencies

As at 30 June 2014, there were no capital commitments for the Group which were not provided for in the condensed interim consolidated financial statements.

There were no significant changes in the Group's contingencies from those that were presented in the annual consolidated financial statements for the year ended 31 December 2013.

17 Related party transactions

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

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

The following transactions were carried out with related parties:

(a) Purchases of services

	30 June 2014	30 June 2013
	€	€
Associated company:		
Management, consultancy, rental and secretarial fees	197.590	205.868
Selling and marketing expenses	97.275	85.226
	<u>294.865</u>	<u>291.094</u>

The services charged from the associated company are based on the time spent by its employees on the affairs of the Group and office space allocated to the Group.

(b) Interest (on)/from balances with related parties

	30 June 2014	30 June 2013
	€	€
Interest paid:		
Balance with holding company	-	(846)
Interest received:		
Balance with associated company	269.790	200.773

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17 Related party transactions (continued)

(c) Remuneration of key management personnel and Directors

The total remuneration of key management personnel/Directors is as follows:

	30 June 2014	30 June 2013
	€	€
Directors fees	1.200	1.200
Directors remuneration (Note 7)	20.522	22.219
	<u>21.722</u>	<u>23.419</u>

(d) Period/year end balances

	30 June 2014	31 December 2013
	€	€
Receivables from related parties:		
Associated company	39.876	234.203
Related companies	2.289	2.289
	<u>42.165</u>	<u>236.492</u>
Payables to related parties:		
Associated company	-	4.085
	<u>-</u>	<u>4.085</u>

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

(e) Loans to related parties

	30 June 2014	31 December 2013
	€	€
Loans to ultimate holding and associated companies:		
At beginning of period/year	9.992.521	6.152.329
Loans advanced during year	895.335	4.643.851
Loans repaid during year	(857.000)	(1.223.442)
Interest charged	269.789	119.783
At end of period/year	<u>10.300.645</u>	<u>9.992.521</u>
Current	5.664.139	6.160.008
Non-current	4.636.506	3.832.513
	<u>10.300.645</u>	<u>9.992.521</u>

The loans to related companies carry average interest rate of 6% per annum.

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17 Related party transactions (continued)

(e) Loans to related parties (continued)

The loan to the associated company amounting to €4.636.506 is not secured and will be repaid after 3 years with 10 equal six-month instalments.

The loan to the ultimate holding company amounting to €5.200.069 is secured by corporate guarantee from the related company Galatariotis Enterprises Limited and is repayable on demand. The loans to other common control companies amounting to €464.076 are not secured and are repayable on demand.

(f) Loan guarantees from related companies

The bank loans of the Group are secured by guarantees from the holding company C.C.C. Holdings & Investments Limited for an unlimited amount.

(g) Transactions with Directors and related parties

Apart from the transactions and balances with Directors and key management and other related parties referred to above, there were no other material transactions with the Company as at 30 June 2014, in which the Directors or the related parties had a material interest.

18 Subsidiary undertakings

The subsidiary of K + G Complex Public Company Limited is the following:

	% holding	Country of incorporation	Activities
Galatex Tourist Enterprises Limited	100%	Cyprus	Property development

19 Seasonality of operations

The results of the Group are not significantly affected by seasonal fluctuations.

20 Events after the balance sheet date

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