ANNUAL REPORT 2014

Cyprus Trading Corporation Plc

SHACOLAS GROUP

CONTENTS

OUR VISION

Choice No. 1

For Consumers	By making available to the market top brands, best quality products and services, at competitive prices
For Trading Customers	By offering excellent and efficient services through a partnership approach and a portfolio of products, ensuring a preferred supplier status
For Suppliers	By being market leaders, strong competitors, effective and focused professionals in a spirit of partnership, adding value to suppliers' offerings
For Employees	By providing career opportunities with growth and development prospects based on merit, in an exciting environment
For Shareholders	By being a reputable company that delivers above market average returns and consistent growth

BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

Lifetime Honorary Chairman	Nicolas K. Shacolas
Executive Chairman and CEO	Marios N. Shacolas
Executive Directors	George Louca (appointed on 15.7.2014) Marios Loucaides Chrysoula N. Shacola Eleni N. Shacola (appointed on 4.8.2015)
Non Executive Directors	Stavros Agrotis (appointed on 4.8.2015) - Independent Christakis Charalambous (appointed on 4.8.2015) Demetris Demetriou Marios Panayides Menelaos Const. Shacolas - Independent Stephos Stephanides (appointed on 4.8.2015) - Independent Charis Charalambous (resigned 18.12.2014) Demetris P. Ioannou (resigned 4.8.2015) Ntinos Lefkaritis (resigned 4.8.2015) Costas Z. Severis (resigned 4.8.2015) Nicolas K. Shacolas (resigned 4.8.2015)
Secretary	George P. Mitsides

OFFICERS AND OTHER ADVISORS

Chief Financial Officer	Yiannis Petsas
Internal Audit Officer	Rovertos Yiousellis
Independent Auditors	KPMG Limited
Legal Advisors	Ioannides Demetriou LLC Tassos Papadopoulos & Associates LLC
Office	Shacolas House Old Nicosia – Limassol Road Athalassa, Nicosia

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **2014**

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Article 9, section 3(c) and (7) of the Transparency Requirements (Traded Securities in Regulated Market) Law of 2007 (the 'Law'), we the members of the Board of Directors and the other officials responsible for the preparation of the financial statements of Cyprus Trading Corporation Plc for the year ended 31 December 2014, on the basis of our knowledge, declare that:

(a) the annual consolidated and separate financial statements that are presented on pages 32 to 92:

- (i) have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and in accordance with the requirements 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 losses of Cyprus Trading Corporation Plc and the entities included in the consolidated financial statements as a whole, and

(b) the report of the Board of Directors provides a fair overview of the developments and the performance, as well as the financial position of Cyprus Trading Corporation Plc and the entities included in the consolidated financial statements as a whole, together with the description of the main risks and uncertainties that they face.

MEMBERS OF THE BOARD OF DIRECTORS

Nicolas K. Shacolas	Executive Chairman
Marios Loucaides	Managing Director
George Louca	Executive Director
Chrysoula N. Shacola	Executive Director
Marios N. Shacolas	Executive Director
Demetris Demetriou	Non executive Director
Demetris P. Ioannou	Non executive Director
Ntinos Lefkaritis	Non executive Director
Marios Panayides	Non executive Director
Costas Z. Severis	Non executive Director
Menelaos Const. Shacolas	Non executive Director

RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Yiannis Petsas	Chief Financial Officer

Nicosia, 29 April 2015

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Cyprus Trading Corporation Plc (CTC Plc) presents its Annual Report together with the audited consolidated and separate financial statements of CTC Plc (The Company) for the year ended 31 December 2014 together with its subsidiaries, which collectively are referred to as the Group.

FINANCIAL STATEMENTS AND FINANCIAL RESULTS

The consolidated financial statements of the Group for the year 2014 incorporate the results of the subsidiary Groups Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, the results of the subsidiary companies Argosy Trading Company Limited, Cassandra Trading Limited, CTC Automotive Limited, HOB House of Beauty Limited, and Artview Co. Limited and the associate company Akinita Lakkos Mikelli Ltd.

The Group's results have been positively affected by a profit of €40.092.000 from the sale of the Group's participation in CTC – ARI (Holdings) Limited, the company which operates the retail stores in the international airports of Larnaca and Paphos, until May 2031, as well as its participation in Cyprus Airports (F&B) Ltd, the company which manages the cafeterias and restaurants in the international airports of Larnaca and Paphos, for which there have been relevant announcements. At the same time, the Group maintaining the prudence principle in the preparation of its financial statements, recognised an impairment loss amounting to €5.000.000 which relates to the fair value of its properties. The results were also affected by non-recurring expenses amounting to €110.000. It should be noted that both the impairment loss and the non-recurring expenses did not result in any cash outflow.

PRINCIPAL ACTIVITIES

During 2014, the principal activities of the Group continued to include the import, distribution and trading of a substantial number of consumer products, motor vehicles and heavy machinery, retail trade through department stores and other specialised stores and the ownership and management of immovable property.

The Group, through its participation in the related company Hermes Airports Limited, has undertaken, together with other parties, the construction and operation of Larnaca and Paphos airports until 11 May 2031.

Ermes Department Stores Plc (Ermes)

Ermes Group concentrates all the retail activities of the Group. Ermes Group is the biggest and most diversified retail organisation in Cyprus (65,95% participation).

The activities of Ermes Group are analysed as follows:

- Ermes Department Stores Plc manages 9 Debenhams department stores with fashion, cosmetics, homeware and food sections, 1 Glow cosmetics store, 6 Next stores, 3 Peacocks, 4 Oviesse, 1 Navy & Blue, 1 Uber and 31 Zako stores, with well-known and exclusive brands.
- Retail trade in Greece through Fashionlink S.A., which operates Next, Oviesse and Peacocks stores in 6 towns.
- Through C.W.Artopolis Limited, it operates in the sector of coffee shops, bakery and pastry products.
- Through Superhome Center (D.I.Y.) Limited, it operates the well-known Do It Yourself stores with presence in Nicosia (2 stores), Limassol (1 store) and Paphos (1 store).
- Through Scandia Company Limited (and its subsidiary company IDEEA Distribution of Appliances Limited), it is engaged in the import, distribution, wholesale and retail of electrical and electronic appliances through the Scandia chain of stores.

Woolworth (Cyprus) Properties Plc

Woolworth (Cyprus) Properties Plc is engaged in the ownership, development and management of immovable property (77% participation). Woolworth (Cyprus) Properties Plc is the parent company of ITTL Trade Tourist & Leisure Park Plc, which owns the land in which the Shacolas Emporium Park was developed, which includes the operations of the 'The Mall of Cyprus' and of IKEA multistore. The shares of the subsidiary company ITTL Trade Tourist & Leisure Park Plc are traded on the Emerging Companies Market of the Cyprus Stock Exchange.

Its wholly owned subsidiary Woolworth Commercial Centre Limited is the owner of 'The Mall of Engomi'.

Woolworth (Cyprus) Property Plc owns indirectly 46,78% of the share capital of Cyprus Limni Resorts and GolfCourses Plc, which owns a large plot of land in Polis Chrysochous, and has obtained the required planning permits for its development. The Resort Limni Bay, will include amongst others, two golf courses, a five-star hotel, a significant number of residential units and other associate developments. The shares of Cyprus Limni Resorts and GolfCourses Plc are traded on the Emerging Companies Market (E.C.M.) of the Cyprus Stock Exchange.

Argosy Trading Company Limited

The largest distributor of well-known fast moving consumer goods in the Cyprus market, servicing the whole spectrum of the retail market, including supermarkets, grocery stores and kiosks (100% participation).

Cassandra Trading Limited

Import and distribution of Philip Morris tobacco products (100% participation).

CTC Automotive Limited

Trading all kinds of vehicles, saloon cars, trucks, buses and heavy machinery, with showrooms in all towns. Moreover, the company is trading the Hilti professional tools and the Philips lighting products (100% participation).

H.O.B. House of Beauty Limited

HOB House of Beauty Limited, is the largest importer and distributor of luxury cosmetics and fragrances in Cyprus. It is the leader in both the local and the travel retail markets (50% participation).

Artview Co. Limited

The company is the exclusive importer and distributor of Dior luxury cosmetics and fragrances, operating in both the local and the travel retail markets (100% participation).

Hermes Airports Limited

The Company participates in the Hermes Airports Limited consortium, which has undertaken the construction, development and operation of Larnaca and Paphos airports until 11 May 2031, using the B.O.T. method (11,34% participation).

EXAMINATION OF THE DEVELOPMENTS, POSITION AND PERFORMANCE OF THE OPERATIONS OF THE GROUP

The total turnover of the Group for 2014 amounted to €303.217.000 compared to €313.161.072 in 2013, a reduction of 3,2%.

The results of the Group for 2014 were as follows:

	2014	2013
	€	€
Profit/(loss) before tax	**37.751.614**	(11.550.114)
Tax expense	**(1.985.773)**	(2.516.272)
Profit/(loss) for the year	**35.765.841**	(14.066.386)
Attributable to:		
Owners of the Company	**32.516.671**	(16.810.246)
Non-controlling interests	**3.249.170**	2.743.860
Profit/(loss) for the year	**35.765.841**	(14.066.386)
Earnings/(losses) per share		
Basic and fully diluted earnings/(losses) per share of €0,85 (cents)	**35,33**	(18,27)

EXAMINATION OF THE DEVELOPMENTS, POSITION AND PERFORMANCE OF THE OPERATIONS OF THE GROUP (continued)

As predicted, 2014 was proven to be another difficult year for the Cyprus economy, despite of the positive actions undertaken by the Government. Noticeable improvements in public finances have been achieved that were appreciated by international markets and international rating organisations. At the same time, the successful banks' recapitalisation helped in the stability of the banking system and in its small, but substantive recovery, giving hopes for a broader economic recovery.

Nevertheless, the situation in the real economy remained difficult and was further reduced compared to 2013, but not with the same pace as in previous years. This was mainly due to the minimum investments and projects that were carried out, the unemployment which although had a downward trend it was still at high levels, and due to the salaries levels which remained unchanged after the reductions of the previous years. Furthermore, the adverse and stagnate economic and political development both locally and internationally, had a negative impact in the psychology of the consumers and the market in general.

The economy was also negatively affected due to exogenous factors, such as the issues in the euro zone, the economy and the currency in Russia and uncertainty that prevailed and still prevails in the Greek economy. Positive contribution to the economy came through the decrease in transportation costs and electricity, as a result of the international decrease in oil prices.

Despite the above, CTC Group, due to its involvement in various sectors of the economy, and through its prudent policy and continuous reorganisation of its operations, has managed to limit the consequences of the crisis. At the same time, through timely and targeted actions, it managed to be profitable, maintain its liquidity and generate sufficient funds to fulfil its obligations without any problem.

On the downsides of the previous year for the Group, was the ending of the cooperation of the subsidiary company Argosy Trading Company Limited with Unilever Hellas, in the fast moving consumer goods of Unilever Hellas, due to Unilever's decision to proceed on its own with the import and distribution of its products in Cyprus, and the non-renewal of the cooperation of the subsidiary company Ermes Department Stores Plc with Sodexo Defence Services Limited, in the joint arrangement for the management of food stores in the British Bases.

The Group was positively affected from the sale of its investments in CTC ARI (Holdings) Limited and Cyprus Airports (F&B) Ltd, considering that these investments have reached their maturity level, contributing to the profitability and the liquidity of the Group, the representation of new brands from various companies, as well as the stabilisation of operating expenses with the simultaneous improvement in operating systems and its overall productivity.

INTRINSIC VALUE OF SHARES

The intrinsic value of the Company's shares at 31 December 2014 was €1,76 (2013: €1,40) per share of €0,85.

DIVIDEND

The Board of Directors does not recommend the payment of a dividend, however it will re-examine the distribution of an interim dividend before the end of the current year.

On 28 November 2014, the Board of Directors decided to distribute the own shares held by the Company to the existing shareholders of the Company in proportion to their participation. On 2 April 2015, the process through the Cyprus Stock Exchange for the registration of these shares to the accounts of the beneficiaries was completed and 1.207.853 shares with nominal value of €0,85 were distributed in the ratio of 1 share for every 76 shares held.

MAJOR RISKS AND UNCERTAINTIES

The Group and the Company have a wide range of activities and investments and do not depend exclusively on a small number of associates or factors or operations. Their main risks are:

- Significant reliance on agencies.
- Changes in the retail market.
- Fluctuations in real estate prices.
- Fluctuations in tourism.
- Financial risks, as stated in Note 6 of the consolidated and separate financial statements.
- Other non-financial risks, as stated in Note 7 of the consolidated and separate financial statements.
- Risks arising from the economic environment in Cyprus where the Group and the Company operate, which are stated in Note 2 of the consolidated and separate financial statements.

FUTURE DEVELOPMENTS

Despite the fact that 2015 did not begin with the best prospects, especially due to external factors, such as the deterioration of Euro and Russian Rubble which affect not only the imports to Cyprus but also the tourism, and the instability of the Greek economy, it is expected that 2015 will be a year of stabilisation and slight improvement of the Cyprus economy.

The improvement indications are derived from the payoff of the austerity measures undertaken by the government and the passing of the bill for the divestitures and the insolvency framework, enabling the government and the banks to re-enter into the international markets to attract liquidity that will result in reduced interest rates, that have already been reduced this year with significant benefits to the business and the consumers. It is essential, however, that all parties of the economy contribute positively, in order to properly manage the challenges of the new year, focusing on maintaining the corrective course of the economy within the fiscal targets, the maintenance of revenue from tourism, the management of non-performing loans by banks and finally the granting of new loans to viable businesses.

The Board of Directors and the Management of the Group note that due to the above factors and challenges, a prudent and careful management and continuous vigilance are required. At the same time, all Group companies, assess within their investment plans new development opportunities and co-operations with new agencies for the addition of new products, something that already started from the end of 2014 and improve and expand their stores and plans. The retail spaces of The Mall of Engomi have already been expanded and Ermes Group has started the operation of new fashion stores and cafeterias. Furthermore, the construction of a large Super Home Centre DIY in Larnaca will commence soon.

The Group's strategy is formed based to the current conditions, to maintain its position in the sectors in which it operates and to minimise the effects of the economic conditions by exploiting potential opportunities that may arise.

The impact of the current economic crisis, the strong competition and the unavailability of liquidity in the market, represent the most significant risks faced by the Group. Considering the above, management is confident that the Group has the ability to adequately address these risks.

BRANCHES

The Group operates showrooms, department stores and distribution points in all cities. In addition, it operates the National Distribution Centre for consumer goods, which is located in the industrial area of Pera Chorio Nisou. A comprehensive list of all the addresses of the stores and services provided is included in the products' catalogue which accompanies the Annual Report.

ENVIRONMENTAL RESPONSIBILITY

The Company's and the Group's policy is to strictly comply with the laws of the State whilst at the same time being sensitive to environmental issues. In relation to these, the Company was amongst the first companies in Cyprus to be actively involved in the following areas:

a) ***Management of safety, health and environment in the workplace***

Since December 2003, under the guidance of specialised advisors, the Company started developing an effective Safety, Health and Environment Management System in the workplace.

Under this framework, the following activities are promoted and at the same time, meetings and seminars take place at regular intervals, in all the divisions of the Group:

- Formation and operation of safety committees
- Risk management
- Adoption of rules and procedures of safe operation
- Setting of an emergency action plan
- Research of required needs
- Training
- Report and research of incidents
- Analysis of incidents
- Application of individual protection measures
- Safety of equipment and installation
- Inspections and testing
- Safety of associates and subcontractors
- Application of road safety regulations
- Health management
- Application of fire safety and fire protection Regulations

ENVIRONMENTAL RESPONSIBILITY (continued)

b) ***Management of materials and packing material waste, according to European Union Directive 94/62***
The Company was one of the first companies which, under the auspice of CCCI, contributed to the creation of a collective system, based on which a central institution undertakes the collection, recovery and recycling of waste. This institution is Green Dot (Cyprus) Public Co. Limited, which was founded in 2004. Since then, the Company is a shareholder and a member of this company, taking part in the collective system.

c) ***Management of electrical/electronic products and batteries***
In conforming with the provisions of the 'The Solid and Dangerous Waste Law Number 125 of 2002' law, the subsidiary company IDEEA Distribution of Appliances Limited together with other companies formed a collective system company called WEEE Electrocyclosis Cyprus Limited. WEEE Electrocyclosis Cyprus Limited was licensed and began collection of electronic equipment in 2009.

The subsidiary company Argosy Trading Company Limited is also one of the founders of A.F.I.S. Cyprus Limited, a collective system for managing batteries and accumulators. According to ACE law 125/2009, the European Union Directive 2006/66/EC and its license, on 30 March 2009, A.F.I.S. Cyprus Limited began to operate the system in June 2009.

d) ***Management of vehicles at the end of their useful life***

On 1 July 2005, the Company signed an agreement with an authorised company for the collection of vehicles at the end of their useful life, as well as for the collection and management of metal waste, in accordance with the 'The Vehicles at the End of their Life Cycle Law 157 of 2003'.

SOCIAL CONTRIBUTION

Shacolas Group of companies, in full cooperation with the Ministry of Education, continue their social contribution with the provision of daily breakfast meals to indigent children of primary schools and some high schools, in all provinces of Cyprus. By the end of the current academic year, which is in June 2015, the total amount of this contribution will be approximately €1.000.000. At the same time, in cooperation with Municipalities, Communities and associations, they provide significant financial support to families with many children and other citizens in need.

BOARD OF DIRECTORS

The members of the Board of Directors at the date of this report are presented on page 1.

In accordance with the Company's Articles of Association, Mr. Marios Loucaides, Mr. Marios N. Shacolas, Mr. Ntinos Lefkarides and Mr. George Louca resign but they are eligible and they offer themselves for re-election.

The interest of the members of the Board of Directors in the Company's share capital as at 31 December 2014 and at the date of this report is presented in Note 36 of the consolidated and separate financial statements.

The remuneration of the members of the Board of Directors is presented in Note 38 of the consolidated and separate financial statements.

The shareholders that own more than 5% of the share capital of the Company are presented in Note 37 of the consolidated and separate financial statements.

EVENTS AFTER THE REPORTING DATE

There were no other significant events after the reporting date that may affect the consolidated and separate financial statements as at 31 December 2014.

INDEPENDENT AUDITORS

The Independent Auditors of the Company, KPMG Limited, have expressed their willingness to continue offering their services. A resolution which will reappoint the auditors and authorise the Board of Directors to determine their remuneration will be submitted at the Annual General Meeting.

By order of the Board of Directors,

Nicolas K. Shacolas
Executive Chairman

Nicosia, 29 April 2015

REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

PART A

The Board of Directors, recognising the importance of the Corporate Governance Code for the correct and virtuous management of the Company, as well as for the continuous safeguarding of the Shareholders' interests, has adopted the Corporate Governance Code and fully applies its principles.

The shares of the Company are traded at the Alternative Market of the Cyprus Stock Exchange and the application of the Corporate Governance Code is voluntary.

PART B

The Board of Directors confirms that all of the principles of the Corporate Governance Code are adhered.

BOARD OF DIRECTORS AND DIRECTORS' REMUNERATION

Duties and Responsibilities of the Directors

The Company is managed by the Board of Directors, which comprise of eleven individuals, of which the seven Directors are Non-Executive and two of them are Independent.

The Executive Chairman of the Board of Directors is Mr. Nicolas K. Shacolas. There is a clear distinction between the role of the Executive Chairman of the Board of Directors and that of the Managing Director, held by Mr. Marios Loucaides. The responsibilities of the Executive Chairman, who chairs the Board of Directors' meetings and the General Meetings of the Company, relate to the Company's strategy and policy and to the introduction of matters to the Board of Directors for which decisions need to be taken. The responsibilities of the Managing Director relate to the management of the Company in relation mainly to the day-to-day operations and activities of the business.

The Company's Board of Directors after receiving timely, complete and reliable information, meets at regular intervals for studying and taking decisions which are documented in the Company's records. During 2014, six meetings were held. The Board of Directors has specified matters on which decisions can only be taken by the Board. Some matters can be directed to special committees of the Board of Directors, without this relieving the members of the Board of Director from their collective responsibility. The responsibility of the different categories of the members of the Board of Directors does not vary from category to category.

The Company Secretary has the responsibility to offer timely, complete and reliable information to all the members of the Board of Directors. The Chairman of the Board of Directors has the responsibility to ensure that all the members are appropriately informed for the matters that are brought up in the meetings.

All Directors may consult the Executive Chairman, the Managing Director, Secretary of the Company, as well as the External and Internal Auditors of the Company. Each Director is suitably informed the first time he/she is appointed as Director of the Company as well as during his/her service when this is deemed necessary. All Directors exercise independently and free of bias their judgement during their duties and receive, when necessary, independent professional advice at the Company's expense.

On the date of this report, the Board of Directors comprised of the Directors shown in Table 1 below. All the Directors were members of the Board for the whole of 2014, except for Mr Charis Charalambous who resigned on 18 December 2014 and Mr George Louca who was appointed on 15 July 2014.

According to the Company's Articles of Association, one third of the members of the Board of Directors with the longest period of service and those appointed after the last Annual General Meeting, resign from their post at each Annual General Meeting, but are eligible for re-election.

At the next Annual General Meeting, Messrs Marios Loucaides, Marios N. Shacolas, Ntinos Lefkaritis and George Louca resign, but are eligible and offer themselves for re-election.

As required by the Code, short biographical details of those Directors who resign and offer themselves for re-election are provided below.

Marios Loucaides

Graduated from the University College with a degree in BSc Mathematics and Physics, as well as an MSc Computation from Oxford University. He was a professor of Mathematics and Computers in a college. For ten years he held managerial positions in the area of Information Technology. In 1994 he was appointed General Manager of CTC Argosy, in 2000 he was promoted to the position of General Manager of CTC and in September 2003 he was appointed Managing Director of the CTC Group. From 24 June 2009 he was appointed Chairman of CTC-ARI Airports Ltd.

Marios N. Shacolas

Studied Business Administration in America, and holds a postgraduate degree. He is the Executive Vice President of N.K. Shacolas (Holdings) Limited, Executive Director of Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc, a Director of MTN Cyprus Limited and a Director of other companies.

Ntinos Lefkaritis

Studied in England (Business Studies at West London College). Since 1974 he works at the Group of companies of Lefkaritis Brothers and Petrolina, where he is the Finance Executive Director. He is a member of the Board of Directors of Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc.

George Louca

Studied Mechanical Engineering at Pardue University in the U.S.A. and he is a chartered accountant (FCA). We worked in the audit department of Deloitte. He held the positions of Financial Controller at Infotel Limited (Germanos), Head of the finance and Information Technology at CTC-ARI Airports Limited which manages all commercial shops at all airports in Cyprus, Group Chief Financial/Officer of Cyprus Trading Corporation Plc and since 2014 he is the Group Director of Finance and Information Technology in Shacolas Group of Companies. He is the Executive Chairman of CTC Automotive Limited member of the Board of Directors of Woolworth (Cyprus) Properties Plc, Ermes Department Stores Plc and of other private companies.

Directors' Independence

The Board of Directors and the classification of the Directors into categories is shown in Table 1 below:

Table 1: The Company's Board of Directors

EXECUTIVE DIRECTORS

Nicolas K. Shacolas

Marios Loucaides

Chrysoula N. Shacola

Marios N. Shacolas

George Louca (from 15/07/2014)

NON EXECUTIVE DIRECTORS

Demetris Demetriou

Demetris P. Ioannou

Ntinos Lefkaritis - Independent

Marios Panayides

Costas Z. Severis

Menelaos Const. Shacolas - Independent (see note below)

Charis Charalambous (until 18/12/2014)

Note: Despite the fact that Mr Menelaos Const. Shacolas has already completed nine years as a Board Member of the Company, The Board of Directors considers him independent due to his objectivity and the unbiased judgment that he demonstrated during his term at the Board of Directors and its committees.

The above classification is according to the criteria of independence which are included in the Corporate Governance Code.

Board of Directors' Committees

The Board of Directors of the Company, adopting the Code's Principles, proceeded with the formation of the following Committees and with the approval of their Operational Memoranda, which comply with the Code and are available to anyone that is interested and wishes further information on this area, at the Company's Registered Office. These Committees also cover all the subsidiaries of Cyprus Trading Corporation Plc, with the exception of the listed companies Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, which have their own committees, as follows: Appointment Committee, Remuneration Committee and Audit Committee.

Board of Directors' Committees (Continued)

a. Appointment Committee

The main purpose of the Appointment Committee is to maintain a well-defined and transparent procedure regarding the appointment of new members to the Board of Directors, and to make suggestions to the Board of Directors in relation to such appointments. The members of the Appointment Committee, the majority of which are Non-Executive Directors, are the following:

Demetris Demetriou, Chairman	- Non Executive
Nicolas K. Shacolas	- Executive
Costas Z. Severis	- Non Executive

The Appointment Committee meets at least once a year and reports to the Board of Directors. It also meets at least once a year, presenting a summary of its activities during the previous financial year together with its suggestions, if any.

b. Remuneration Committee

The Remuneration Committee is made up of the following Non-Executive Directors, the majority of whom are independent:

Demetris Demetriou, Chairman	- Non Executive
Menelaos Const. Shacolas	- Non Executive, Independent
Ntinos Lefkaritis	- Non Executive, Independent

The Remuneration Committee meets at least once a year and its objective is to submit recommendations to the Board of Directors regarding the content and level of the Executive Directors' remuneration, as well as the terms of the relevant employment contracts. The Non-Executive Directors' remuneration is determined at the Annual General Meeting.

c. Audit Committee

The role and responsibility of the Audit Committee relate to issues that have to do with services provided by External or Internal Auditors, including the confirmation of their independence, issues regarding accounting treatments, commenting on significant transactions that may lead to conflict of interests, as well as the compilation, with the help of Compliance Officers of the code, of the Board of Directors' Report on Corporate Governance. The Audit Committee reports to the Board of Directors. The Internal Audit Systems are reviewed regularly by the Internal Audit Department of Shacolas Group, which reports to the Audit Committee and comments on their effectiveness.

The Audit Committee of the Company is made up of the following Non-Executive Directors whom are in line with the requirements of the Code and, the majority of whom are independent:

Demetris Demetriou, Chairman	- Non Executive
Menelaos Const. Shacolas	- Non Executive, Independent
Ntinos Lefkaritis	- Non Executive, Independent

The Audit Committee meets at least four times a year. It reviews, amongst others, the Company's Financial Statements and the Company's internal financial systems, the Internal Audit reports and the effectiveness of the Company's Internal Controls, as well as the risk management systems. It suggests the appointment or the termination of the Internal and External Auditors and monitors their relationship with the Company, including the balance between audit and other non-audit services, which they may provide.

The External Auditors of the Company, apart from the audit services provided in 2014, have not provided any other services apart from services relating to the interim financial statements, tax and VAT matters, which directly relate to the audit services they offer.

The Audit Committee has the power to request professional advice on matters within the scope of its own duties and, when necessary, may invite to its meetings specialists on the matters under discussion.

Directors' Remuneration

The remuneration of the Executive Directors is determined by the Board of Directors after the recommendation of the Remuneration Committee. For this reason, the Remuneration Committee acts within the scope of the Remuneration Policy, which was approved at the Annual General Meeting of the Shareholders and complies with the requirements of paragraph B.2 of the Corporate Governance Code.

A Director is not involved in the determination of his/her remuneration. The current employment contracts of the Executive Directors are of indefinite duration, the notice period does not exceed one year and the provisions for compensation in case of early termination of a contract are based on the provisions for Termination of Employment Law.

The remuneration of the Directors, as members of the Committees of the Board of Directors, is determined by the Board of Directors and it relates to the time invested for Managing the Company. The remuneration of the Directors, as members of the Board of Directors, is approved by the Shareholders at a General Meeting. The remuneration of the Non-Executive Directors is not linked to profitability and is not in the form of retirement or insurance plans benefits. The remuneration of the Directors for 2014 is outlined below and is splitted between Executive and non-Executive Directors.

There are no plans for now, which provide pre-emption rights or warrants to the Directors.

The Executive Directors, who are at the same time employees of the Company, participate in the existing Benefit Schemes of the Group (Provident Fund, Medical Fund, and Insurance Cover Plans). The terms for participating in these plans do not differ from the terms that are in effect for other employees of the Group. The current employees' Retirement Plan (Provident Fund) is a defined contribution scheme.

The total remuneration of the Executive Directors that were employed by the Company in 2014, Mr Marios Loucaides, Mrs Chrysoula N. Shacola and George Louca, including employer's contributions and other benefits was €240.683 (2013: €232.164), €179.497 (2013: €172.776) and €78.175 respectively. The other two Executive Directors Mr Nicolas K. Shacolas and Mr Marios N. Shacolas did not receive any remuneration except their remuneration as members of the Board of Directors and their participation in various Committees of the Board of Directors, which for the year 2014 amounted to €46.870 (2013: €46.870) and €3.600 (2013: €4.000), respectively. The total remuneration of the Executive Directors amounted to €518.103.

During the year ended 31 December 2014, the Company did not provide any additional remuneration to the Non Executive Directors, except for their annual remuneration as members of the Board of Directors, and their participation in various Committees of the Board of Directors, which was approved by the previous General Meeting of the Company. This is analysed as follows: Mr Costas Z. Severis €3.970, Mr Demetris P. Ioannou €4.000, Mr Menelaos Const. Shacolas €5.020, Mr Ntinos Lefkaritis €3.000, Mr Marios Panayides €3,600, Mr Demetris Demetriou €6.040 and Mr Charis Charalambous €2.600. The remuneration of Mr Demetris Demetriou and Mr Marios Panayides, was paid to their employer as compensation for the time they have spent as Non-Executive Directors of Cyprus Trading Corporation Plc. The total remuneration of the Non-Executive Directors of the Company amounted to €28.230.

The remuneration of the Directors is presented in Notes 10 and 38 of the Consolidated and Separate Financial Statements.

RESPONSIBILITY AND CONTROL

Internal Control System

The Board of Directors has received assurance that the Company maintains an adequate Internal Control System to ensure the greatest possible protection of the Shareholders' investment and the Company's assets.

The Company's Board of Directors confirms that it has reviewed the procedures and methods for verifying the correctness, completeness and validity of the information provided to the investors and confirms that they are effective.

The Board of Directors confirms that it monitors the Internal Control System of the Company, through the Internal Audit Department of Shacolas Group, which acts and reports independently to the Audit Committee of the Company, and assures that their effectiveness is satisfactory. The review of the Internal Control and Risk Management Systems by the Internal Audit Department covers, on a sample basis, the financial, operational and software systems, as well as the control systems used and security safeguards.

The objective of the Internal Audit Department of the Group is the provision of independent and objective Internal Audit Services and advisory services planned to add value and to improve the operation of the Group companies.

The Internal Audit Department assists the Group to achieve its objectives by applying a systematic and disciplined methodology to assess and improve the Risk Management and Internal Control Systems and the implementation of the Corporate Governance Code by each company. The Internal Audit Department reports to the Board of Directors and the Audit Committee of the Company on the work performed. The members of the Internal Audit Department report directly to the Audit Committee to ensure the independence of the department. The Head of the Internal Audit Department is Mr Rovertos Yiousellis, Certified Auditor (FCCA, MBA finance).

The Board of Directors of the Company confirms that no breach of the Cyprus Stock Exchange Law has come to its attention, except from those already known by the stock exchange authorities.

Directors' Loans

Any loans to Directors of the Group from Group companies and information regarding the potential personal interest of Directors in transactions or issues that affect the Company are presented in Note 38 of the Financial Statements.

Votes and Control Options

The Company did not issue any shares with special control rights and there are no restrictions on the voting rights. All the shares have the same rights.

Going Concern

The Board of Directors confirms that the Company and the Group have adequate resources to continue their operations as a going concern for the next twelve months.

Compliance with Corporate Governance Code

The Board of Directors has appointed Messrs George Mitsides and Demetris Demetriou, who have good knowledge of the Stock Exchange Law and the requirements of the Cyprus Securities and Exchange Commission, as Compliance Officers of the Corporate Governance Code, who monitor, in conjunction with the Audit Committee, the application of the Code.

INVESTOR RELATIONS

The Directors consider as an important part of their responsibilities the communication of clear, accurate and timely information to the Shareholders and the adoption of the requirements of the Corporate Governance Code regarding the constructive use of the General Meeting and the equal treatment of the Shareholders. The Shareholders, provided they represent an adequate number of shares, have the right to raise issues for discussion at the General Meetings in accordance with the requirements of the Company's Law.

The Board of Directors has appointed Messrs Marios Loucaides and Demetris Demetriou as the Company's Investor Liaison Officers.

The Board of Directors appointed Mr Menelaos Const. Shacolas, an Independent Non-Executive Director, as Senior Independent Director, who is available to reply to the questions of the Shareholders whose concerns have not been resolved through the normal channels of communication within the Company.

BOARD OF DIRECTORS' REMUNERATION POLICY

The Board of Directors' Remuneration Policy is set and approved at the General Meeting of the Shareholders and is posted on the official website of the Company.

By order of the Board of Directors,

George P. Mitsides
Secretary

Nicosia, 29 April 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CYPRUS TRADING CORPORATION PLC

Report on the consolidated financial statements and the separate financial statements of Cyprus Trading Corporation Plc

We have audited the accompanying consolidated financial statements of Cyprus Trading Corporation Plc and its subsidiaries (the "Group"), and the separate financial statements of Cyprus Trading Corporation Plc (the "Company") on pages 20 to 88, which comprise the consolidated statements of financial position and the statement of financial position of the Company as at 31 December 2014, and the consolidated statements of comprehensive income, changes in equity and cash flows, and the statements of comprehensive income, changes in equity and cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements of the Company based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements of the Company 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 of the Company. 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 of the Company, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated and separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated and separate financial statements of the Company.

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

Opinion

In our opinion, the consolidated financial statements and the separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2014, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- The consolidated and the separate financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated and the separate financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 3 to 11 is consistent with the consolidated and the separate financial statements of the Company.

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.

Nicos G. Syrimis, FCA
Certified Public Accountant and Registered Auditor
For and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

29 April 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Note	2014 €	2013 €
Turnover		**303.217.000**	313.161.072
Cost of Sales		**(226.374.181)**	(231.947.933)
Gross Profits		**76.842.819**	81.213.139
Other operating income	9	**17.338.107**	16.588.933
Distribution expenses		**(49.595.429)**	(50.207.799)
Administrative expenses		**(14.603.753)**	(14.042.470)
Operating profits before depreciation		**29.981.744**	33.551.803
Depreciation for the year		**(6.054.817)**	(8.295.967)
Operating profits	10	**23.926.927**	25.255.836
Finance income	12	**1.807.903**	1.760.154
Finance costs	12	**(21.700.451)**	(25.892.782)
Net finance costs		**(19.892.548)**	(24.132.628)
Non - recurring expenses	13	**(110.390)**	(2.012.580)
Profit/(loss) from investing activities	14	**34.510.818**	(13.206.973)
Share of loss from associate companies	21	**(683.193)**	(97.586)
Share of profit from joint ventures	22	**-**	2.643.817
Profit/(loss) before tax		**37.751.614**	(11.550.114)
Tax expense	15	**(1.985.773)**	(2.516.272)
Profit/(loss) for the year		**35.765.841**	(14.066.386)
Other comprehensive income/(expenses)			
Items that will never be reclassified to profit or loss			
Deferred tax on revaluation of property, plant and equipment	32	**(16.276)**	750.304
Revaluation of investments available for sale	23	**16.664**	-
Revaluation of property, plant and equipment	17	**-**	(11.647.725)
Revaluation of property, plant and equipment of joint ventures	22	**-**	(45.561)
Other comprehensive (expenses)/income for the year after tax		**388**	(10.942.982)
Total comprehensive income/(expenses) for the year		**35.766.229**	(25.009.368)
Profit/(loss) attributable to:			
Owners of the Company		**32.516.671**	(16.810.246)
Non-controlling interests		**3.249.170**	2.743.860
Profit/(loss) for the year		**35.765.841**	(14.066.386)
Total comprehensive income/(expenses) attributable to:			
Owners of the Company		**32.527.163**	(26.186.695)
Non-controlling interests		**3.239.066**	1.177.327
Total comprehensive income/(expenses) for the year		**35.766.229**	(25.009.368)
Earnings/(losses) per share			
Basic and fully diluted earnings/(losses) per share of €0,85 (cents)	16	**35,33**	(18,27)

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

		2014	2013
Assets	Note	**€**	€
Property, plant and equipment	17	**277.522.726**	274.797.399
Intangible assets	18	**33.730.149**	33.760.497
Investment property	19	**162.188.897**	166.075.295
Investments in associate companies	21	**19.096.893**	20.896.758
Investments in joint ventures		**-**	17.296.782
Investments available for sale	23	**343.350**	326.089
Investments at fair value through profit or loss	24	**77.712.100**	82.712.100
Loans receivable	25	**32.993.567**	24.016.011
Total non-current assets		**603.587.682**	619.880.931
Inventories	26	**43.936.994**	41.830.431
Trade and other receivables	27	**30.049.619**	28.283.150
Cash and cash equivalents		**8.729.327**	15.734.080
Total current assets		**82.715.940**	85.847.661
Total assets		**686.303.622**	705.728.592
Equity			
Share capital	28	**79.261.147**	79.261.147
Share premium		**4.255.873**	4.255.873
Own shares reserve	29	**(1.644.529)**	(1.644.529)
Fair value reserves	30	**9.830.230**	9.819.738
Retained earnings		**65.847.831**	37.175.456
Difference from the conversion of share capital to Euro		**401.035**	401.035
Total equity attributable to owners of the Company		**157.951.587**	129.268.720
Non-controlling interests		**58.648.432**	56.680.721
Total equity		**216.600.019**	185.949.441
Liabilities			
Borrowings	31	**286.551.944**	303.835.120
Deferred tax liabilities	32	**14.081.337**	13.155.862
Trade and other payables	33	**4.036.762**	3.784.385
Total non-current liabilities		**304.670.043**	320.775.367
Borrowings	31	**91.784.272**	112.600.791
Trade and other payables	33	**70.584.147**	84.221.405
Current tax liabilities	34	**2.665.141**	2.181.588
Total current liabilities		**165.033.560**	199.003.784
Total liabilities		**469.703.603**	519.779.151
Total equity and liabilities		**686.303.622**	705.728.592

The financial statements were approved by the Board of Directors on 29 April 2015.

Nicolas K. Shacolas
Executive Chairman

Marios Loucaides
Managing Director

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY							
	Share capital	Share premium	Own shares reserve	Fair value reserves	Retained earnings	Difference from the conversion of share capital to Euro	**Non-controlling interest**	**Total equity**
	€	€	€	€	€	€	**€**	**€**
Year ended 31 December 2014								
At 1 January 2014	79.261.147	4.255.873	(1.644.529)	9.819.738	37.175.456	401.035	56.860.721	**185.949.441**
Total comprehensive income for the year								
Profit for the year	-	-	-	-	32.516.671	-	3.249.170	**35.765.841**
Other comprehensive income for the year								
Revaluation of investments available for sale (Note 23)	-	-	-	16.664	-	-	-	**16.664**
Deferred tax on revaluation (Note 32)	-	-	-	(6.172)	-	-	(10.104)	**(16.276)**
Other comprehensive income/ (expenses) for the year	-	-	-	10.492	-	-	(10.104)	**388**
Total comprehensive income for the year	-	-	-	10.492	32.516.671	-	3.239.066	**35.766.229**
Transactions with the owners of the Company								
Contributions and distributions								
Dividends paid by subsidiary companies	-	-	-	-	-	-	(5.115.651)	**(5.115.651)**
Total contributions and distributions	-	-	-	-	-	-	(5.115.651)	**(5.115.651)**
Change in ownership interests								
Decrease in the participation of the Group in a subsidiary company	-	-	-	-	(3.844.296)	-	3.844.296	**-**
Total changes in ownership interests		-	-	-	(3.844.296)	-	3.844.296	**-**
Total transactions with the owners of the Company	-	-	-	-	(3.844.296)	-	(1.271.355)	**(5.115.651)**
At 31 December 2014	79.261.147	4.255.873	(1.644.529)	9.830.230	65.847.831	401.035	58.648.432	**216.600.019**

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY							
	Share capital	Share premium	Own shares reserve	Fair value reserves	Retained earnings	Difference from the conversion of share capital to Euro	**Non-controling interest**	**Total equity**
	€	€	€	€	€	€	**€**	**€**
Year ended 31 December 2013								
At 1 January 2013	79.261.147	4.255.873	(1.644.529)	19.196.187	70.990.796	401.035	68.857.374	**241.317.883**
Total comprehensive (expenses)/ income for the year								
Loss for the year	-	-	-	-	(16.810.246)	-	2.743.860	**(14.066.386)**
Other comprehensive (expenses)/ income for the year								
Revaluation of property, plant and equipment (Note 17)	-	-	-	(10.026.198)	-	-	(1.621.527)	**(11.647.725)**
Revaluation of property, plant and equipment of joint ventures (Note 22)	-	-	-	(30.047)	-	-	(15.514)	**(45.561)**
Deferred tax on revaluation (Note 32)	-	-	-	679.796	-	-	70.508	**750.304**
Other comprehensive expenses for the year	-	-	-	(9.376.449)	-	-	(1.566.533)	**(10.942.982)**
Total comprehensive (expenses)/ income for the year	-	-	-	(9.376.449)	(16.810.246)	-	1.177.327	**(25.009.368)**
Transactions with the owners of the Company								
Contributions and distributions								
Defence tax on deemed divided distribution of associate company (Note 21)	-	-	-	-	(33.885)	-	-	**(33.885)**
Dividends paid	-	-	-	-	(16.971.209)	-	-	**(16.971.209)**
Dividends paid by subsidiary companies	-	-	-	-	-	-	(1.974.690)	**(1.974.690)**
Total contributions and distributions	-	-	-	-	(17.005.094)	-	(1.974.690)	**(18.979.784)**
Change in ownership interests								
Increase in the participation of the Group in a subsidiary company	-	-	-	-	-	-	(11.379.290)	**(11.379.290)**
Total changes in ownership interests	-	-	-	-	-	-	(11.379.290)	**(11.379.290)**
Total transactions with the owners of the Company	-	-	-	-	(17.005.094)	-	(13.353.980)	**(30.359.074)**
At 31 December 2013	79.261.147	4.255.873	(1.644.529)	9.819.738	37.175.456	401.035	56.680.721	**185.949.441**

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

	Note	2014	2013
		€	€
Cash flows from operating activities			
Profit from operations before working capital changes	35	**29.986.892**	33.532.267
(Increase)/decrease in trade and other receivables		**(1.926.201)**	5.170.639
(Increase)/decrease in inventories		**(2.100.538)**	8.325.539
(Decrease)/increase in trade and other payables		**(13.805.506)**	7.526.407
Cash generated from operating activities		**12.154.647**	54.554.852
Interest paid		**(21.246.212)**	(25.196.849)
Tax paid		**(595.507)**	(570.780)
Net cash (for)/from operating activities		**(9.687.072)**	28.787.223
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment	17	**(4.320.685)**	(817.458)
Payments for acquisition of intangible assets	18	**(128.965)**	(37.123)
Payments for acquisition of investment property	19	**(628.233)**	(881.227)
Payments for acquisition of investment in subsidiary company	20	**-**	(11.343.125)
Payments for acquisition of investment available for sale	23	**(597)**	-
Proceeds from sale of property, plant and equipment		**76.811**	137.020
Proceeds from sale of investments of joint ventures	22	**54.731.944**	-
Proceeds from sale of associate company	21	**3.125.000**	58.000.000
Part-return of compensation received	14	**-**	(500.000)
Impairment of cash and cash equivalents	14	**-**	(265.513)
Conversion of cash to investments available for sale	23	**-**	(1.123.125)
Dividends received from associate companies	21	**83.439**	1.062.839
Dividends received from joint ventures		**-**	2.000.000
Interest received		**123.179**	380.454
Net cash from investing activities		**53.061.893**	46.612.742
Cash flows for financing activities			
New borrowings	31	**1.072.628**	6.811.637
Repayment of borrowings	31	**(39.261.269)**	(51.806.790)
Proceeds/(repayment) of bank overdrafts and other facilities		**60.446**	(15.133.836)
Loans granted to related parties	25	**(7.135.728)**	(6.426.960)
Repayment of loans to related parties	25	**-**	15.825.236
Dividends paid		**(5.115.651)**	(18.945.899)
Net cash for financing activities		**(50.379.574)**	(69.676.612)
Net (decrease)/increase in cash and cash equivalents		**(7.004.753)**	5.723.353
Cash and cash equivalents at the beginning of the year		**15.734.080**	10.010.727
Cash and cash equivalents at the end of the year		**8.729.327**	15.734.080

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Note	2014 €	2013 €
Other operating income	9	**13.600.563**	4.987.185
Administrative expenses		**(2.381.121)**	(2.223.182)
Operating profits before depreciation		**11.219.442**	2.764.003
Depreciation for the year		**(24.704)**	(22.661)
Operating profits	10	**11.194.738**	2.741.342
Finance income	12	**4.428.701**	3.944.735
Finance expenses	12	**(11.042.585)**	(10.455.731)
Net finance costs		**(6.613.884)**	(6.510.996)
Non-recurring expenses	13	**(4.480.000)**	-
Profits/(losses) from investing activities	14	**-**	(3.947.135)
Profits/(losses) before tax		**100.854**	(7.716.789)
Tax expense	15	**227.199**	238.943
Profits/(losses) for the year		**328.053**	(7.477.846)
Other comprehensive expenses			
Items that will never be reclassified to profit or loss			
Deferred tax on revaluation of property, plant and equipment	32	**(1.051)**	63.065
Revaluation of property, plant and equipment	17	**-**	(422.634)
Other comprehensive expenses for the year after tax		**(1.051)**	(359.569)
Total comprehensive income/(expenses) for the year		**327.002**	(7.837.415)
Earnings/(losses) per share			
Basic and fully diluted earnings/(losses) per share of €0,85 (cents)	16	**0,36**	(8,13)

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

		2014	2013
Assets	Note	**€**	€
Property, plant and equipment	17	**4.984.129**	4.939.052
Intangible assets	18	**617**	845
Investment property	19	**26.781.361**	26.443.601
Investments in subsidiary companies	20	**190.525.850**	190.525.850
Investments available for sale	23	**94.929**	94.629
Loans receivable	25	**57.408.191**	73.929.173
Total non-current assets		**279.795.077**	295.933.150
Loans receivable	25	**46.454**	585.188
Trade and other receivables	27	**12.887.941**	18.299.295
Cash and cash equivalents		**59.033**	689.503
Total current assets		**12.993.428**	19.573.986
Total assets		**292.788.505**	315.507.136
Equity			
Share capital	28	**79.261.147**	79.261.147
Share premium		**4.255.873**	4.255.873
Own share reserve	29	**(1.546.485)**	(1.546.485)
Fair value reserves	30	**5.304.038**	5.305.089
Retained earnings		**17.838.508**	17.510.455
Difference from the conversion of share capital to Euro		**401.035**	401.035
Total equity		**105.514.116**	105.187.114
Liabilities			
Borrowings	31	**130.289.769**	136.424.284
Deferred tax liabilities	32	**2.354.288**	2.580.445
Total non-current liabilities		**132.644.057**	139.004.729
Borrowings	31	**10.754.117**	17.793.198
Trade and other payables	33	**43.876.215**	53.522.095
Total current liabilities		**54.630.332**	71.315.293
Total liabilities		**187.274.389**	210.320.022
Total equity and liabilities		**292.788.505**	315.507.136

The financial statements were approved by the Board of Directors on 29 April 2015.

Nicolas K. Shacolas
Executive Chairman

Marios Loucaides
Managing Director

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

	Share capital	Share premium	Own shares reserve	Fair value reserve	Retained earnings	Difference from the conversion of share capital to euro	**Total equity**
	€	€	€	€	€	€	**€**
Year ended 31 December 2014							
At 1 January 2014	79.261.147	4.255.873	(1.546.485)	5.305.089	17.510.455	401.035	**105.187.114**
Total comprehensive income for the year							
Profits for the year	-	-	-	-	328.053	-	**328.053**
Other comprehensive income for the year							
Deferred tax on revaluation of property, plant and equipment (Note 32)	-	-	-	(1.051)	-	-	**(1.051)**
Other comprehensive income for the year	-	-	-	(1.051)	-	-	**(1.051)**
Total comprehensive income for the year	-	-	-	(1.051)	328.053	-	**327.002**
At 31 December 2014	79.261.147	4.255.873	(1.546.485)	5.304.038	17.838.508	401.035	**105.514.116**

	Share capital	Share premium	Own shares reserve	Fair value reserve	Retained earnings	Difference from the conversion of share capital to euro	**Total equity**
	€	€	€	€	€	€	**€**
Year ended 31 December 2013							
At 1 January 2013	79.261.147	4.255.873	(1.546.485)	5.664.658	41.959.510	401.035	**129.995.738**
Total comprehensive (expenses)/ income for the year							
Losses for the year	-	-	-	-	(7.477.846)	-	**(7.477.846)**
Other comprehensive(expenses)/ income for the year							
Revaluation on property, plant and equipment (Note 17)	-	-	-	(422.634)	-	-	**(422.634)**
Deferred tax on revaluation of property, plant and equipment (Note 32)	-	-	-	63.065	-	-	**63.065**
Other comprehensive expenses for the year	-	-	-	(359.569)	-	-	**(359.569)**
Total comprehensive expenses for the year	-	-	-	(359.569)	(7.477.846)	-	**(7.837.415)**
Transactions with the owners of the Company							
Contributions and distributions							
Dividends paid	-	-	-	-	(16.971.209)	-	**(16.971.209)**
Total contributions and distributions	-	-	-	-	(16.971.209)	-	**(16.971.209)**
At 31 December 2013	79.261.147	4.255.873	(1.546.485)	5.305.089	17.510.455	401.035	**105.187.114**

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

	Note	**2014**	2013
		€	€
Cash flows from operating activities			
Profits from operations before working capital changes	35	**11.219.442**	2.764.003
Decrease/(increase) in trade and other receivables		**931.354**	(1.163.975)
Decrease/(increase) in trade and other payables		**(9.645.880)**	19.289.994
Cash from operating activities		**2.504.916**	20.890.022
Interest paid		**(16.689.528)**	(2.357.871)
Tax paid		**(9)**	(27)
Net cash (for)/from operating activities		**(14.184.621)**	18.532.124
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment	17	**(75.128)**	(225.948)
Payments for acquisition of intangible assets	18	**(499)**	(480)
Payments for acquisition of investment property	19	**(332.475)**	(4.090)
Payments for acquisition of investments in subsidiary company	20	**-**	(11.343.125)
Payments for acquisition of investments available for sale	23	**(300)**	-
Receipts from sale of property, plant and equipment		**789**	-
Interest received		**3.987.445**	321.983
Net cash from/(for) investing activities		**3.579.832**	(11.251.660)
Cash flows for financing activities			
New borrowings	31	**75.897.400**	29.083.790
Repayment of borrowings	31	**(82.945.461)**	(8.325.826)
(Repayment)/grant of bank overdraft and other facilities		**(478.592)**	39.455
Loans granted to related companies	25	**(5.858.728)**	(21.989.945)
Repayment of loans to related companies	25	**23.359.700**	11.448.042
Dividends paid		**-**	(16.971.209)
Net cash from/(for) financing activities		**9.974.319**	(6.946.928)
Net (decrease)/increase in cash and cash equivalents		**(630.470)**	333.536
Cash and cash equivalents at the beginning of the year		**689.503**	355.967
Cash and cash equivalents at the end of the year		**59.033**	689.503

The notes on pages 29 to 88 form an integral part of these consolidated and separate financial statements.

1. INCORPORATION AND PRINCIPAL ACTIVITIES

General

Cyprus Trading Corporation Plc (the "Company") was incorporated in Cyprus in 1977 as a Limited Liability Company under the name Cyprian Seaways Bonded Warehouses Limited. In 1989 it became Public in accordance with the provisions of the Companies Law, after acquiring Cyprus Trading Corporation Limited which was incorporated in 1927, and adopting its name.

The registered office of the Company is at Shacolas House, Old Nicosia-Limassol Road, Athalassa, Nicosia.

Principal activities

During 2014 the principal activities of the Group continue to include the import, distribution and trading of a substantial number of consumer products, motor vehicles and heavy machinery, retail trade through department stores and other specialised stores and the ownership and management of immovable property.

2. OPERATING ENVIRONMENT OF THE COMPANY AND THE GROUP

General events

The Cyprus economy has been adversely affected by the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. These events led to negotiations between the Republic of Cyprus and the European Commission, the European Central Bank and the International Monetary Fund (the "Troika") for financial support which resulted into the Eurogroup decisions on 25 March 2013. The decisions involved:

a) The formulation of an Economic Adjustment Program for the country entailing the provision of financial assistance of up to €10 billion, the disbursements of which are subject to ongoing reviews by the Troika.

b) The restructuring of the two largest (systemic) banks in Cyprus through a "bail in".

During 2014 the banking sector in Cyprus undertook significant measures in anticipation of and subsequent to the EU-wide comprehensive assessment which consisted of thorough asset quality reviews and stress tests, and as a result it was recapitalised. Nevertheless the banking sector continues to face challenges due to the high level of non-performing loans and the limited availability of credit.

Possible risks

The uncertain economic situation in Cyprus, the unavailability of financing, the impairment loss incurred on bank deposits and the imposition of the above capital controls together with the current instability in the banking system and the anticipated economic recession, could affect:

(a) the ability of the Company and the Group to obtain new financing or refinance their existing borrowings at terms and conditions similar to those applied to earlier transactions,

(b) the ability of the Company's and the Group's trade and other receivables to repay the amounts due to the Company and the Group,

(c) the ability of the Company and the Group to generate sufficient turnover and to sell their existing stocks or to conclude contracts for new property development,

(d) the expected cash flows of the Company and the Group and hence:

- the assessment of impairment for financial or non-financial assets,
- the valuation of assets measured at fair value based on discounted cash flows,
- the Management's assessment for the existence of sufficient financial assistance for the Group.

Assessment by the management of the Company and the Group

The management of the Company and the Group has assessed:

(a) whether any impairment allowances are deemed necessary for financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined by using the 'incurred loss' model required by the applicable financial reporting standards. This standard requires recognition of impairment losses for receivables arising from past events and prohibits the recognition of impairment losses that could arise from future events, no matter how likely those future events are.

(b) whether the net realisable value of the Group's inventories exceeds cost. When the net realisable value is lower than the cost, the excess should be charged to profit or loss for the year.

(c) Whether the economic environment in Cyprus influenced the Company's and Group's expected cash flows and as a consequence the fair value of their assets.

The Company's and 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 Company and the Group.

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

3. BASIS OF PREPARATION

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113 and the Cyprus Stock Exchange Law.

Basis of measurement

The consolidated and separate financial statements have been prepared under the historical cost convention, as modified to include the revaluation at fair value of property, plant and equipment, investment property, investments available for sale and investments at fair value through profit and loss.

The financial statements for the year ended 31 December 2014 consist of the separate financial statements of the Company, and the consolidated financial statements of the Company and its subsidiaries which together are referred to as the 'Group'.

Going concern

The consolidated and separate financial statements have been prepared on a going concern basis.

The Board has made an assessment of the ability of the Company and the Group to continue their work as continuing operations taking into account all available information for the twelve months from the reporting date. Based on this evaluation, the Board is satisfied that the consolidated and separate financial statements can be prepared based on a going concern basis.

Basis of presentation and functional currency

The consolidated and separate financial statements are presented in Euro ('€'), which is the main currency used and presents best the substance of the transactions and activities of the Company and its subsidiary companies.

3. BASIS OF PREPARATION (continued)

Adoption of new and revised Standards and Interpretations

As from 1 January 2014, the Company and the Group adopted all changes to International Financial Reporting Standards (IFRSs), which are relevant to their operations. The adoption of these Standards did not have a material effect on the consolidated and separate financial statements of the Company with the exception of the following:

(a) IFRS 11, "Joint Arrangements". IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form.

There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer permitted. The standard is effective for annual periods beginning on or after 1 January 2014.

As a result of the above, the investments of the Company and the Group fall into the category of Joint Ventures and will be recognised under the equity method. The comparative figures have been restated to take into account the above changes.

(b) IFRS 12, "Disclosures of Interests in Other Entities". IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 sets out the required disclosures for entities reporting under the two new standards: IFRS 10, Consolidated financial statements, and IFRS 11, Joint arrangements, and replaces the disclosure requirements currently found in IAS 28, Investments in associates. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. To meet these objectives, the new standard requires disclosures in a number of areas, including significant judgments and assumptions made in determining whether an entity controls, jointly controls, or significantly influences its interests in other entities, extended disclosures on share of non-controlling interests in group activities and cash flows, summarised financial information of subsidiaries with material non-controlling interests, and detailed disclosures of interests in unconsolidated structured entities. Refer to Notes 20,21 and 22 for the relevant disclosures.

The following Standards, Amendments to Standards and Interpretations had been issued but are not yet effective for annual periods beginning on 1 January 2014. The Company and the Group do not plan to adopt these Standards early.

(i) Standards and Interpretations adopted by the EU

- IAS 19 (Amendments) ''Defined Benefit Plans: Employee Contributions" (effective for annual periods beginning on or after 1 July 2014).
- Improvements to IFRSs 2010-2012 (effective for annual periods beginning on or after 1 July 2014).
- Improvements to IFRSs 2011-2013 (effective for annual periods beginning on or after 1 July 2014).

(ii) Standards and Interpretations not adopted by the EU

- IFRS 14 ''Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10, IFRS 12 and IAS 28 (Amendments): Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016).
- IFRS 11 'Accounting for acquisitions of interests in Joint Operations'" (Amendments) (effective for annual periods beginning on or after 1 January 2016).
- IAS 1 (Amendments): Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10 and IAS 28 (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016).
- IAS 27 (Amendments) ''Equity method in separate financial statements" (effective for annual periods beginning on or after 1 January 2016).
- IAS 16 and IAS 41 (Amendments): ''Bearer plants" (effective for annual periods beginning on or after 1 January 2016).

3. BASIS OF PREPARATION (continued)

Adoption of new and revised Standards and Interpretations (continued)

(ii) Standards and Interpretations not adopted by the EU

- IAS 16 and IAS 38 (Amendments) ''Clarification of acceptable methods of depreciation and amortisation" (effective for annual periods beginning on or after 1 January 2016).
- Annual Improvements to IFRSs 2012–2014 Cycle (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2016)
- IFRS 15 ''Revenue from contracts with customers" (effective for annual periods beginning on or after 1 January 2017).
- IFRS 9 ''Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).

The Board of Directors expects that the adoption of the above financial reporting standards in future periods will not have a significant effect on the consolidated and separate financial statements of the Company.

Use of estimates and judgments

The preparation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards requires from Management the exercise of judgment and the use of estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historic experience and various other factors that are deemed to be reasonable, based on the facts and the results of which determine the basis in which judgment is exercised in relation to the accounting values of assets and liabilities, which are not directly visible from other sources. Actual results may differ from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised if the estimate affects only that period, or in the period of the revision and future periods if the revision affects the current as well as future periods.

The areas that require more judgment or are more complicated or the areas where the underlying assumptions and estimates have a significant impact on the consolidated and separate financial statements are presented in Note 5.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group and the Company to all periods presented in these consolidated and separate financial statements.

Basis of consolidation

(i) Subsidiary companies

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Subsidiary companies

If the business combination is achieved in stages, the fair value at the acquisition date of the interest previously held by the Group is valued again at fair value at the acquisition date through profit and loss.

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

Investments in subsidiary companies are stated in the statement of financial position of the Company at cost less accumulated impairment losses. In cases where the value of an investment is permanently impaired, the deficit is recognised in the statement of comprehensive income.

A list of the significant subsidiary companies of the Group and the Company is presented in Note 20.

(ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired or the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

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

(iii) Associate companies

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 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 loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves 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.

After the application of the equity method, including the recognition of 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.

In the separate financial statements of the Company, the investments in associate companies are stated at cost less accumulated impairment losses. In cases where the value of an investment is permanently impaired, the deficit is recognised in profit or loss.

A list of the associate companies of the Group and the Company is presented in Note 21.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

(iv) Joint Ventures

Effective from 1 January 2014, investments in joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in joint ventures include goodwill, identified on acquisition net of any accumulated impairment loss. Previously, the Group recognised its participation in joint ventures using proportionate consolidation. The comparative figures have been restated to take into account the change in accounting policy.

The Group's share of its joint venture's post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves 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 a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After the application of the equity method, including the recognition of the joint ventures' losses, the carrying amount of the investment in joint venture 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.

(v) Transactions eliminated at consolidation

Intergroup balances and any unrealised gains and losses or income and expenses arising from intergroup transactions, are eliminated during the preparation of the consolidated financial statements. Unrealised gains arising from transactions with associate companies are eliminated to the extent of the Group's interest in the net assets of the associate company. Unrealised losses are eliminated in the same way, but only to the extent that there is no evidence for impairment.

Sale of subsidiaries, joint ventures or associate companies

In the consolidated financial statements the gain or loss from the disposal of subsidiaries, joint ventures or associate companies is calculated as the difference between the sale proceeds and the Group's share of net assets of the subsidiary, joint venture or associate company at the date of disposal less any unamortised goodwill arising from the acquisition of the subsidiary, joint venture or associate company.

In the separate financial statements of the Company the profit or loss arising from the disposal of subsidiaries and associate companies is calculated as the difference between the sale proceeds and the carrying amount of the subsidiary or associate company.

Foreign currencies

(i) Transactions and balances

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Euro at the foreign exchange rates ruling at the reporting date. Foreign exchange differences arising from the above are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are presented at historical cost and are denominated in foreign currencies are translated using the foreign exchange rates ruling at the date of the transaction.

Non-monetary assets and liabilities that are presented at fair value and are denominated in foreign currencies are translated to Euro at the foreign exchange rates ruling at the date the fair value was determined.

(ii) Financial results of foreign operations

Assets and liabilities held by foreign operations are translated to Euro using the foreign exchange rates ruling at the reporting date. Income and expenses of foreign operations are translated to Euro based on foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising from the above are posted in a specific reserve in equity.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

(i) Owned assets

The Group's and Company's land and buildings are stated at revalued amount, less accumulated depreciation and impairment. The fair value for the current use of the revalued property, plant and equipment is determined based on valuation reports prepared by independent professional valuers, at regular intervals to ensure that the fair value of a revalued item will not be materially different from its carrying amount. The remaining items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment.

Surpluses or deficits arising from the revaluation of property, plant and equipment are recognised in the revaluation reserve. If a deficit arises which is not covered by the accumulated surpluses in the revaluation reserve for the specific asset, the deficit written off in the statement of comprehensive income.

Expenses for repairs and maintenance of property, plant and equipment are debited to the statement of comprehensive income. Expenses relating to significant improvements and renovation of property, plant and equipment are capitalised only when they increase the future economic benefits that will arise from the property, plant and equipment.

In case of sale of property, plant and equipment, the difference between the selling price and the net book value is debited or credited to the statement of comprehensive income. If the disposal relates to an asset which is stated at revalued amount, any balance from the revaluation surplus which exists in the revaluation reserve and corresponds to this asset, is transferred to retained earnings.

(ii) Leasehold assets

Leases under which the Group or the Company retains all the risks and rewards, resulting from the ownership of the related assets, are presented as finance leases. These leases are stated at the lower of their fair value and the present value of the minimum lease payments at the beginning of the lease agreement, less accumulated depreciation and impairment losses.

Leases under which the risks and rewards resulting from the ownership remain with the lessor are presented as operating leases.

(iii) Depreciation

Depreciation is provided by the Group and the Company to write off the cost or revalued amount, less the estimated residual value of property, plant and equipment, by equal annual instalments over their estimated useful economic life as follows:

	%
Buildings	1 - 4
Improvements to leasehold buildings	4
Motor vehicles	15 - 20
Machinery, plant and equipment	10 - 20
Computer equipment	20 - 33 1/3

No depreciation is provided on land or on land and buildings under construction.

Intangible assets

(i) Goodwill

Goodwill results from the acquisition of subsidiaries, associate companies and joint ventures and represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities of the entity acquired and the fair value of minority interest of the entity acquired. Goodwill is stated at cost, less accumulated impairment losses.

For impairment purpose, goodwill acquired in a business combination is allocated to each cash generating unit or groups of cash generating units that are expected to benefit from synergies arising from the combination. Each unit or group of units to which goodwill is allocated, represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

Goodwill impairment testing is performed annually or more frequently if events or changes in circumstances indicate possible impairment. The carrying value of goodwill is compared with its recoverable amount which is the higher of the value in use and the fair value less cost to sell. Any impairment is recognized immediately as an expense and is not reversed in future periods.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Softwares

Costs that are directly associated with unique software owned by the Group or the Company and are expected to generate economic benefits which exceed their cost for more than one year are recognised as intangible assets. Subsequently software is presented at cost less any accumulated amortisation and any accumulated impairment losses. Costs that enhance or extend the performance of software beyond their original specifications are capitalised.

Costs associated with the maintenance of software is charged to the statement of comprehensive income in the year occurred. Software is amortised using the straight-line method over its useful economic life, not exceeding a period of three years. Amortisation commences when the software is available for use.

(iii) Favourable contract

The favorable contract represents an intangible asset acquired along with the joint venture CTC-ARI Airports Limited on 1 January 2009 and refers to the contracts signed by the company CTC-ARI Airports Limited and Hermes Airports Limited for the exclusive rights of managing the duty free shops at Larnaca and Paphos airports. The favorable contract is amortised using the straight line method over a period of 21 years, which is consistent with the termination of the contract in 2031.

Investment properties

Investment properties are held either for earning long-term rental income or for capital appreciation and are not used by the Group or the Company. Investment properties are accounted as a non-current asset and are stated at fair value, which represents the market value determined annually by the Company's and Group's management taking into consideration all relevant information available, including valuations from external independent valuers, market conditions and others. Changes in the fair value are recognised in the statement of comprehensive income.

Investments

The Group and the Company recognises investments in equity securities and other securities as follows:

(i) Classification

Investments at fair value through profits and losses

This category has two sub-categories: investments held for trading and investments designated at fair value through profit and loss at their inception. An investment is classified in the category held for trading if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Investments classified at fair value through profit and loss at inception are those that their performance is evaluated based on fair value, according to the documented investment strategy of the Group. Information based on the fair value of these investments is provided internally to the senior management of the Group. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the reporting date. Investments valued at fair value through profit and loss at inception and for which there is no intention to be sold within twelve months from their inception and for which there is no intention to be sold within twelve months of the reporting date, are included in non-current assets.

Investments available for sale

Investments available for sale are investments that are either classified in this category or they have not been classified in any other category. Such investments are included in non-current assets unless management intends to sell the investments within twelve months from the reporting date.

Investments held to maturity

This category includes investments with fixed maturity for which the Group or the Company has the intention and capability to hold until maturity. These investments are accounted for based on the amortised cost using the method of real performance less any provisions for impairment.

In the case where the Group or the Company fails to hold these investments until maturity, for reasons other than those provided in IAS 39, the whole category should be transferred to 'investments available for sale' for the current financial year and for the next two years, and be stated at their fair value.

The Group and the Company did not own such investments during the year.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Recognition and measurement

Acquisitions and disposals of investments based on normal delivery contracts are recognised on the date the transaction is completed, which is the date that the Group or the Company is committed to buy or sell the investments. Investments are initially recognised at fair value, plus the transaction cost for all the financial assets that are not stated at the fair value through profit and loss. Investments at fair value through profit and loss are initially recognised at fair value and transaction costs are debited to profit or loss. Investments are written off when the right to receive cash from the investment has expired, or has been transferred and the Group or the Company has transferred the significant risks and rewards of ownership. Investments at fair value through profit and loss and investments available for sale are then stated at fair value.

Unrealised gains or losses arising from changes in fair value of investments which are stated at fair value through the profit and loss, are recognised in the statement of comprehensive income within losses from investing activities.

Unrealised gains or losses arising from changes in fair value of investments available for sale are recognised in equity. When investments available for sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Loans receivable

Loans receivable 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 reporting date. These are classified as non-current assets. The Group's and the Company's loans receivable comprise loans to related parties.

Loans receivable are recognised initially at fair value, plus transaction costs. Loans receivable are derecognised when the rights to receive cash flows from loans receivable have expired or have been transferred and the Group and the Company have transferred substantially all the significant risks and rewards of ownership. Loans receivable are carried at amortised cost using the of effective interest rate method.

The Group and the Company assess at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A provision for impairment of loans is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of the loans. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or failure to fulfil obligations are considered indicators that a receivable is impaired. The amount of the provision is the difference between the carrying value of the receivable and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

Trade and other receivables

Trade and other receivables are presented at their nominal value less provision for doubtful debtors, which is estimated by examining all the outstanding balances at year end. Unrecoverable amounts are written off when identified.

The amount of provision for doubtful debts represents the difference between the carrying amount and the recoverable amount, which is equal to the present value of the estimated cash flow.

Amounts receivable in more than one year are presented in non-current assets.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average cost method and includes the purchase cost of inventories and all the costs incurred to enable the sale. The net realisable value is the estimated selling price during the ordinary course of business less any estimated cost of completion and selling expenses. For work in progress and finished goods manufactured by the Group, cost represents production cost which includes all direct expenditure and an appropriate proportion of indirect production overheads. A provision is made by the Group for faulty, scrap or slow moving inventory, when necessary.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents, for the purpose of preparing the statement of cash flows, comprise cash in hand and at banks and short-term deposits expiring not more than three months after the acquisition date.

Impairment of assets

The carrying amount of the Group's and Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment in the value of the assets. If such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is determined as the higher of its net selling price in an arm's length transaction and the present value of the estimated future cash flows from the continued use of the asset and its sale at the end of its useful life. When the recoverable amount of an asset is lower than its carrying amount, this decrease is recognised as an expense in the statement of comprehensive income of the year. Where assets are presented at their revalued amounts, the permanent decrease is debited to the revaluation reserve. The amount of impairment that is not covered by the accumulated surpluses in the revaluation reserve for the specific asset is recognised in the statement of comprehensive income of the year.

Any impairment amount for investments available for sale cannot be reversed through the statement of comprehensive income.

Any impairment amount for goodwill cannot be reversed.

In the event that in future accounting periods the amount of impairment that corresponds to the remaining assets decreases due to events that occurred after the recognition of the impairment, the corresponding amount is reversed through the statement of comprehensive income.

Share capital

(i) Ordinary shares

Ordinary shares issued and paid are classified as equity.

Sundry costs relating to the issue of new shares, except in the case of acquisitions, are recognised as a deduction from the share premium. Share capital issue costs that relate to acquisitions are included in the acquisition cost.

(ii) Purchase of own shares

Company shares which are acquired based on the resolution for the purchase of own shares, are included in the own shares reserve at acquisition cost together with any directly attributable expenses.

(iii) Share premium

The 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 used for limited purposes which do not include the distribution of dividends and is otherwise subject to the provisions of the Cyprus Companies Law regarding the reduction of share capital.

(iv) Dividends

The distribution of dividends to the owners of the Company is recognised as a liability in the financial statements in the year in which the dividends are approved by the owners of the Company.

Borrowings

Borrowings are initially recognised at their fair value after the deduction of transaction costs. Borrowings are then measured at amortised cost. Any difference between the receipts (after the deduction of transaction costs) and the repayment amount is recognised in the statement of comprehensive income during the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the Group or the Company has the right, unconditionally, to postpone the repayment of the liabilities for at least twelve months after the reporting date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefit scheme

The Company and the subsidiary companies Ermes Department Stores Plc, Woolworth (Cyprus) Properties Plc and HOB House of Beauty Limited operate defined contribution schemes, which are financed separately and submit their own audited financial statements. Under these schemes, the members are entitled to specific benefits when they retire or prematurely terminate their employment contracts. The contributions of the Company and the subsidiary companies are debited in the statement of comprehensive income in the year during which they become payable.

Trade and other payables

Trade and other payables are initially recognised at their fair value and subsequently measured at amortised cost.

Trade and other payables are classified as current liabilities unless the Group and the Company has the right, unconditionally, to postpone the repayment of the liabilities for at least twelve months after the reporting date.

Financial guarantee contracts

Financial guarantee contracts are recognised as financial liabilities, when they are material, at the date of the issuance of the guarantee. Liabilities arising from financial guarantee contracts, including subsidiary corporate securities, through mutual guarantee contracts, are initially recognised at fair value and subsequently at the higher of the amount determined by the group's accounting policy for provisions and the amount initially recognized less depreciation. The fair value of financial guarantee contracts is determined by the net present value of the difference between the future cash flows payments under the contract and the payments that would be required without the guarantee, or the calculation of the amount that would have been payable to third parties to undertake the relevant liability.

Provisions

A provision is recognised in the statement of financial position, when the Group or the Company has a present legal or constructive obligation as a result of past events, from which it is probable that a future outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

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 to the provision due to the passage of time is recognised as interest expense.

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

Revenue

(i) Goods sold and services rendered

Turnover represents amounts invoiced for goods sold and services rendered to customers during the year and is presented net of trade discounts and returns.

Income from sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership are transferred to the buyer.

Rendering of services are recognized in the accounting period in which the services are rendered by reference to the stage of completion of the specific transaction, assessed on the basis of the services provided as a proportion of the total services to be offered.

(ii) Income from rights for use of immovable property

Income from rights for use of immovable property is recognised on a straight line basis over the period of the lease.

(iii) Grants and subsidies

Government grants and subsidies are not recognised until there is reasonable assurance that they will be received and that the Group or the Company will comply with the conditions attached to them.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue (continued)

(iv) Rental Income
Rental income from operating leases is recognised on a straight line basis over the period of the lease.

(v) Other income
Interest receivable is recognised on an accruals basis using the effective interest method.

Dividends receivable are recognised when the right to receive payment is established.

Expenses

(i) Operating lease payments
Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the period of the lease.

(ii) Net finance costs
Net finance costs include interest on borrowings and bank overdrafts and foreign exchange differences and are stated after deducting interest receivable from cash and amounts due from third parties.

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

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 the asset, when it is probable that they will result in future economic benefits to the Group and the Company and the costs can be measured reliably.

Taxation

Taxation in the statement of comprehensive income includes corporation tax, special defence contribution, capital gains tax and deferred tax.

Corporation tax is the provision on the taxable income for the year which is calculated in accordance with the legislation and the tax rates applicable in Cyprus and Greece, and includes any adjustments for previous years' tax.

The provision for special defence contribution is calculated in accordance with the legislation and the tax rates applicable in Cyprus and includes any adjustments for previous years' tax.

The provision for capital gains tax is calculated in accordance with the legislation and the tax rates applicable in Cyprus and includes any adjustments for previous years' tax.

Deferred tax is provided using the liability method on all temporary timing differences between the carrying amount of assets and liabilities and their tax base.

Deferred tax is estimated based on the tax rates expected to be applicable in the period in which the asset will be recovered or the liability will be settled. The effect on deferred tax from changes in the tax rates is presented in the statement of comprehensive income or in reserves, depending on where the original debit or credit for deferred tax was recorded.

Deferred tax assets arising from deductible temporary differences are recognised only to the extent that is probable that sufficient taxable profits will arise in the foreseeable future against which the temporary differences can be utilised.

Deferred tax for the year, which arises from the revaluation of property, plant and equipment, is transferred to the revaluation reserve. Where a revaluation reserve does not exist, this deferred tax is transferred to retained earnings.

Deferred tax for the year, which arises from the revaluation of investment property, is recognised in the statement of comprehensive income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings per share

The Group and the Company present the basic earnings per share for their ordinary shares. Basic earnings per share are estimated by dividing profit or loss attributed to the owners of the Company with the weighted average number of shares that were issued during the year.

Operating segments

The operating segments are disclosed according to the internal reporting provided to the decision-maker. The decision-maker is the person or group of persons responsible for the allocation of resources and the assessment of performance of the reportable segments of the Group.

Share option scheme

Ordinary shares issued from the exercise of share options, are shown in the statement of financial position at the amount of the net receipts, at the exercise date. The difference between the exercise price and the nominal value of the share capital issued is credited in share premium.

Events after the reporting date

Assets and liabilities are adjusted for events which occurred in the period between the reporting date and the date the financial statements are approved by the Board of Directors, when these events provide additional information for the estimation of amounts relating to conditions existing at the reporting date or indicate that the going concern principle for the Group or the Company or a part of them is not appropriate.

Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation adopted in the current year.

5. SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting estimates and judgments are constantly evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. As a result, the accounting estimates are rarely equal to the actual results. The estimates and the assumptions that might cause material adjustment in the carrying amounts of assets and liabilities during the next financial year are presented below:

(a) Provision for bad and doubtful debts

The Group and the Company examine if there are indications regarding the recoverability of the amounts receivable from trade and other 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. If such indication exists, the recoverable amount is estimated and a provision for bad and doubtful debts is made. The amount of the provision is recognised in the statement of comprehensive income. The revision of the credit risk is continuous and the methodology and assumptions used for estimating the provision for bad and doubtful debts are reviewed regularly and adjusted accordingly.

(b) Provision for obsolete and slow moving inventory

The Group examines whether there are indications regarding the sales ability of inventory and its net realisable value on disposal. The provision for inventory is based on management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock for each category of inventory.

The amount of the provision is recognised in the statement of comprehensive income, in cost of sales. The review of the net realisable value of inventory is continuous and the methodology and assumptions used for estimating the provision for inventory are reviewed regularly and adjusted accordingly.

5. SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Fair value of properties

The Group's and the Company's land and buildings which are presented in property, plant and equipment and investment property and revalued to their fair value. The fair value is the open-market value, determined by the management of the Group and the Company, taking into consideration all relevant information available, including valuations by the external independent valuers and taking into account market conditions and others.

Fair value is based on an active market process, adjusted, if necessary for any differences in the nature, location or condition of the specific asset. If the information is not available, the Group and the Company uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are reviewed annually by the management of the Group and the Company, based on valuations of independent professional valuers taking into account the market conditions. Changes in fair values are recorded in profit and loss and are included in losses from investing activities.

For all properties, their current use equates to the highest and best use. The Group's and the Company's finance department reviews the valuation performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between management and the independent valuers at regular intervals. At each reporting date the Group's and the Company's finance department:

- verifies all major inputs to the independent valuation report
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuers

Fair value hierarchy

The fair value of properties was determined using the following levels:

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

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

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

Valuation techniques underlying management's estimation of fair value

The fair value of properties was determined using the following methods:

Income approach:	The basis of the assessment is the expected net income after allowing for the owners property taxes and other direct expenses and the net income is capitalised using an appropriate yield.
Market approach:	Based on the location, the size and the quality of the properties including market conditions at the date of the valuation.
Cost approach:	Based on the official cost data as published of the Statistical Service which is amended to include the specific technical specification of the properties under review at the date of the valuation.

There were no changes to the valuation techniques during the year.

More information regarding the fair value of properties is presented in Notes 17 and 19.

(d) Impairment of goodwill

Each year the Group examines whether the goodwill has been impaired according to the accounting policy referred to in Note 3. The recoverable amount of the cash generating units has been determined based on the value in use calculation. These calculations require the use of assumptions which are presented in Note 18.

5. SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Taxation

The Group and the Company are subject to corporation tax in accordance with the legislation and the tax rates applicable in Cyprus and in Greece. For specific transactions and calculations, the final tax computation is uncertain. The Group and the Company recognise liabilities for foreseeable tax matters based on estimates of whether additional tax will arise. Where the final tax assessment of these matters is different from the amount originally recognised, the differences will affect the provision for corporation tax and deferred tax in the period of assessment.

(f) Impairment loss on bank deposits

As of 26 March 2013, Group companies held deposits of €2.564.474 in Bank of Cyprus and €365.513 in Laiki Bank. Following the Eurogroup decision on 25 March 2013, the uninsured bank deposit balances with Laiki Bank and Bank of Cyprus have suffered an impairment loss. In estimating the impairment loss suffered, the Group have assessed that in view of the resolution of Laiki Bank, it will not be able to recover any amounts in excess of the insured balance and as a result has recognised an impairment loss for the entire uninsured balance of €265.513. In estimating the impairment loss on the uninsured bank balances with Bank of Cyprus held as of 26 March 2013, the Group have considered that there was no impairment loss on the bank deposits which had not been converted into shares, but an impairment loss has been suffered as a result of the conversion of 47,5% of the uninsured bank deposits into ordinary shares of Bank of Cyprus. The impairment loss have been estimated at €898.500, being the difference between the deposits balance of €1.123.125 which was converted into 1.123.125 ordinary shares of Bank of Cyprus and the fair value of these shares which has been estimated at €0,20 per share.

On December 31, 2014 the shares of the Bank of Cyprus were traded on the Cyprus Stock Exchange and the stock price was 0,215 per share. The bank's share valuation on December 31, 2014 was based on the share price and was recognised as profit in comprehensive income amounting to € 16.664. Based on the valuation method, a transfer of the current investment was made from Level 3 to Level 1.

In the absence of a listed market price for the Bank of Cyprus shares, at 31 December 2013 and in view of the drastic changes in the activities, operations and structure of Bank of Cyprus as a result of the Eurogroup decisions in March 2013, the Group have estimated the fair value of the shares both for the purposes of initial recognition of the shares and as of 31 December 2013, using a level 3 valuation. The approach followed in the valuation entailed consideration of comparable price-to-book value multiples on which adjustments have made to take into consideration differences in liquidity, capital adequacy, credit rating and also impact of bail-in relating specifically to Bank of Cyprus. Such adjustments entail significant degree of estimation uncertainty and judgement.

(g) Categorisation of investments at fair value through profit and loss

For the determination of the classification of investments in Cyprus Limni Resorts & GolfCourses Plc significant judgment is required. Specifically, although the Group holds between 20% and 50% of the voting rights in this company, bearing in mind that the other related company controls by itself more than 50% of the voting rights, it has been classified as 'Investments at fair value through profit and loss' and not an associate company in accordance with the documented investment strategy of the Group. Information on this basis of the fair value of investments is provided by the management of the Group.

(h) Impairment of investments at fair value through profit and loss

The fair value of investments at fair value through profit and loss is determined using valuation methods. The Group exercise judgement for the selection of different valuation methods and makes assumptions which are mainly based on the market conditions at the reporting date.

More information regarding the fair value of investment at fair value through profit and loss is presented in Notes 6 and 24.

6. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The Group and the Company are exposed to the following risks from their financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the exposure of the Group and the Company to these risks, the objectives of the Group and the Company, the policies and the procedures followed for measuring and managing these risks, and the capital management of the Group and the Company. Additional quantitative financial disclosures are included throughout these financial statements.

The Board of Directors has the overall responsibility for the adoption and monitoring of the financial risk management framework.

Financial risk management principles are adopted to identify and analyse the risks faced by the Group and the Company, to set up appropriate risk limits and controls, to monitor these financial risks and to comply with these limits. Financial risk management principles and systems are reviewed regularly to reflect changes in market conditions and in the operations of the Group and the Company. The Group and the Company through training and procedures followed by management, aim to develop a disciplined and constructive environment in which all employees will understand their roles and responsibilities.

(a) Credit risk

Credit risk arises when the failure by counter parties to meet their obligations could reduce the amount of future cash inflows from financial assets at the reporting date. Credit risk arises mainly from trade and other receivables and investments.

Trade and other receivables

Credit risk is mainly affected by the individual characteristics of each customer. The credit risk of the Group and the Company is not concentrated to specific debtors, but there is significant geographical concentration of credit risk since almost 100% of their sales are made in Cyprus.

The Group and the Company apply policies to ensure that products are sold and services are provided to customers with credit worthiness history and they monitor on a continuous basis the chronological status of receivables. Management sets out credit limits for individual customers which represent the maximum amount for which no approval is required from the Board of Directors. For better monitoring of the credit risk, debtors are separated into groups based on their main characteristics, whether they are physical persons or legal entities, whether they are importers, distributors or retailers and in accordance with their repayment terms.

The Group and the Company do not require guarantees from trade and other receivables, except from the sales of commercial vehicles, trucks and heavy machinery, which until their full repayment are registered in the name of both the subsidiary company and its customers.

The Group and the Company create an impairment provision that represents management's assessment of losses in respect of trade and other receivables and investments. The impairment provision mainly includes specific losses which relate to significant risks and total losses that have been realised but not yet traced and relate to certain asset categories. The impairment provision is decided based on historical data that relate to assets with similar characteristics.

Investments

The Group and the Company invest in companies that are either controlled by the Group and the Company or the Group exercises significant influence.

These companies have solid credit history and management does not expect any failure by the counter parties to meet their obligations.

Guarantees

The policy of the Group and the Company is to provide guarantees only to related parties. The guarantees provided up to 31 December 2014 are presented in Note 38 of the consolidated and separate financial statements.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date of the consolidated and separate financial statements was:

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(a) Credit risk (continued)

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Investments available for sale	**343.350**	326.089	**94.929**	94.629
Investments at fair value through profit and loss	**77.712.100**	82.712.100	**-**	-
Trade and other receivables	**30.049.619**	28.283.150	**12.887.941**	18.299.295
Loans receivable	**32.993.567**	24.016.011	**57.454.645**	74.514.361
Total	**141.098.636**	135.337.350	**70.437.515**	92.908.285

The maximum exposure to credit risk from trade receivables per category of receivables, at the reporting date of the consolidated and separate financial statements was:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Retail	**4.802.172**	5.369.865	**-**	-
Import and distribution	**9.620.580**	10.186.312	**-**	-
Real estate	**1.163.406**	1.203.388	**-**	-
Total	**15.586.158**	16.759.565	**-**	-

Cash at bank are analysed as follows based on the external credit assessment of Moody's.

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
A2	**2.624**	5.852	**-**	-
B1	**-**	1.239	**-**	-
B2	**1.108**	-	**-**	-
Baa2	**5.087.943**	8.060.114	**-**	8
Caa1	**432.659**	197.046	**-**	-
Caa3	**1.267.492**	2.086.507	**56.377**	676.607
Ca	**-**	3.193.703	**-**	9.853
Not rated	**22.048**	2.198	**-**	-
	6.813.874	13.546.659	**56.377**	686.468

(b) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. When the maturity dates do not match, efficiency can increase, but the risk of losses can also increase. The Group and the Company apply procedures to minimise these losses, such as maintaining sufficient amount of cash and other highly liquid assets and by maintaining an adequate amount in committed credit facilities.

Management monitors rolling forecasts of the liquidity reserves of the Group and the Company comprising undrawn borrowing facilities (Note 31) and cash and cash equivalents on the basis of expected cash flows.

The borrowings of the Group and the Company are secured by guarantees from related companies (Note 31), whereas the Group and the Company have guaranteed borrowings of related companies (Note 38).

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(b) Liquidity risks (continued)

The contractual maturities of financial liabilities, including the estimated payments of interest, are shown below:

The Group

31 December 2014	Book value	Contractual cash flows	Within 12 months	1-2 years	2-5 years	Over 5 years
	€	€	€	€	€	€
Bank loans	303.392.563	472.152.044	32.320.501	35.238.383	161.205.340	243.387.820
Bank overdrafts	68.295.242	68.295.242	68.295.242	-	-	-
Factoring facilities	3.888.457	3.888.457	3.888.457	-	-	-
Other loans	627.947	778.093	98.268	98.268	323.896	257.661
Trade and other liabilities	74.620.909	74.620.909	70.584.147	4.036.762	-	-
Total	450.825.118	619.734.745	175.186.615	39.373.413	161.529.236	243.645.481

31 December 2013	Book value	Contractual cash flows	Within 12 months	1-2 years	2-5 years	Over 5 years
	€	€	€	€	€	€
Bank loans	338.476.307	465.393.825	50.564.924	36.297.080	175.654.515	202.877.306
Bank overdrafts	68.703.169	68.703.169	68.703.169	-	-	-
Factoring facilities	3.420.084	3.420.084	3.420.084	-	-	-
Trade and other liabilities	88.005.790	88.005.790	84.221.405	3.784.385	-	-
Total	498.605.350	625.522.868	206.909.582	40.081.465	175.654.515	202.877.306

The Company

31 December 2014	Book value	Contractual cash flows	Within 12 months	1-2 years	2-5 years	Over 5 years
	€	€	€	€	€	€
Bank loans	106.865.279	153.191.539	9.329.452	11.409.324	34.604.484	97.848.279
Bank overdrafts	6.800.181	6.800.181	6.800.181	-	-	-
Trade and other payables	43.876.215	43.876.215	43.876.215	-	-	-
Total	157.541.675	203.867.935	60.005.848	11.409.324	34.604.484	97.848.279

31 December 2013	Book value	Contractual cash flows	Within 12 months	1-2 years	2-5 years	Over 5 years
	€	€	€	€	€	€
Bank loans	117.207.791	156.924.184	11.928.940	9.938.385	48.560.144	86.496.715
Bank overdrafts	7.278.773	7.278.773	7.278.773	-	-	-
Trade and other payables	53.522.095	53.522.095	53.522.095	-	-	-
Total	178.008.659	217.725.052	72.729.808	9.938.385	48.560.144	86.496.715

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(c) Market risk

Market risk is the risk that the value of the financial instruments will fluctuate due to changes in market prices. Market risk mainly includes the risk from changes in foreign exchange rates, investment prices and interest rates.

Investment price risk

The financial assets available for sale and the financial assets at fair value through profit and loss are subject to market risk due to the uncertainty of the future investment prices. The Group and the Company manage market risk through diversification of investment portfolio.

SENSITIVITY ANALYSIS

A 5% increase in the price of shares held by the Group at 31 December 2014 would increase equity by €3.902.773 (2013: €4.151.909) and results by €3.885.605 (2013: €4.135.605). A 5% decrease would have the same but opposite impact on equity and results.

A similar increase in the price of shares held by the Company would result in an increase in equity by €4.746 (2013: €4.731). A 5% decrease would have the same but opposite impact on equity.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates. Since the Group and the Company have significant interest-bearing assets, the income and operating cash flows of the Group and the Company depend substantially on changes in market interest rates. The interest rates of most interest bearing assets are fixed and expose the Group and the Company to interest rate risks relating to fair value. The majority of the interest-bearing assets relate to related companies. The interest rates are determined by the management of the Group and are reviewed at regular intervals depending on market conditions.

The Group and the Company are exposed to interest rate risk in relation to their borrowings. Borrowings with variable interest rates expose the Group and the Company to cash flow interest rate risk. Borrowings with fixed interest rates expose the Group and the Company to fair value interest rate risk.

The management of the Group and the Company monitor the interest rate fluctuations on a continuous basis and act accordingly.

At the reporting date of the consolidated and separate financial statements, the analysis of interest bearing financial instruments in relation to interest rates was:

	The Group	
	2014	2013
Financial instruments with variable interest rates	**€**	€
Financial assets	**8.729.327**	15.734.080
Financial liabilities	**(376.204.209)**	(410.599.560)
Total	**(367.474.882)**	(394.865.480)

	The Company	
	2014	2013
Financial instruments with variable interest rates	**€**	€
Financial assets	**592.761**	2.289.341
Financial liabilities	**(113.665.460)**	(124.486.544)
Total	**(113.072.699)**	(122.197.203)

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(c) Market risk (continued)

Interest rate risk (continued)

	The Group	
	2014	2013
Financial instruments with fixed interest rates	**€**	€
Financial assets	**32.993.567**	24.016.011
Financial liabilities	**(2.132.007)**	(5.836.351)
Total	**30.861.560**	18.179.660

	The Company	
	2014	2013
Financial instruments with fixed interest rates	**€**	€
Financial assets	**56.920.917**	72.914.523
Financial liabilities	**(27.378.426)**	(29.730.918)
Total	**29.542.491**	43.183.605

SENSITIVITY ANALYSIS

The increase in interest rates by 1% at 31 December 2014, would result in decrease in equity and results by the amounts shown below. This calculation assumes that all other factors, and especially foreign exchange rates, remain constant. In case of a decrease in interest rates by 1% there would be the same but opposite impact on equity and results.

With regards to financial instruments with fixed interest rates, fluctuations in interest rates are not expected to have any impact on equity and results.

The Group	Equity		Results	
	2014	2013	**2014**	2013
	€	€	**€**	€
Financial instruments with variable interest rates	**3.674.749**	3.948.655	**3.674.749**	3.948.655

The Company	Equity		Results	
	2014	2013	**2014**	2013
	€	€	**€**	€
Financial instruments with variable interest rates	**1.130.727**	1.221.972	**1.130.727**	1.221.972

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the functional currency of the Group and the Company, which is the Euro. The management of the Company monitors the foreign exchange rate fluctuations on a continuous basis and acts accordingly.

The exposure of the Group and the Company to currency risk was as follows:

The Group

31 December 2014	United States Dollars	Sterling Pounds	Swedish Kronas	Other currencies
Assets	€	€	€	€
Cash and cash equivalents	12	1.088	-	-
Trade and other receivables	26.887	-	-	-
	26.899	1.088	-	-
Liabilities				
Trade and other payables	(246.402)	(2.856.001)	(58.891)	-
Net risk exposure	(219.503)	(2.854.913)	(58.891)	-

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(c) Market risk (continued)

Currency risk (continued)

The Group (Continued)

31 December 2013	United States Dollars	Sterling Pounds	Swedish Kronas	Other currencies
Assets	€	€	€	€
Cash and cash equivalents	12	1.220	-	-
Trade and other receivables	101.659	-	-	201
	101.671	1.220	-	201
Liabilities				
Trade and other payables	(62.918)	(2.658.362)	(17.997)	-
Net risk exposure	38.753	(2.657.142)	(17.997)	201

The Company

The Company had no assets or liabilities denominated in foreign currencies at 31 December 2014 and 31 December 2013.

SENSITIVITY ANALYSIS

A 5% strengthening of the Euro against the following foreign currencies at 31 December 2014, would result in an increase/ (decrease) in equity and results as shown below. This calculation assumes that all other factors, in particular interest rates, will remain constant. A 5% weakening of the Euro against the following foreign currencies, would have the same but opposite impact on results and equity.

The Group	Equity		Results	
	2014	2013	**2014**	2013
	€	€	**€**	€
United States Dollar	**10.975**	(1.938)	**10.975**	(1.938)
Sterling Pound	**142.746**	132.857	**142.746**	132.857
Swedish Krona	**2.945**	900	**2.945**	900
Other currencies	**-**	10	**-**	10
Total	**156.666**	131.829	**156.666**	131.829

CAPITAL MANAGEMENT

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern, while maximising the return for the owners through the optimisation of the debt and equity balance. The Board of Directors monitors the return on capital as well as the level of dividends. The overall strategy of the Group and the Company in relation to capital management remains unchanged from previous year.

The Board of Directors tries to maintain the balance between the increased return that is possible through borrowings and the benefits and the security provided by a healthy capital base.

At times the Company buys back its own shares. The timing of purchase of these shares depends mainly on the price of the share on the Cyprus Stock Exchange. The Group and the Company do not have a specific plan for buying own shares but all transactions relating to own shares are based on the decisions of the Board of Directors.

The Company and its subsidiary companies are not subject to externally imposed capital requirements.

The Group and the Company monitor 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 less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

CAPITAL MANAGEMENT (Continued)

The gearing ratio at 31 December 2014 was as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Total borrowings (Note 31)	**378.336.216**	416.435.911	**141.043.886**	154.217.482
Less: Cash and cash equivalents	**(8.729.327)**	(15.734.080)	**(59.033)**	(689.503)
Net debt	**369.606.889**	400.701.831	**140.984.853**	153.527.979
Total equity	**221.600.019**	185.949.441	**105.514.116**	105.187.114
Total capital as defined by management	**591.206.90**	586.651.272	**246.498.969**	258.715.093
Gearing ratio	**63%**	68%	**57%**	59%

FAIR VALUES

The tables below analyse financial instruments that are measured in the statement of financial position at fair value based on the valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on non-observable market data (that is, unobservable inputs).

The following tables present the financial assets and liabilities of the Group and the Company which are measured at fair value at 31 December 2014

	Level 1	Level 2	Level 3	Total
	€	€	€	€
The Group				
Assets				
Investments at fair value through profit and loss	-	-	77.712.100	77.712.100
Investments available for sale	238.856	-	104.494	343.350
Total assets measured at fair value	238.856	-	77.816.594	78.055.450
The Company				
Assets				
Investments available for sale	-	-	94.929	94.929
Total assets measured at fair value	-	-	94.929	94.929

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

FAIR VALUES (Continued)

The following tables present the financial assets and liabilities of the Group and the Company which are measured at fair value at 31 December 2013:

	Level 1	Level 2	Level 3	Total
	€	€	€	€
The Group				
Assets				
Investments at fair value through profit and loss	-	-	82.712.100	82.712.100
Investments available for sale	-	-	326.089	326.089
Total assets measured at fair value	-	-	83.038.189	83.038.189

	Level 1	Level 2	Level 3	Total
	€	€	€	€
The Company				
Assets				
Investments available for sale	-	-	94.629	94.629
Total assets measured at fair value	-	-	94.629	94.629

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) or that are traded but for which there is no active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on equity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2.

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

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flows analysis, are used to determine the fair value for the remaining financial instruments.

It must be noted that the amount included in Level 3 and relates to investments at fair value through profit and loss relates to securities which are not traded but they are themselves owners of equity investments in financial assets at fair value, the securities of which are traded on a non-regulated market.

6. FINANCIAL RISK MANAGEMENT (continued)

FAIR VALUES (Continued)

The table below presents the changes to Level 3 investments for the year ended 31 December 2014:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**83.038.189**	107.325.598	**94.629**	94.629
Additions to investments available for sale	**597**	1.123.125	**300**	-
Losses recognised in the statement of comprehensive income for investments at fair value through profit or loss	**(5.000.000)**	(24.512.034)	**-**	-
Losses recognised in the statement of comprehensive income for investments available for sale	**-**	(898.500)	**-**	-
Transfer of investments available for sale in Level 1	**(222.192)**	-	**-**	-
At 31 December	**77.816.594**	83.038.189	**94.929**	94.629
Total losses for the period which are included in the statement of comprehensive income for investments held at the reporting date	**5.000.000**	25.410.534	**-**	-
Changes to non-realised losses for the year which are included in the statement of comprehensive income for investments held at reporting date	**5.000.000**	25.410.534	**-**	-

Further information regarding the fair values of investments at fair value through profit and loss is presented in Note 24.

7. NON FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to the following non-financial risks:

- Operational risk
- Compliance risk
- Legal risk
- Loss of reputation risk

(a) Operational risk

Operational risk is the risk derived from the weakness of information technology systems and controls as well as the risk from human error and natural disaster. The systems used by the companies of the Group are continuously evaluated, maintained and upgraded.

(b) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with the laws and regulations of the State. This risk is limited to a significant extent due to the supervision exercised by the Compliance Officer, as well as by the safety controls applied by the companies of the Group.

(c) Legal risk

Legal risk is the risk of financial loss, discontinuing of the operations of the Company and the Group or any other negative situation arising from the possibility of non-execution or violation of legal contracts resulting in lawsuits. This risk is limited through the contracts used by the Group and the Company to carry out their operations.

(d) Loss of reputation risk

The loss of reputation risk arises from the negative publicity relating to the operations of the Group and the Company, whether true or false, which may result in the reduction of their clientele, a reduction in their revenue and legal cases against them. The Group and the Company apply procedures to minimise this risk.

8. OPERATING SEGMENTS

According to IFRS 8, the Group operates four main operating segments:

(a) Retail, which includes retail trading in fashion products, cosmetics, food, DIY products, household appliances, construction products and motor vehicles.

(b) Import and distribution, which include the import and distribution of widely used branded products, cosmetics and luxury perfumes.

(c) Ownership and management of immovable property which include ownership, development and management of immovable property, large projects including malls, department stores and golf courses.

(d) Investing and other activities which include the investing activities of the Group and also other operations that are not included in the above segments and do not comprise a separate reportable segment.

The results of each operating segment of the Group are monitored separately by management as part of their decision making for the allocation of resources and assessment of their performance. The performance of each segment is based on the profit or loss after taxation which is calculated in the same way as in the consolidated financial statements.

The internal transfer prices between the segments are at arm's length as with any third party transactions. The balances and the transaction between the segments are eliminated on consolidation.

The Group operates mainly in Cyprus, therefore there is no analysis of the operations between geographical segments.

INFORMATION ABOUT REPORTABLE SEGMENTS

The Group

	Retail	Import and distribution	Ownership and management of immovable property	Investing and other	Eliminations due to consolidation	**Total**
	€	€	€	€	€	**€**
2014						
Turnover	178.456.512	124.760.488	-	-	-	**303.217.000**
Profits for the year after tax	8.792.510	6.753.753	3.333.662	1.432.644	20.453.272	**40.765.841**

The Group

	Retail	Import and distribution	Ownership and management of immovable property	Investing and other	Eliminations due to consolidation	**Total**
2013						
Turnover	185.076.506	128.084.566	-	-	-	**313.161.072**
Losses for the year after tax	784.906	6.395.587	(36.683.731)	10.829.840	4.607.012	**(14.066.386)**

9. OTHER OPERATING INCOME

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Rights for use of immovable property	**10.639.133**	9.206.161	**1.373.289**	1.413.628
Other rights and claims	**390.334**	517.892	**-**	-
Services rendered	**1.189.187**	2.489.398	**664.034**	769.572
Rebates from suppliers	**3.446.916**	3.347.211	**-**	-
Dividends receivable	**-**	-	**11.555.803**	2.781.802
Write off of credit balances with dormant subsidiary companies	**71.615**	42.316	**-**	-
Other income	**1.600.922**	985.955	**7.437**	22.183
Total	**17.338.107**	16.588.933	**13.600.563**	4.987.185

10. OPERATING PROFITS

Operating profits before net finance costs are stated after charging/(crediting) the following:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Staff costs (Note 11)	**35.618.389**	36.246.007	**1.203.960**	1.245.765
Depreciation of property, plant and equipment (Note 17)	**5.895.504**	8.078.438	**23.977**	21.548
Amortisation of intangible assets (Note 18)	**159.313**	217.529	**727**	1.113
Losses from the sale of property, plant and equipment	**5.148**	16.697	**-**	-
Directors' remuneration (Note 38)	**592.373**	528.440	**546.333**	481.860
Independent auditors' remuneration				
- current year	**182.959**	212.124	**95.300**	110.550
- prior years	**26.900**	-	**26.900**	-
Remuneration for tax advisory services	**7.000**	7.700	**7.000**	7.700
Remuneration for advisory services	**-**	5.800	**-**	5.800
Rent payable	**4.033.326**	3.735.472	**-**	-

11. STAFF COSTS

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Salaries and wages	**31.721.789**	32.408.061	**1.086.702**	1.114.368
Social insurance and other contributions	**3.429.380**	3.434.167	**100.952**	96.975
Contributions to provident funds	**189.647**	57.400	**8.153**	2.085
Contributions to medical funds	**277.573**	322.379	**8.153**	8.337
Compensation claims	**-**	24.000	**-**	24.000
Total	**35.618.389**	36.246.007	**1.203.960**	1.245.765

The average number of employees of the Group during 2014 and 2013 was 2.250 and 2.207 respectively.
The average number of employees of the Company during 2014 and 2013 was 27 and 30 respectively.

12. NET FINANCE COSTS

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Interest receivable	**1.802.789**	1.587.105	**4.428.701**	3.944.735
Foreign exchange differences	**5.114**	173.049	**-**	-
Finance income	**1.807.903**	1.760.154	**4.428.701**	3.944.735
Bank interest and charges	**(20.720.576)**	(24.469.800)	**(6.978.088)**	(7.914.936)
Interest on corporation tax and special defence contribution	**(14.701)**	(23.381)	**-**	-
Other interest payable	**(510.935)**	(703.668)	**(4.064.497)**	(2.540.795)
Foreign exchange differences	**(454.239)**	(695.933)	**-**	-
Finance costs	**(21.700.451)**	(25.892.782)	**(11.042.585)**	(10.455.731)
Net finance costs	**(19.892.548)**	(24.132.628)	**(6.613.884)**	(6.510.996)

13. NON-RECURRING EXPENSES

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Impairment of property, plant and equipment from termination of operations (Note 17)	**(116.415)**	(2.012.580)	**-**	-
Provision for impairment of receivables	**-**	-	**(4.480.000)**	-
Reversal of provision for impairment of inventory of the subsidiary company Domex Trading Co. Ltd	**6.025**	-	**-**	-
Total	**(110.390)**	(2.012.580)	**4.480.000**	-

The impairment of property, plant and equipment relates to the termination of operations of Debenhams Avenue, one of the three Scandia shops in Nicosia and the termination of operations of the subsidiary company Domex Trading Co. Limited.

During the year ended 31 December 2014, the Company has recognised a provision for impairment of receivables amounting to €4.480.000.

14. PROFIT/(LOSSES) FROM INVESTING ACTIVITIES

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Profit from sale of investment in associated company (Note 21)	**2.091.767**	15.713.222	**-**	-
Profit from sale of joint venture (Note 22)	**37.534.660**	-	**-**	-
Impairment charge from joint venture (Note 22)	**(99.498)**	-	**-**	-
Impairment of investments available for sale (Note 23)	**-**	(898.500)	**-**	-
Impairment of investments at fair value through profit or loss (Note 24)	**(5.000.000)**	(24.512.034)	**-**	-
Impairment of cash and cash equivalents (Note 5)	**-**	(265.513)	**-**	-
Return part of compensation received	**-**	(500.000)	**-**	-
Losses on revaluation of investment property (Note 19)	**(16.111)**	(2.744.148)	**-**	(3.947.135)
Total	**34.510.818**	(13.206.973)	**-**	(3.947.135)

15. TAX EXPENSE

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Corporation tax				
- current year	**863.226**	495.428	**-**	-
- prior years	**109.079**	86.756	**-**	-
Special defence contribution				
- current year	**74.351**	72.591	**9**	27
- prior years	**29.918**	-	**-**	-
Deferred taxation (Note 32)	**909.199**	1.861.497	**(227.208)**	(238.970)
Charge/(credit) for the year	**1.985.773**	2.516.272	**227.199**	(238.943)

Reconciliation of taxation based on the taxable income and taxation based on accounting profits/(losses):

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Accounting profits/(losses) before taxation	**42.751.614**	(11.550.114)	**100.854**	(7.716.789)
Tax calculated at the applicable tax rates	**5.343.952**	(1.443.764)	**12.607**	(964.599)
Adjustments to taxation for the following:				
Tax effect of expenses not deductible for tax purposes	**965.793**	3.733.173	**577.304**	505.111
Tax effect of allowances and income not subject to tax	**(6.395.746)**	(3.292.297)	**(1.490.389)**	(406.235)
Corporation tax for prior years	**109.079**	86.756	**-**	-
Deferred tax	**909.199**	1.861.497	**(227.208)**	(238.970)
Additional tax	**47.067**	7.398	**-**	-
Tax effect of Group relief	**(328.876)**	(515.990)	**900.478**	865.723
Effect of tax losses for which no provision for deferred tax was made	**1.231.036**	2.006.908	**-**	-
Special defence contribution				
- current year	**74.351**	72.591	**9**	27
- prior years	**29.918**	-	**-**	-
Charge/(credit) for the year	**1.985.773**	2.516.272	**(227.199)**	(238.943)

15. TAX EXPENSE (continued)

The profits of the Cyprus Group companies are subject to corporation tax at the rate of 12,5% (2013: 12,5%). In addition, taxable income that is covered by tax losses brought forward from the last five years is not taxed.

The taxable profits of the subsidiary company which is registered in Greece are subject to corporation tax at the rate of 26% (2013: 26%).

Under certain conditions, interest income may be exempt from corporation tax and be subject to special defence contribution at the rate of 15% until 28 April 2013 and 30% from 29 April 2013.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special defence contribution at 20% for the tax years 2012 and 2013 and 17% from 2014 will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profit of the relevant year during the next two years. This special defence contribution is payable on behalf of the shareholders.

16. EARNINGS/(LOSSES) PER SHARE

The Group

The calculation of earnings/(losses) per share as at 31 December 2014, was based on the earnings attributable to the owners amounting to €32.516.671 (2013: losses €16.810.246) and the weighted average number of shares in issue during the year amounting to 92.028.144 (2013: 92.028.144) and was calculated as follows:

	2014	2013
	€	€
Profits/(losses) attributable to the owners	**32.516.671**	(16.810.246)
Weighted average number of shares of €0,85 in issue during the year (excluding own shares)	**92.028.144**	92.028.144
Basic and fully diluted earnings/(basic and fully diluted losses)/per share (cents)	**35,33**	(18,27)

The Company

The calculation of earnings/(losses) per share as at 31 December 2014, was based on the profits attributable to the owners amounting to €328.053 (2013: losses €7.477.846) and the weighted average number of shares in issue during the year amounting to 92.028.144 (2013: 92.028.144) and was calculated as follows:

	2014	2013
	€	€
Profits/(losses) attributable to the owners	**328.053**	(7.477.846)
Weighted average number of shares of €0,85 in issue during the year (excluding own shares)	**92.028.144**	92.028.144
Basic and fully diluted earnings/(basic and fully diluted losses) per share (cents)	**0,36**	(8,13)

17. PROPERTY, PLANT AND EQUIPMENT

The Group	Land and buildings	Land and buildings under construction	Improvements to leasehold buildings	Motor vehicles	Machinery, installations & equipment	Computer equipment	**Total**
2014	€	€	€	€	€	€	**€**
Cost or valuation							
At 1 January	248.856.865	4.230.330	31.832.004	7.635.553	48.906.789	5.666.207	**347.127.748**
Additions	2.082.615	177.270	241.389	820.249	945.186	53.976	**4.320.685**
Disposals	-	-	-	(631.749)	(87.031)	(1.530)	**(720.310)**
Impairment charge due to termination of operations (Note 13)	-	-	(251.866)	-	(599.470)	-	**(851.336)**
Transfers from investment property (Note 19)	4.498.520	-	-	-	-	-	**4.498.520**
At 31 December	255.438.000	4.407.600	31.821.527	7.824.053	49.165.474	5.718.653	**354.375.307**
Depreciation							
At 1 January	1.694.538	-	20.260.173	6.325.755	39.193.860	4.856.023	**72.330.349**
Charge for the year	204.971	-	2.036.910	551.913	3.009.534	92.176	**5.895.504**
Impairment charge due to termination of operations (Note 13)	-	-	(189.434)	-	(545.487)	-	**(734.921)**
Disposals	-	-	-	(614.302)	(23.931)	(118)	**(638.351)**
At 31 December	1.899.509	-	22.107.649	6.263.366	41.633.976	4.948.081	**76.852.581**
Net book value							
At 1 January	247.162.327	4.230.330	11.571.831	1.309.798	9.712.929	810.184	**274.797.399**
At 31 December	253.538.491	4.407.600	9.713.878	1.560.687	7.531.498	770.572	**277.522.726**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group	Land and buildings	Land and buildings under construction	Improvements to leasehold buildings	Motor vehicles	Machinery, installations & equipment	Computer equipment	Total
2013							
Cost or valuation							
At 1 January	237.851.082	841.080	35.169.368	8.094.388	52.667.249	5.611.389	**340.234.556**
Additions	14.812	210.000	112.240	50.111	374.327	55.968	**817.458**
Disposals	-	-	-	(479.045)	(136.625)	(1.150)	**(616.820)**
Revaluations	(11.647.725)	-	-	-	-	-	**(11.647.725)**
Impairment charge due to termination of operations (Note 13)	-	-	(3.449.604)	-	(2.644.533)	-	**(6.094.137)**
Write offs	-	-	-	(29.901)	(1.353.629)	-	**(1.383.530)**
Transfers from investment property (Note 19)	22.638.696	3.179.250	-	-	-	-	**25.817.946**
At 31 December	248.856.865	4.230.330	31.832.004	7.635.553	48.906.789	5.666.207	**347.127.748**
Depreciation							
At 1 January	1.495.135	-	19.588.437	7.908.471	36.450.390	4.737.668	**70.180.101**
Charge for the year	199.403	-	2.774.084	599.506	4.386.141	119.304	**8.078.438**
Disposals	-	-	-	(462.154)	-	(949)	**(463.103)**
Impairment charge due to termina-tion of operations (Note 13)	-	-	(2.102.348)	-	(1.979.209)	-	**(4.081.557)**
Write offs	-	-	-	(29.901)	(1.353.629)	-	**(1.383.530)**
Transfers	-	-	-	(1.690.167)	1.690.167	-	**-**
At 31 December	1.694.538	-	20.260.173	6.325.755	39.193.860	4.856.023	**72.330.349**
Net book value							
At 1 January	236.355.947	841.080	15.580.931	185.917	16.216.859	873.721	**270.054.455**
At 31 December	247.162.327	4.230.330	11.607.476	1.309.798	9.712.929	810.184	**274.797.399**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company	Land and buildings	Land and buildings under construction	Motor vehicles	Machinery, installations & equipment	Computer equipment	**Total**
2014						
Cost or valuation						
At 1 January	732.437	4.230.330	104.980	849.753	220.210	**6.137.710**
Additions	-	30.000	33.217	4.052	7.859	**75.128**
Transfers to investment property (Note 19)	(5.285)	-	-	-	-	**(5.285)**
Disposals	-	-	-	-	(830)	**(830)**
At 31 December	727.152	4.260.330	138.197	853.805	227.239	**6.206.723**
Depreciation						
At 1 January	65.228	-	92.104	826.696	214.630	**1.198.658**
Charge for the year	5.563	-	6.865	8.179	3.370	**23.977**
Disposals	-	-	-	-	(41)	**(41)**
At 31 December	70.791	-	98.969	834.875	217.959	**1.222.594**
Net book value						
At 1 January	667.209	4.230.330	12.876	23.057	5.580	**4.939.052**
At 31 December	656.361	4.260.330	39.228	18.930	9.280	**4.984.129**

The Company	Land and buildings	Land and buildings under construction	Motor vehicles	Machinery, installations & equipment	Computer equipment	**Total**
2013						
Cost or valuation						
At 1 January	1.146.216	841.080	104.980	848.533	218.094	**3.158.903**
Additions	12.612	210.000	-	1.220	2.116	**225.948**
Transfers (to)/from investment property (Note 19)	(3.757)	3.179.250	-	-	-	**3.175.493**
Revaluations	(422.634)	-	-	-	-	**(422.634)**
At 31 December	732.437	4.230.330	104.980	849.753	220.210	**6.137.710**
Depreciation						
At 1 January	65.165	-	84.018	815.848	212.079	**1.177.110**
Charge for the year	63	-	8.086	10.848	2.551	**21.548**
At 31 December	65.228	-	92.104	826.696	214.630	**1.198.658**
Net book value						
At 1 January	1.081.051	841.080	20.962	32.685	6.015	**1.981.793**
At 31 December	667.209	4.230.330	12.876	23.057	5.580	**4.939.052**

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The land and buildings of the Company include land amounting to €297.777 (2013: €297.777).

Land and buildings of the Company amounting to €23.536.922 (2013: €23.536.922) were given as securities for bank loans and facilities.

The value of the land and buildings of the Company, which would have been presented in the consolidated and separate financial statements under the historical cost convention, less accumulated depreciation, at 31 December 2014 amounts to €702.286 (2013: €713.134).

Land and buildings of the Group amounting to €276.330.832 (2013: €276.330.832) were given as securities for bank loans and facilities.

The value of the land and buildings of the Group, which would have been presented in these consolidated financial statements under the historical cost convention, less accumulated depreciation at 31 December 2014 amounts to €51.490.976 (2013: €51.698.870).

Information for fair value valuations

At 31 December 2013, the land and buildings of the Group and the Company were revalued at fair value. The fair value represents value in the open market as determined by the management of the Group and the Company, taking into consideration all relevant information available, including valuations by the external independent valuers, market conditions and other information.

The loss on revaluation of land and buildings of the Group and the Company, which was debited within the fair value reserves, amounts to €11.647.725 and €422.634 respectively.

At 31 December 2014, the Group and the Company did not proceed with the revaluation of the land and buildings since the Board of Directors believes that the fair value of the land and buildings is not materially different from their carrying value.

Fair value hierarchy

The estimation of the fair value of land and buildings amounting to €257.946.091 for the Group and €4.916.691 for the Company falls within Level 3 of the Fair Value Hierarchy, based on the inputs to the valuation technique used.

	The Group		**The Company**	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**251.392.657**	237.197.027	**4.897.539**	1.922.131
Additions and transfers from investment property	**6.758.405**	26.042.758	**24.715**	3.398.105
Depreciation for the year	**(204.971)**	(199.403)	**(5.563)**	(63)
Loss on revaluation	**-**	(11.647.725)	**-**	(422.634)
At 31 December	**257.946.091**	251.392.657	**4.916.691**	4.897.539

17. PROPERTY, PLANT AND EQUIPMENT (continued)

Information for fair value estimation using significant unobservable inputs

The Group

Property	Valuation €	Valuation Technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Shopping malls	69.725.493	Income approach	- Rental income per sq. metre per month	Range of rental income: €3-€188 Rental yield (%): 6,5-7 Occupancy rate: 95%	Fair value will increase/(decrease) if: - Rental income increases/ (decreases) - Rental yield increases/(decreases) - Occupancy rate increases/(de-crease)
Department stores	118.427.000	Income approach	- Rental income per sq. metre per month	Range of rental income: €5-€14 Rental yield (%): 6-7,5 Occupancy rate: 99%	Fair value will increase/(decrease) if: - Rental income increases/ (decrease) - Rental yield increases/(decrease) - Occupancy rate increases/ (decreases)
Shops	31.857.116	Income approach/ market approach and cost approach	- Rental income per sq. metre per month - Price per sq. metre - Average cost of construction	Range of rental income: €5-€14 Rental yield (%): 6-7,5 Occupancy rate: 99% Price per sq. metre: €83-€1.000	Fair value will increase/(decrease) if: - Rental income increases/ (decrease) - Rental yield increases/(decrease) - Occupancy rate increases/ (decreases) - Price per sq.metre increases/ (decreases)
Offices/Flats	10.072.972	Income approach/ market approach and cost approach	- Rental income per sq. metre per month - Price per sq. metre - Average cost of construction	Range of rental income: €6-€76 Rental yield (%): 6-7, 5 Occupancy rate: 99% Price per sq. metre: €424- €978	The fair value will increase/ (decrease) if: - Rental income increases/ (decrease) - Rental yield increases/(decreases) - Occupancy rate increases/ (decreases) - Price per sq.metre increases/ (decreases)
Warehouses/ Garages	8.040.998	Market approach	- Price per sq. metre	Price per sq. metre: €424-€978	The fair value will increase/ (decrease) if: - Price per sq.metre increases/ (decreases)
National Distribution Centre	14.378.350	Market approach and cost approach	- Price per sq. metre	Price per sq. metre: €233-€273	The fair value will increase/ (decrease) if: - Price per sq.metre increases/ (decreases)
Idle land and buildings	5.444.162	Market approach and cost approach	- Price per sq. metre - Average cost of construction	Price per sq. metre: €233-€1.125	The fair value will increase/ (decrease) if: - Price per sq.metre increases/ (decreases)
	257.946.091				

The Company

Property	Valuation €	Valuation Technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Offices	656.361	Market approach and cost approach	- Price per sq. metre - Average cost of construction	- Price per sq. metre: €424-€978	The fair value will increase/ (decrease) if: - Price per sq.metre increases/ (decreases)
National Distribution Centre	4.260.330	Market approach and cost approach	- Price per sq. metre - Average cost of construction	- Price per sq. metre: €233-€273	The fair value will increase/ (decrease) if: - Price per sq.metre increases/ (decreases)
	4.916.691				

18. INTANGIBLE ASSETS

The Group 2014	Computer software	Goodwill	**Total**
Cost	€	€	**€**
At 1 January	4.027.348	33.493.600	**37.520.948**
Additions	128.965	-	**128.965**
At 31 December	4.156.313	33.493.600	**37.649.913**
Amortisation			
At 1 January	3.760.451	-	**3.760.451**
Charge for the year	159.313	-	**159.313**
At 31 December	3.919.764	-	**3.919.764**
Net book value			
At 1 January	266.897	33.493.600	**33.760.497**
At 31 December	236.549	33.493.600	**33.730.149**

	Computer software	Goodwill	**Total**
2013			
Cost			
At 1 January	3.990.225	33.493.600	**37.483.825**
Additions	37.123	-	**37.123**
At 31 December	4.027.348	33.493.600	**37.520.948**
Amortisation			
At 1 January	3.542.922	-	**3.542.922**
Charge for the year	217.529	-	**217.529**
At 31 December	3.760.451	-	**3.760.451**
Net book value			
At 1 January	447.303	33.493.600	**33.940.903**
At 31 December	266.897	33.493.600	**33.760.497**

Goodwill amounting to €33.493.600 (2013: €33.493.600) resulted as follows:

(a) Transfer of HOB House of Beauty Limited from associate to subsidiary in 2000.

(b) Transfer of Ermes Department Stores Plc from associate to subsidiary on 1 October 2006.

(c) Transfer of Woolworth (Cyprus) Properties Plc from associate to subsidiary on 26 September 2007.

(d) Acquisition of the exclusive distribution of three new cosmetics and perfumes of the range Prestige of Procter & Gamble by the subsidiary company HOB House of Beauty Limited during 2011.

18. INTANGIBLE ASSETS (continued)

Impairment testing for goodwill

Goodwill is allocated to cash generating units based on business segments, for the purposes of impairment testing. The analysis of goodwill is shown in the following table:

	Import & distribution	Retail	Immovable property	**Total**
2014	€	€	€	**€**
Net book value	2.854.365	23.581.643	7.057.592	**33.493.600**
2013				
Net book value	2.854.365	23.581.643	7.057.592	**33.493.600**

The recoverable value of a cash generating unit is determined based on calculations of the value in use. These calculations for the cash generating units which concern the activities of import and distribution and retailing, use cash flow forecasts based on financial budgets covering a period of five years and which have been approved by management. Cash flows over five years are projected based on the calculated terminal growth rate as presented below. The growth rate does not exceed the long term average growth rate of the business in which the cash generating unit operates.

The main assumptions used by management for the calculation of the value in use of goodwill that arises from the import and distribution and the retail business segments are the following:

	2014	2013
Sales growth rates	4,22% - 6,37%	-
Gross profit margin	15,77% – 39,10%	16,55% - 39%
Discounting rate	10,58% – 10,60%	9,37% - 10,82%

Management determines the budgeted gross profit margin and the sales and profits growth rates based on previous performance and expectations for the growth of the market. The weighted average growth rate used is consistent with the long term economic forecast for the business segment. The discount rate used reflects specific risks relating to the cash generating unit.

Management used the method of net assets in calculating the value in use of the cash generating unit of immovable property. In calculating this, management took into consideration the rate of growth of the fair value of properties and the present value of the future cash flows which will arise from rent and rights for use of immovable property.

Based on the above, management believes that there is no other impairment of goodwill as the net book value of goodwill is lower than the present value of the estimated future inflows which will result from the cash generating units, after the deduction of the assets and liabilities of these units in which the goodwill is allocated.

SENSITIVITY ANALYSIS

We present below how the change of one or more of the main indicators used in the calculation of the value in use will affect the amount of goodwill from the main cash generating units:

Ermes Department Stores Plc	Sales growth rate 2015-2019 %	Gross profit margin %	Discounting rates %	Terminal growth rate %	Impairment €000
Main scenario	6,37	36,18	10,60	1,50	-
Change in variable					
Sales growth rate	5,35	36,18	10.60	1,50	-
Gross profit margin	6,37	35,18	10,60	1,50	-
Discount rates	6,37	36,18	11,60	1,50	-
Mixed scenario	5,38	35,10	11,60	1,50	-

18. INTANGIBLE ASSETS (continued)

The Group (continued)

SENSITIVITY ANALYSIS (CONTINUED)

HOB House of Beauty Limited	Sales growth rate 2015-2019 %	Gross Profit Margin **%**	Discounting Rates %	Terminal Growth Rate **%**	Impairment €000
Main scenario	4,22	39,10	10,58	1,50	-
Change in variable					
Sales growth rate	2,89	39,10	10.58	1,50	-
Gross profit margin	4,22	38,10	10,58	1,50	-
Discount rates	4,22	39,10	11,58	1,50	-
Mixed scenario	3,33	38,30	11,58	1,50	-

Artview Co. Limited	Sales growth rate 2015-2019 %	Gross Profit Margin **%**	Discounting Rates %	Terminal Growth Rate **%**	Impairment €000
Main scenario	5,84	15,77	10,58	1,50	-
Change in variable					
Sales growth rate	4,80	15,77	10,58	1,50	-
Gross profit margin	5,84	14,77	10,58	1,50	-
Discount rates	5,84	15,77	11,58	1,50	-
Mixed scenario	4,80	14,77	11,58	1,50	-

The Company

Software	**2014**	2013
Cost	**€**	€
At 1 January	**134.095**	133.615
Additions	**499**	480
At 31 December	**134.594**	134.095
Amortisation		
At 1 January	**133.250**	132.137
Charge for the year	**727**	1.113
At 31 December	**133.977**	133.250
Net book value		
At 1 January	**845**	1.478
At 31 December	**617**	845

19. INVESTMENT PROPERTY

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**166.075.295**	193.756.162	**26.443.601**	33.562.139
Additions	**628.233**	881.227	**332.475**	4.090
Transfers from/(to) property, plant and equipment (Note 17)	**(4.498.520)**	(25.817.946)	**5.285**	(3.175.493)
Loss on revaluation (Note 14)	**(16.111)**	(2.744.148)	**-**	(3.947.135)
At 31 December	**162.188.897**	166.075.295	**26.781.361**	26.443.601

Information on fair value estimations

Investment properties are revalued annually on 31 December at fair value, which is the value in the open market as determined by the management of the Company and the Group, taking into account all relevant information available, including valuation by external independent valuers, market conditions and other information.

The loss on revaluation of investment property of the Group and the Company, which was debited in the statement of comprehensive income, amounts to €2.744.148 and €3.947.135 respectively

Fair value hierarchy

The estimation of the fair value of investment property amounting to €166.075.295 for the Group and €26.443.601 for the Company falls within Level 3 of the Fair Value Hierarchy based on the inputs to the valuation technique used.

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**166.075.295**	193.756.162	**26.443.601**	33.562.139
Additions and transfers (to)/from property, plant and equipment	**(3.870.287)**	(24.936.719)	**337.760**	(3.171.403)
Loss on revaluation	**(16.111)**	(2.744.148)	**-**	(3.947.135)
At 31 December	**162.188.897**	166.075.295	**26.781.361**	26.443.601

19. INVESTMENT PROPERTY (continued)

Information for fair value estimation using significant unobservable inputs

The Group

Property	Valuation €	Valuation Technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Shopping malls	147.667.475	Income method	- Rental income per sq. metre per month	Rental income range: €3 – €188 Rental yield (%): 6, 5-7 Occupancy rate: 95%	Fair value will increase/(decrease) if: - Rental income increases/ (decreases) - Rental yield increases/(decreases) - Occupancy rate increases/ (decrease)
Department stores	1.843.000	Income method	- Rental income per sq. metre per month	Rental income range: €5 – €14 Rental yield (%): 6-7, 5 Occupancy rate: 99%	Fair value will increase/(decrease) if: - Rental income increases/ (decrease) - Rental yield increases/(decrease) - Occupancy rate increases/(de creases)
Offices	2.093.422	Comparison of sales and cost of construction	- Price per sq. metre - Average cost of construction	- Price per sq. metre: €424 – €978	Fair value will increase/(decrease) if: - Price per sq. metre increases/ (decreases)
Idle land and buildings	8.585.000	Comparison of sales and cost of construction	- Price per sq. metre	- Price per sq. metre: €247 – €5.680	Fair value will increase/(decrease) if: - Price per sq. metre increases/ (decreases)
	162.188.897				

The Company

Property	Valuation €	Valuation Technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Shops	2.694.879	Comparison of sales and cost of construction	Price per sq. metre	- Price per sq. metre: €370 – €1.000	The fair value will increase/ (decrease) if: - Price per sq. metre increase/ (decrease)
Offices	2.483.303	Comparison of sales and cost of construction	Price per sq. metre	- Price per sq. metre: €370 – €650	The fair value will increase/ (decrease) if: - Price per sq. metre increase/ (decrease)
Warehouse/ Garages	8.040.997	Comparison of sales and cost of construction	Price per sq. metre	- Price per sq. metre: €370 – €625	The fair value will increase/ (decrease) if: - Price per sq. metre increase/ (decrease)
National Distribution Centre	10.118.020	Comparison of sales and cost of construction	Price per sq. metre	- Price per sq. metre: €60 – €550	The fair value will increase/ (decrease) if: - Price per sq. metre increase/ (decrease)
Idle land and buildings	3.444.162	Comparison of sales and cost of construction	Price per sq. metre	- Price per sq. metre: €200 – €1.125	The fair value will increase/ (decrease) if: - Price per sq. metre increase/ (decrease)
	26.781.361				

20. INVESTMENTS IN SUBSIDIARY COMPANIES

The Group

The significant subsidiary companies of the Group are as follows:

Company name	Participation in share capital 2014 %	2013 %	Principal activity
Company's subsidiaries			
C.D. Hay (Motors) Limited	**100**	100	General representative in Cyprus of Hyundai motor vehicles
HOB House of Beauty Limited	**50**	50	Import and trading of cosmetics and perfumes
Ermes Department Stores Plc	**65,95**	65,95	Retail in the sector of fashion, health, beauty, household and foods
Artview Co. Limited	**100**	100	Sole representative and distributor of Christian Dior cosmetics, perfumes and accessories in Cyprus
Woolworth (Cyprus) Properties Plc	**77,04**	77,04	Ownership, development, management and trading of immovable property
CTC Motors Limited	**100**	100	General representative of Volvo motor vehicles in Cyprus
Argosy Trading Company Limited	**100**	100	Distribution of branded consumer products
Cassandra Trading Limited	**100**	100	Import and distribution of Philip Morris tobacco products
CTC Automotive Limited	**100**	100	Trading of all types of motor vehicles, vans, buses, heavy vehicles, Hilti professional tools and Philips Lighting
Amaracos Holding (CTC+PG) Limited	**100**	100	Investing activities
Wolim Properties Limited	**100**	100	Ownership of immovable property
Sep Retail Limited	**100**	100	Retail trade
Subsidiaries of Ermes Department Stores Plc			
F.W. Woolworth (Chemists) Limited	**100**	100	Operating pharmacies
C.W. Artopolis Limited	**100**	100	Management of coffee shops and bakeries
Superhome Center (D.I.Y.) Limited	**51**	51	Operating megastores, selling products for households, workshop, school and offices in Nicosia, Limassol and Pafos
Fashionlink S.A.	**100**	100	Operating stores for clothing products
IDEEA Distribution of Appliances Limited	**100**	100	Import and distribution of electrical and electronic appliances
Domex Trading Co Limited	**100**	100	Operating shops selling sanitary ware and ceramics
Scandia Company Limited	**100**	100	Investing activities

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The Group (continued)

Subsidiaries of Woolworth (Cyprus) Properties Plc			
F.W.W. Super Department Stores Limited	**100**	100	Renting immovable properties in Larnaca
Woolworth Commercial Centre Limited	**100**	100	Owner of land and a shopping mall in Engomi
ZAKO Limited	**100**	100	Renting immovable property in Limassol, Larnaca and Pafos
ITTL Trade Tourist and Leisure Park Plc	**99,7**	99,7	Owner of retail park in Athalassa, Nicosia
Niola Estates Limited	**100**	100	Parent company of Estelte Limited which owns immovable property
Realtra Limited	**100**	100	Parent company of Calandra Limited which owns immovable property
Chrysochou Merchants Limited	**100**	100	Investment in Cyprus Limni Resorts & GolfCourses Plc, owner of a large area of land in Polis Chrysochous
Subsidiaries of ZAKO Limited			
Zako Estate Limited	**100**	100	Renting of immovable property in Ledras Street, Nicosia
Apex Limited	**100**	100	Exploitation of rights to use the buildings of Stoa in Ledras Street, Nicosia and of the privately owned immovable property in Latsia and managing a privately owned parking area in Ledras Street

All subsidiary companies, except Fashionlink S.A. which is registered in Greece, are registered in Cyprus.

Minority interest

The following subsidiary companies have a significant percentage of minority interest.

Name	Country of operation/ country of incorporation	Operating segments	Percentage holding from minority interest	
			2014	**2013**
Woolworth (Cyprus) Properties Plc	Cyprus	Ownership and management of immovable property	77,04%	77,04%
Ermes Department Stores Plc	Cyprus	Retail commerce	65,95%	65,95%

Summarised financial information for subsidiaries with significant minority interest

Set out below is the summarised information for the subsidiary companies whose minority interest hold a significant percentage of the Company's share capital which is accounted for under the equity method in the consolidated financial statements.

	Woolworth (Cyprus) Properties Plc		Ermes Department Stores Plc	
	2014	2013	**2014**	2013
	€	€	**€**	€
Turnover	**-**	-	**156.038.779**	167.019.502
Other income	**21.248.991**	17.712.681	**1.997.993**	3.744.605
(Losses)/profits for the year	**(1.435.153)**	(35.796.976)	**8.820.646**	2.574.600
(Losses)/profits for the year attributable to minority interest	**(165.286)**	(6.675.365)	**3.534.364**	1.590.565
Other comprehensive (expenses)/income for the year	**-**	-	**(15.225)**	(70.106)
Total comprehensive (expenses)/income for the year	**(1.435.153)**	(35.796.976)	**8.805.421**	2.504.494
Total comprehensive (expenses)/income for the year attributable to minority interest	**(165.286)**	(6.675.365)	**3.524.260**	1.558.762

20. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The Group (continued)

Summarised financial information for subsidiaries with significant minority interest (continued)

	Woolworth (Cyprus) Properties Plc		Ermes Department Stores Plc	
	2014	2013	**2014**	2013
	€	€	**€**	€
Current assets	**4.998.501**	3.974.276	**36.324.988**	35.202.932
Non-current assets	**494.591.541**	489.602.880	**117.790.056**	128.470.661
Current liabilities	**(27.012.718)**	(38.952.039)	**(71.897.678)**	(73.811.966)
Non-current liabilities	**(265.872.734)**	(286.958.149)	**(2.221.797)**	(5.476.249)
Total assets	**206.704.590**	167.666.968	**79.995.569**	84.385.378
Net assets attributable to minority interest	**38.275.566**	34.624.058	**18.240.579**	20.071.998
Net cash (for)/from operating activities	**10.661.527**	7.277.252	**(2.937.541)**	10.615.949
Net cash from investing activities	**40.273.685**	19.213	**17.957.849**	4.171.151
Net cash for financing activities	**(50.476.010)**	(7.630.822)	**(20.880.405)**	(10.847.273)
(Decrease)/increase in cash and cash equivalents	**459.202**	(334.357)	**(5.860.097)**	3.939.827
Dividends paid to minority interest	**27.225**	-	**4.988.426**	656.409

The above information is before any intercompany eliminations and is presented adjusted with the difference in accounting policies between the Group and the subsidiary companies.

The Company	**2014**	2013
Cost	**€**	€
At 1 January	**190.525.850**	179.182.725
Additions	**-**	11.343.125
At 31 December	**190.525.850**	190.525.850

During the year ended 31 December 2013, the Company acquired from Grey Squirrel Services Limited 49% of the share capital of Amaracos Holding (CTC+PG) Limited for a consideration of €11.343.125. As a result, the Company now holds 100% of the issued share capital of Amaracos Holding (CTC+PG) Limited.

21. INVESTMENTS IN ASSOCIATE COMPANIES

The Group	**2014**	2013
	€	€
At 1 January	**20.896.758**	64.377.846
Share of (losses)/profits for the year after tax	**(683.193)**	(97.586)
Dividends from associate companies	**(83.439)**	(1.062.839)
Sale of associate company CTC-ARI (F&B) Limited	**(1.033.233)**	-
Share of defence tax on deemed dividend distribution of associate company	**-**	(33.885)
Sale of associate company MTN Cyprus Limited	**-**	(42.286.778)
At 31 December	**19.096.893**	20.896.758

On 24 January 2014, the subsidiary company Ermes Department Stores Plc proceeded with the disposal of 50% of the share capital of CTC-ARI (F&B) Limited for €3.125.000 to AER Rianta International (Middle East) WLL. The Group's profit resulting from the disposal amounted to €2.091.767 and is presented in profits from investing activities (Note 14).

In March 2013, the subsidiary company Amaracos Holding (CTC+PG) Limited sold to MTN South Africa its 50% shareholding in MTN Cyprus Limited for €58.000.000. The Groups' profit from this sale amounted to €15.713.222 and is presented in profits from investing activities (Note 14).

21. INVESTMENTS IN ASSOCIATE COMPANIES (continued)

The Group (continued)

The associate companies of the Group are:	Total issued share capital (no of shares)	Percentage of shares with voting rights		
		2014 €	2013 €	Calculation method
CTC – ARI (F&B) Limited	5.000	**-**	50	Equity method
Akinita Lakkos Mikelli Limited	11.860.000	**35**	35	Equity method

All associate companies are registered in Cyprus, which is also their place of business.

There are no contingent liabilities relating to the Group's interest in investments in associates.

Significant restrictions

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

Summarised financial information for associates

Set out below are the summarized financial information for the associate Akinita Lakkos Mikelli Limited which is accounted for using the equity method in the consolidated financial statements.

Significant figures of the associate companies:

	Akinita Lakkos Mikelli Limited	
	2014	2013
	€	€
Turnover	**-**	-
Losses for the year before tax	**(1.951.979)**	(1.055.063)
Other comprehensive expenses for the year	**-**	-
Total comprehensive expenses for the year	**(1.951.979)**	(1.055.063)
Current assets	**5.736.635**	5.894.679
Non-current assets	**55.124.371**	57.524.371
Current liabilities	**(2.653.192)**	(2.720.857)
Non-current liabilities	**(4.565.695)**	(4.865.695)
Total assets	**53.642.119**	55.832.498

The above information represent the amounts which are included in the financial statements of the associate company (and not the Group's share) adjusted for the differences in accounting policies between the Group and the associate company.

Reconciliation of summarised financial information	**2014**	2013
	€	€
Net assets	**53.642.119**	**55.832.498**
Interest in associate (35%)	**18.774.742**	**19.541.375**
Goodwill	**322.151**	**322.151**
Net position	**19.096.893**	**19.863.526**

The Company

The Company does not own any investments in associate companies as at 31 December 2013 and 31 December 2014.

22. INVESTMENTS IN JOINT VENTURES

The Group

The share of the Group in joint ventures, which are not listed on the Cyprus Stock Exchange, are:

Name	Main activity	Country of incorporation	**2014** % shares held	2013 % shares held
CTC-ARI Holdings Limited	Operation of stores in Larnaka and Pafos airports	Cyprus	-	50
British Forces Cyprus Retail	Operation of Debenhams stores at British Bases	Cyprus	-	50

The Companies are registered in Cyprus.

As from 1 January 2009 the Group participates in the joint venture CTC-ARI Airports Limited with the company AER Rianta International (Middle East) WLL. The Company CTC-ARI Airports Limited has exclusive management of the commercial activities of Larnaca and Paphos Airports until May 2031.

On 6 April 2010, Ermes Department Stores Plc and AER Rianta International (Middle East) WLL exchanged their 50% shareholding in CTC-ARI Airports Limited for shares in CTC-ARI Holdings Limited and as a result CTC-ARI Airports Limited became a 100% subsidiary of CTC-ARI Holding Limited. Following this transaction, Ermes Department Stores Plc and AER Rianta International (Middle East) WLL each owned a shareholding of 50% of the share capital of CTC-ARI Holdings Limited.

During the year ended 31 December 2014, the subsidiary company Ermes Department Stores Plc proceeded with the disposal of the investment in CTC-ARI Holdings Limited for a consideration of €54.731.944. The profit of the Group regarding the disposal amounted to €37.534.660 and is presented in profits from investing activities (Note 14).

As from September 2007, the Group participates in the joint venture British Forces Cyprus Retail (BFCR) with the company Sodex Defence Services Limited for the operation of shops at the British Bases, with a participation interest of 50%. After the termination of the agreement a loss of €99.498 was realized for the proportionate consolidated cost of the joint venture on the date of the termination of agreement.

Due to the application of IFRS11, effective from 1 January 2014 the proportional consolidation of joint ventures is no longer permitted. As a result, the Group's interest in joint ventures will be accounted for using the equity method of accounting. The comparative figures have been restated to take into account the above changes.

	2014	2013
	€	€
At 1 January	**17.296.782**	16.728.526
Disposal of investment in CTC-ARI Holdings Limited	**(17.197.284)**	-
Impairment charge on expiry of agreement with British Forces Cyprus Retail	**(99.498)**	-
Depreciation charge of favourable contract		(30.000)
Reversal of fair value reserve		(45.561)
Share of profit after tax		2.643.817
Dividends from joint ventures	**-**	(2.000.000)
	-	17.296.782

Investments in joint ventures as at 31 December 2013 included goodwill amounting to €7.452.462. Part of goodwill, amounting to €627.939, represented a favourable contract signed by the company CTC-ARI Airports Limited with Hermes Airports Limited for the exclusive right to manage the duty free shops at the Larnaca and Paphos airports. This favourable contract was amortised on a straight line basis over a period of 21 years which is consistent with the termination of the contract in 2031.

22. INVESTMENTS IN JOINT VENTURES (continued)

The Group (continued)

Summarised financial information for joint ventures

Set out below are the summarized financial information for the Group's joint ventures as at 31 December 2013. As illustrated above, the Group has not participated in joint ventures as at 31 December 2014.

	Assets	Liabilities	Income	Profits
	€	€	€	€
CTC ARI Holdings Limited	**17.428.404**	11.930.707	**43.939.522**	2.643.817
British Forces Cyprus Retail	**1.574.664**	2.596.711	**7.400.918**	-
Total	**19.003.068**	14.527.418	**51.340.440**	2.643.817

Contingent liabilities of CTC-ARI Airports Limited

At 31 December 2013, there was a disagreement between CTC-ARI Airports Limited and Hermes Airports Limited for the method of calculating the rights of exploitation of concession areas.

On 1 October 2014 the parties reached to a mutual agreement for a final and definite resolution of the dispute at no additional cost for the Group.

The Company

The Company has not participated in joint ventures as at 31 December 2013 and 31 December 2014.

23. INVESTMENTS AVAILABLE FOR SALE

	The Group		**The Company**	
	2014	2013	**2014**	2013
	€	€	**€**	€
Listed securities	**239.856**	1.000	**1.000**	1.000
Non listed securities	**103.494**	325.089	**93.929**	93.629
Total	**343.350**	326.089	**94.929**	94.629

The movement in investments available for sale is presented below:

	The Group		**The Company**	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**326.089**	101.464	**94.629**	94.629
Additions	**597**	-	**300**	-
Transfer to investments in subsidiary companies	**16.664**	-	**-**	-
Conversion of cash to shares (Note 5)	**-**	1.123.125	**-**	-
Impairment (Note 5)	**-**	(898.500)	**-**	-
At 31 December	**343.350**	326.089	**94.929**	94.629

Following the Eurogroup decision in March 2013, the Group obtained 1.123.125 shares of Bank of Cyprus. Further information in relation to the fair value of the Bank of Cyprus shares are presented in Note 5.

The Group holds 11,34% of the share capital of the Hermes Airports Limited consortium. The Board of Directors considers the investment in Hermes Airports Limited as a long term investment of a strategic nature for the Group and the Company.

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	The Group	
	2014	2013
	€	€
Non listed securities defined at fair value through profit and loss at initial recognition	**77.712.100**	82.712.100

Fair value changes of the investments at fair value through profit or loss are included in losses from investing activities (Note 14) in profit or loss and are analysed as follows:

	The Group	
	2014	2013
Investments at fair value through profit and loss - defined at fair value through profit and loss at initial recognition		
	€	€
Fair value losses	**(5.000.000)**	(24.512.034)
Net loss to investments at fair value through profit and loss	**(5.000.000)**	(24.512.034)

Fair value hierarchy

The estimation of the fair value of investments at fair value through profit and loss amounting to €77.712.100 (2013: €82.712.100) for the Group falls within Level 3 of the Fair Value Hierarchy, based on the inputs to the valuation technique used.

	The Group	
	2014	2013
	€	€
At 1 January	**82.712.100**	107.224.134
Net loss from fair value adjustments of investments at fair value through profit and loss	**(5.000.000)**	(24.512.034)
At 31 December	**77.712.100**	82.712.100

The investments at fair value through the profit and loss include the investments of the subsidiary company Woolworth (Cyprus) Properties Plc in the 100% subsidiary company Chrysochou Merchants Limited which holds 11,73% of the share capital of Cyprus Limni Resorts and GolfCourses Plc and Arsinoe Investments Limited with 49,65% which holds 70,57% of Cyprus Limni Resorts and GolfCourses Plc.

Cyprus Limni Resorts and GolfCourses Plc is the owner of a large plot of land in the area of Polis Chrysochous, which has obtained the required planning permits for the development of this land at the Limni Bay Resort, which will includes, amongst others, two golf courses, a five star hotel, a significant number of residential units and other associate developments.

Investments defined at fair value through profit and loss at initial recognition are those whose performance is evaluated on a fair value basis in accordance with the Group's documented investment strategy. Information based on the fair value of these investments is provided internally to the Group's key management personnel.

Cyprus Limni Resorts and GolfCourses Plc is a listed company and its shares are traded on the Emerging Companies Market (ECM) of the Cyprus Stock Exchange. In total, 300 million shares were subscribed. In doing so it facilitates the future attraction of strategic and institutional investors to the share capital of the company.

24. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS (continued)

Information for fair value estimation using significant unobservable inputs (Level 3)

The estimation of the fair value was performed by using the method of discounted cash flows of the project. For the calculation of the fair value a discount rate of 9%-10% was used. The table below shows the sensitivity analysis of the fair value in relation to the discount rate used and the sales value and the capital expenditure of residential units.

Sensitivity of Management's estimations

			Changes in discount rate		
			-1%	0,00%	1%
Investments at fair value through profit and loss	Change in sales price	-10%	65.262.877	57.642.622	50.892.919
		0,00%	86.728.232	**77.712.100**	69.690.016
		10%	108.193.588	97.782.046	88.487.113
	Change in capital expenditure	-10%	99.773.189	81.576.959	73.387.406
		0,00%	86.728.232	**77.712.100**	69.690.016
		10%	82.683.276	73.847.709	65.992.625

As noted above, the fair value of the investment is very sensitive to changes in the sales price and the amount of capital expenditure.

The Company

The Company did not hold any investments at fair value through profit or loss at 31 December 2013 and 31 December 2014.

25. LOANS RECEIVABLE

	The Group		The Company	
	2014	2013	**2014**	2013
Non-current assets	**€**	€	**€**	€
Loans to subsidiary companies (Note 38)	**-**	-	**50.123.781**	67.086.019
Loans to related companies (Note 38)	**32.993.567**	24.016.011	**7.284.410**	6.843.154
	32.993.567	24.016.011	**57.408.191**	73.929.173
Current assets				
Loans to subsidiary companies (Note 38)	**-**	-	**46.454**	585.188
	-	-	**46.454**	585.188
Total	**32.993.567**	24.016.011	**57.454.645**	74.514.361

Loans receivable are analysed as follows:

	The Group		The Company	
	2014	2013	**2014**	203
Receivable	**€**	€	**€**	€
Within twelve months	**-**	-	**46.454**	585.188
Between 1 to 2 years	**-**	-	**48.596**	564.345
Between 2 to 5 years	**-**	-	**281.655**	72.489
Over 5 years	**32.993.567**	24.016.011	**57.077.940**	73.292.339
	32.993.567	24.016.011	**57.408.191**	73.929.173
Total	**32.993.567**	24.016.011	**57.454.645**	74.514.361

The repayment terms and the interest rates of the above loans are presented in note 38.

During the year the movement of the above loans receivable was as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**24.016.011**	31.963.668	**74.514.361**	60.118.471
Grant of new loans	**7.135.728**	6.426.960	**5.858.728**	21.989.945
Repayment of loans	**-**	(16.097.078)	**(27.209.508)**	(11.448.042)
Interest capitalised	**1.679.610**	1.478.491	**4.291.064**	3.853.987
Transfer from the amounts due from related parties	**162.218**	243.970	**-**	-
At 31 December	**32.993.567**	24.016.011	**57.454.645**	74.514.361

26. INVENTORIES

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Finished goods	**43.936.994**	41.830.431	**-**	-

27. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Trade receivables	**20.994.015**	22.035.573	**-**	-
Less: Provision for bad debts	**(5.407.857)**	(5.276.008)	**-**	-
Net trade receivables	**15.586.158**	16.759.565	**-**	-
Other receivables and prepayments	**5.939.081**	4.021.822	**55.678**	67.383
Current tax receivables	**530.245**	527.759	**6.000**	6.000
Amounts due from related parties (Note 38)	**7.994.135**	6.974.004	**12.826.263**	18.225.912
Total	**30.049.619**	28.283.150	**12.887.941**	18.299.295

The concentration of credit risk in relation to amounts due by customers is limited due to the large number of customers of the Group that sell in different markets. The past experience of the Group for the collection of accounts receivable was incorporated in the provisions recorded in the books. Due to these factors, management believes that there is no additional credit risk from the amounts provided for losses from collection of the trade receivables of the Group.

The Group has recognised a loss amounting to €547.248 (2013: €1.539.097), for the impairment of its trade receivables during the year ended 31 December 2014. The loss was included in the Statement of Comprehensive Income.

27. TRADE AND OTHER RECEIVABLES (continued)

Movement of the provision for bad debts:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**5.276.008**	4.023.624	**-**	-
Provision for bad debts	**547.248**	1.539.097	**-**	-
Amount written off as not recoverable	**(415.399)**	(286.713)	**-**	-
At 31 December	**5.407.857**	5.276.008	**-**	-

The provision recognised represents the difference between the carrying amount of these trade receivables and the present value of receipts. The Group does not hold any collateral over these balances.

As stated in Note 13 the Company has recognised a provision of €4.480.000 in relation to receivables. Additionally, the Group has a provision of €496.084 (2013: €496.084) for other bad debts.

The fair value of trade and other receivables due within one year is approximately their book value at the date of the statement of financial position.

28. SHARE CAPITAL

	2014	2013
	€	€
The Group and the Company		
Authorised:		
120.000.000 ordinary shares of €0,85	**102.000.000**	102.000.000
Issued:		
93.248.408 ordinary shares of €0,85	**79.261.147**	79.261.147

	31 December 2014		31 December 2013	
	Number of ordinary shares	**Share capital**	Number of ordinary shares	Share capital
		€		€
Issued share capital				
At 1 January	**93.248.408**	**79.261.147**	93.248.408	79.261.147
At 31 December	**93.248.408**	**79.261.147**	93.248.408	79.261.147

Dividends
During 2013, the Board of Directors, taking into account the existing Law on Deemed Distribution of profits and despite the ongoing economic crisis, approved the payment of a dividend amounting to €16.971.209 out of the profits of the Company for the year ended 31 December 2011, equivalent to 18,2 cents per share, or 21,41% of the nominal value of the share which is €0,85.

29. OWN SHARES RESERVE

The Group and the Company

The own shares reserve of the Company includes the cost of the shares of the Company which were acquired after a decision of the Board of Directors. In addition, the own shares reserve of the Group for the year 2013 includes the cost of acquiring own shares by the subsidiary companies Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc.

During 2013 and 2014, the Company did not purchase own shares. The Company as at 31 December 2013 and 31 December 2014 holds a total number of 1.220.265 shares or 1,31% with a total cost of €1.546.485.

30. FAIR VALUE RESERVES

The Group

	Revaluation Reserve	Investment revaluation reserve	**Total**
Year ended 31 December 2014	€	€	**€**
At 1 January	7.655.148	2.164.590	**9.819.738**
Revaluation of property, plant and equipment	-	16.664	**16.664**
Deferred tax on revaluation	(6.172)	-	**(6.172)**
At 31 December	7.648.976	2.181.254	**9.830.230**
Year ended 31 December 2013			
At 1 January	17.031.597	2.164.590	**19.196.187**
Revaluation of property, plant and equipment	(10.056.245)	-	**(10.056.245)**
Deferred tax on revaluation	679.796	-	**679.796**
At 31 December	7.655.148	2.164.590	**9.819.738**

The fair value reserves are not distributable.

The Company	Revaluation reserve 2014	Revaluation reserve 2013
	€	€
At 1 January	**5.305.089**	5.664.658
Loss on revaluation of property, plant and equipment (Note 17)	**-**	(422.634)
Deferred tax on revaluation of property, plant and equipment (Note 32)	**(1.051)**	63.065
At 31 December	**5.304.038**	5.305.089

The fair value reserves are not distributable.

31. BORROWINGS

	The Group		The Company	
	2014	2013	**2014**	2013
Current liabilities	**€**	€	**€**	€
Bank overdrafts	**68.295.242**	68.703.169	**6.800.181**	7.278.773
Factoring facilities	**3.888.457**	3.420.084	**-**	-
Bank loans	**19.538.103**	40.477.538	**3.953.936**	10.514.425
Other loans	**62.470**	-	**-**	-
	91.784.272	112.600.791	**10.754.117**	17.793.198
Non-current liabilities				
Bank loans	**283.854.460**	297.998.769	**102.911.343**	106.693.366
Loans from subsidiary company (Note 38)	**-**	-	**27.378.426**	29.730.918
Loan from parent company (Note 38)	**2.132.007**	5.836.351	**-**	-
Other loans	**565.477**	-	**-**	-
	286.551.944	303.835.120	**130.289.769**	136.424.284
Total	**378.336.216**	416.435.911	**141.043.886**	154.217.482

Bank and other loans are analysed as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
Repayable:	**€**	€	**€**	€
Within twelve months	**19.600.573**	40.477.538	**3.953.936**	10.514.425
Between 1 to 2 years	**23.966.541**	23.593.866	**5.906.832**	3.236.172
Between 2 to 5 years	**163.636.743**	38.342.084	**19.976.599**	29.797.534
Over 5 years	**98.948.660**	241.899.170	**104.406.338**	103.390.578
	286.551.944	303.835.120	**130.289.769**	136.424.284
Total	**306.152.517**	344.312.658	**134.243.705**	146.938.709

The movement of the above bank and other loans during the year was as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
At 1 January	**344.312.658**	389.142.063	**146.938.709**	118.082.885
New loans	**1.072.628**	6.811.637	**75.897.400**	29.083.790
Repayment of capital and interest	**(55.334.747)**	(71.221.610)	**(96.980.454)**	(8.325.826)
Interest capitalised	**16.073.478**	19.414.820	**8.388.050**	8.097.860
Transfer of balances from related companies	**28.500**	165.748	**-**	-
At 31 December	**306.152.517**	344.312.658	**134.243.705**	146.938.709

31. BORROWINGS (continued)

The loans are secured with:

The Group

- mortgages on land and buildings of the Group amounting to €291.685.829 (2013: €276.330.832).
- corporate guarantees from related parties amounting to €209.552.321 (2013: €189.537.440), US$- (2013: US$3.000.000).
- pledge of 63.152.462 (2013: 90.450.624) shares of Woolworth (Cyprus) Properties Plc, 50.000.001 (2013: 50.000.001) shares of ITTL Trade Tourist & Leisure Park Plc, €63.650.000 (2013: €75.650.000) shares of Ermes Department Stores Plc and 4.150.500 (2013: 4.150.500) shares of Akinita Lakkos Mikelli Limited.
- bank guarantees amounting to €32.411.599 (2013: €26.650.293).
- concession of fire insurance amounting to €10.006.786 (2013: €7.980.000) and concession of fire and earthquake insurance over the Group's properties.
- general concession of income from rights and rent receivable which will be received by the subsidiary company Woolworth (Cyprus) Properties Plc and the subsidiary companies of the Group Woolworth (Cyprus) Properties Plc, Woolworth Commercial Centre Limited, Apex Limited, ITTL Trade Tourist & Leisure Park Plc, Estelte Limited and Calandra Limited.
- assignment of all revenues from concession rights, bank accounts, insurance contracts, construction of buildings contracts, construction of buildings guarantees and letters of guarantee in favor of Hypothekenbank Frankfurt A.G. (previously Eurohypo A.G.).

The Company

- mortgages on land and buildings of the Company amounting to €23.536.922 (2013: €23.536.922).
- corporate guarantees from related parties amounting to €41.427.733 (2013: €41.427.733).
- pledge of €63.152.462 (2013: 84.764.470) shares of Woolworth (Cyprus) Properties Plc and 63.650.000 (2013: 63.650.000) shares of Ermes Department Stores Plc.
- bank guarantees amounting to €19.093.656 (2013: €19.332.350).
- concession of fire insurance amounting to €7.980.000 (2013: €7.980.000).

The above securities also cover the bank overdrafts of the Group and the Company.

The borrowings of the Group bear variable interest which during the year ended 31 December 2014 varied from 3,87% to 6,75% (2013: 4,75% to 7,35%).

The borrowings of the Company bear variable interest which during the year ended 31 December 2014 varied from 4,75% to 6,75% (2013: 4,75% to 7,35%).

On 31 December 2014, the Group and the Company had undrawn bank overdraft facilities amounting to €15.570.669 (2013: €19.521.583) and €401.700 (2013: €143.527) respectively.

The bank overdrafts expiring within one year are subject to annual review at various dates during 2014. The Board of Directors expects that the bank overdrafts subject to review in 2014 are to be renewed at the same conditions already in place.

The carrying amount of short term bank overdrafts, bank loans and other loans is approximately the same with their fair value.

The carrying amount of the borrowings of the Group and the Company per currency is as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Euro	**378.336.216**	416.435.911	**141.034.886**	154.217.482
	378.336.216	416.435.911	**141.034.886**	154.217.482

32. DEFERRED TAX LIABILITIES

The Group	Tax losses	Temporary differences between depreciation and capital allowance	Revaluation of land and buildings and investment property	**Total**
	€	€	€	**€**
At 1 January 2014	(134.177)	8.224.752	5.065.287	**13.155.862**
Debit to the statement of comprehensive income (Note 15)	-	640.023	269.176	**909.199**
Credited to reserves	-	-	16.276	**16.276**
At 31 December 2014	(134.177)	8.864.775	5.350.739	**14.081.337**
At 1 January 2013	(134.177)	6.256.477	5.922.369	**12.044.669**
Debit/(credit) to the statement of comprehensive income (Note 15)	-	1.968.275	(106.778)	**1.861.497**
Credited to reserves	-	-	(750.304)	**(750.304)**
At 31 December 2013	(134.177)	8.224.752	5.065.287	**13.155.862**

The amount debited/(credited) to the Consolidated Statement of Comprehensive Income is as follows:

	2014	2013
	€	€
Debit due to temporary differences between depreciation and capital allowances	**640.023**	1.968.275
Credit due to revaluation to the fair value of investment property	**269.176**	(106.778)
Total	**909.199**	1.861.497

The amount credited to reserves is as follows:

	2014	2013
	€	€
Debit/(Credit) due to revaluation of property, plant and equipment	**16.276**	(750.304)

The Company	Temporary differences between depreciation and capital allowance	Revaluation of property, plant and equipment	Revaluation of investment property	**Total**
	€	€	€	**€**
At 1 January 2014	696.561	116.914	1.766.970	**2.580.445**
Debit/(credit) to the statement of comprehensive income (Note 15)	(246.035)	-	18.827	**(227.208)**
Credited to reserves (Note 30)	-	1.051	-	**1.051**
At 31 December 2014	450.526	117.965	1.785.797	**2.354.288**
At 1 January 2013	631.944	179.979	2.070.557	**2.882.480**
Debit/(credit) to the statement of comprehensive income (Note 15)	64.617	-	(303.587)	**(238.970)**
Credited to reserves (Note 30)	-	(63.065)	-	**(63.065)**
At 31 December 2013	696.561	116.914	1.766.970	**2.580.445**

32. DEFERRED TAX LIABILITIES (continued)

The amount debited/(credited) to the Statement of Comprehensive Income is as follows:

	2014	2013
	€	€
(Credit)/debit due to temporary differences between depreciation and capital allowances	**(246.035)**	64.617
Debit/(credit) due to revaluation of investment property to the fair value of investment property	**18.827**	(303.587)
	(227.208)	(238.970)

	2014	2013
	€	€
The amount credited to reserves is as follows:		
Debit/(credit) due to revaluation of property, plant and equipment	**1.051**	(63.065)

33. TRADE AND OTHER PAYABLES

	The Group		**The Company**	
	2014	2013	**2014**	2013
Current liabilities	**€**	€	**€**	€
Trade payables	**38.057.368**	39.700.003	**-**	-
Other payables and accrued expenses	**29.739.607**	28.552.126	**998.727**	3.040.921
Amounts due to related parties (Note 38)	**2.787.172**	15.969.276	**42.877.488**	50.481.174
	70.584.147	84.221.405	**43.876.215**	53.522.095
Non-current liabilities				
Contractors' retention	**4.036.762**	3.784.385	**-**	-
	4.036.762	3.784.385	**-**	-
Total	**74.620.909**	88.005.790	**43.876.215**	53.522.095

Non-current trade and other payables are payable within one to two years.

34. CURRENT TAX LIABILITIES

	The Group		**The Company**	
	2014	2013	**2014**	2013
	€	€	**€**	€
Corporation tax	**2.280.736**	1.800.006	**-**	-
Special defence contribution	**384.405**	363.755	**-**	-
Capital gains tax	**-**	17.827	**-**	-
Current tax liabilities	**2.665.141**	2.181.588	-	**-**

35. NOTES TO THE STATEMENTS OF CASH FLOWS

Profits/(Losses) from operations before working capital changes

		The Group		The Company	
		2014	2013	**2014**	2013
	Note	**€**	€	**€**	€
Profits/(losses) for the year		**35.765.841**	(14.066.386)	**328.053**	(7.477.846)
Adjustments for:					
Depreciation:					
- property, plant and equipment	17	**5.895.504**	8.078.438	**23.977**	21.548
- intangible assets	18	**159.313**	217.529	**727**	1.113
- favourable contract		**-**	30.000	**-**	-
Taxation	15	**1.985.773**	2.516.272	**(227.199)**	(238.943)
Interest payable		**21.246.212**	25.196.849	**11.042.585**	10.455.731
Interest receivable	12	**(1.802.789)**	(1.587.105)	**(4.428.701)**	(3.944.735)
Foreign exchange differences		**449.125**	456.651	**-**	-
Share of losses/(profits) from associated companies	21	**683.193**	97.586	**-**	-
Share of profits from joint ventures		**-**	(2.643.817)	**-**	-
Losses from sale of property, plant and equipment	10	**5.148**	16.697	**-**	-
Non-recurring expenses	13	**110.390**	2.012.580	**4.480.000**	-
(Profits)/losses from investing activities	14	**(34.510.818)**	13.206.973	**-**	3.947.135
Profits from operations before working capital changes		**29.986.892**	33.532.267	**11.219.442**	2.764.003

36. DIRECTORS' INTEREST IN THE SHARE CAPITAL OF THE COMPANY

The percentage of the Company's share capital held by members of the Board of Directors, their spouse, underage children and companies where they have a direct or indirect holding of at least 20% was:

	Fully paid shares	
	31/12/14	29/4/15
	%	%
Nicolas K. Shacolas (1)	85,90	85,90

(1) The percentage includes the percentage of N.K.Shacolas (Holdings) Limited.

During 2014, the Group did not enter into any significant agreement in which members of the Board of Directors, their spouse or their underage children had, directly or indirectly, any significant interest.

37. SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARE CAPITAL

At the date of this report the majority shareholder of the Company is N.K.Shacolas (Holdings) Limited, which owns 85,90% of the Company's shares. Mr. Nicolas K. Shacolas, the Executive Chairman, holds directly or indirectly (including its shareholding in N.K.Shacolas (Holdings) Limited) 85,90% of the Company's shares.

38. RELATED PARTY TRANSACTIONS

The following transactions were carried out at arm's length with related companies (companies in which Mr. Nicolas K. Shacolas has a significant interest):

(a) Sales of goods and services

	Nature of transactions	The Group 2014 €	The Group 2013 €	The Company 2014 €	The Company 2013 €
Parent company	Consultancy services	**36.899**	56.451	**36.899**	56.451
	Rights for use of space	**46.368**	46.368	**46.368**	46.368
		83.267	102.819	**83.267**	102.819
Subsidiary companies	Financing and interest	-	-	**3.933.730**	3.846.993
	Consultancy services	-	-	**489.006**	826.977
	Rights for use of space	-	-	**1.326.921**	1.413.628
	Dividends receivable	-	-	**11.555.803**	2.781.802
		-	-	**17.305.460**	8.869.400
Associated companies	Consultancy services	-	18.889	-	18.889
		-	18.889	-	18.889
Related companies	Sales of goods	**469.159**	374.583	-	-
	Financing and interest	**1.679.610**	763.207	**441.256**	413.445
	Consultancy services	**701.592**	400.187	**103.629**	124.042
	Rights for use of space	**14.759**	363.847	-	882
	Other	**98.489**	-	-	-
		2.963.609	1.901.824	**544.885**	538.369

(b) Purchases of goods and services

	Nature of transactions	The Group 2014 €	The Group 2013 €	The Company 2014 €	The Company 2013 €
Parent company	Consultancy services	**720.000**	720.000	**240.000**	240.000
		720.000	720.000	**240.000**	240.000
Subsidiary companies	Purchases of property, plant and equipment	-	-	**33.217**	7.645
	Purchases of shares	-	-	**13.407**	-
	Financing and interest	-	-	**4.064.497**	1.796.034
	Consultancy services	-	-	**96.367**	44.573
		-	-	**4.207.488**	1.848.252
Related companies	Purchases of goods	-	602.823	-	-
	Financing and interest	**183.135**	573.019	-	-
	Consultancy services	**105.246**	1.794.411	-	-
	Rights for use of property	-	2.102.242	-	-
	Other	**772.785**	1.090.708	-	-
		1.061.166	6.163.203	-	-

38. RELATED PARTY TRANSACTIONS (continued)

(c) Year end balances arising from the above transactions

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Amounts receivable				
Parent company	**68.159**	51.604	**-**	-
Subsidiary companies	**-**	-	**7.732.429**	12.514.596
Related companies	**6.907.553**	5.923.925	**5.093.834**	5.691.860
Associated companies	**1.018.423**	998.475	**-**	19.456
	7.994.135	6.974.004	**12.826.263**	18.225.912
Amounts payable				
Parent company	**2.127.921**	14.489.438	**1.986.981**	14.476.337
Subsidiary companies	**-**	-	**40.801.964**	35.854.586
Related companies	**659.251**	1.450.830	**88.543**	150.251
Associated companies	**-**	29.008	**-**	-
	2.787.172	15.969.276	**42.877.488**	50.481.174

(d) Loan from parent company

The loan from the parent company N.K. Shacolas (Holdings) Limited bears interest at 6% (2013: 6%) and on 31 December 2013 an agreement was made between the related parties that a repayment, of any amount, will not be required over the next four years.

The movement of the above loan was as follows:

	The Group	
	2014	2013
	€	€
At 1 January	**5.836.351**	13.055.094
New loan	**1.480.468**	6.811.637
Repayment	**(5.543.194)**	(14.769.144)
Transfer of balances from related companies	**28.500**	165.796
Interest payable	**329.882**	572.968
At 31 December	**2.132.007**	5.836.351

(e) Loans payable to subsidiary companies

The loans receivable from subsidiary companies include the following loans:

(i) Loan granted from the subsidiary company Amaracos Holding (CTC+PG) amounting to €18.536.185 (2013: €29.730.918) which bears interest at 6,45% and is payable in more than five years.

(ii) Loan granted from the subsidiary company Ermes Department Stores Plc amounting to €9.022.241 (2013: €-), which bears interest at 6,25% and is payable in more than five years.

(f) Loans receivable from related companies

Loans receivable from related companies include the following loans:

(i) Loan granted to the subsidiary CTC Automotive Limited amounting to €533.728 (2013: €1.599.838), which bears interest at 4,75% and is payable in monthly installments until 2024.

(ii) Loans granted to the subsidiary company Woolworth (Cyprus) Properties Plc amounting to €49.636.507 (2013: €66.071.369), which bear interest at 6.5% and 7% and are payable in more than five years.

38. RELATED PARTY TRANSACTIONS (continued)

(g) Loans receivable from related companies

Loans receivable from related companies include the following loans:

(i) Loan granted from the Company to the related company Hermes Airports Limited amounting to €7.284.410 (2013: €6.843.154). The loan bears interest at Euribor plus 6% and is repayable in more than five years. There are no guarantees and securities in relation to this loan.

(ii) Loan granted from the subsidiary company Woolworth (Cyprus) Properties Plc to the related company Cyprus Limni Resorts & GolfCourses Plc amounting to €25.709.157 (2013: €17.172.857). The loan bears interest at 5,75% (2013: 7%) and is repayable in more than five years.

(h) Remuneration of the Board of Directors and key management personnel

	The Group		The Company	
	2014	2013	**2014**	2013
Remuneration and other short term benefits	**€**	€	**€**	€
Board of Directors	**546.333**	533.762	**546.333**	481.860
Remuneration and other short term benefits				
Key Management Personnel	**3.371.737**	3.374.290	**183.571**	169.218
Total	**3.918.070**	3.908.052	**729.904**	576.860

The total remuneration of the Board of Directors was as follows:

	The Group		The Company	
	2014	2013	**2014**	2013
	€	€	**€**	€
Emoluments as Executive Directors	**72.240**	67.040	**50.470**	50.870
Remuneration as Executive Directors	**411.786**	379.684	**411.786**	379.684
Emoluments as Non Executive Directors	**52.500**	56.460	**28.230**	26.050
Employer's contributions to Executive Directors	**55.847**	25.256	**55.847**	25.256
Total	**592.373**	528.440	**546.333**	481.860

Total remuneration and other short term benefits of key personnel are included in staff costs (Note 11).

(i) Guarantees

The Company has provided guarantees to its subsidiaries, associated and related companies amounting to €121.794.406 (2013: €121.794.406).

39. CONTINGENT LIABILITIES

The Group

At 31 December 2014 the Group had contingent liabilities in relation to the following:

Debenhams Avenue

The subsidiary company Ermes Department Stores Plc had a rental agreement for the Debenhams Avenue department store in Arch. Makariou III Avenue in Nicosia, until 2020. On 24 January 2013 the Group has decided to terminate the above agreement for commercial and economic reasons and for restructuring and to transfer the activities to the department store Debenhams Central.

The owner of the property filed a lawsuit claiming damages for illegal termination of the contract. At the same time, the Group filed a counter claim demanding from the owner company compensations for facilities, equipment and other assets as they were added to the building with its own costs.

The Board of Directors and the Group's legal advisors are not in a position to reliably estimate the outcome of the above case of which the legal proceedings are at a very early stage.

The Company

On 31 December 2014 and 31 December 2013 there were no significant contingent liabilities. It is not expected that damages will be generated to the Company due to the breach of the terms and obligations of the agreements signed by the related parties with financial institutions.parties with financial institutions.

40. CAPITAL COMMITMENTS

The Group

(a) Debenhams Kinyras in Kato Paphos
The subsidiary company Ermes Department Stores Plc has a rental agreement for the Debenhams Kinyras store in Kato Paphos with Armonia Estates Limited, as well as for an adjacent building. The duration of the rental agreement is up to 2016. The company has the right to renew this agreement for another three years, until 2019.

(b) CTC Automotive Limited in Pafos
The subsidiary company CTC Automotive Limited has a rental agreement for its stores in Paphos for 1 year, until 2014.

The Company
At 31 December 2014 and 31 December 2013, the Company had no significant capital commitments.

41. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no other significant events after the reporting date that may affect the consolidated and separate financial statements as at 31 December 2014.

42. DIFFERENCE FROM FINANCIAL RESULTS INDICATION

The profitability of the Group presents a material difference from the indicative results which were announced on 19 February 2015. The profits of the Group for the year ended 31 December 2014 amounted to €35.765.841, while the profits of the Group as per the financial results indication amounted to €41.722.000. The reasons for the difference are as follows:

	€
Profit as shown in the financial results indication	41.722.000
Impairment of investments at fair value through profit or loss	(5.000.000)
Increase in taxation	(223.730)
Decrease in profits from investment activities	(448.701)
Decrease in other operating income	(91.659)
Other	(192.069)
Profit for the year ended 31 December 2014	35.765.841

DESIGN / LAYOUT/ PRODUCTION SUPERVISION: GRANDAD ADVERTISING

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