ANNUAL REPORT 2015

Cyprus Trading Corporation Plc

CONTENTS

BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

Lifetime Honorary Chairman	NICOLAS K. SHACOLAS
Executive Chairman and CEO	MARIOS N. SHACOLAS
Executive Directors	GEORGE LOUCA
	MARIOS LOUCAIDES
	CHRYSOULA N. SHACOLA
	ELENI N. SHACOLA (appointed on 4 August 2015)
Non Executive Directors	STAVROS AGROTIS (appointed on 4 August 2015)
	CHRISTAKIS CHARALAMBOUS (appointed on 4 August 2015)
	DEMETRIS DEMETRIOU
	YIANNIS IOANNIDES (appointed on 29 March 2016)
	MARIOS PANAYIDES
	MENELAOS CONST. SHACOLAS
	STEPHOS STEPHANIDES (appointed on 4 August 2015)
	DEMETRIS P. IOANNOU (resigned on 4 August 2015)
	DINOS LEFKARITIS (resigned on 4 August 2015)
	COSTAS Z. SEVERIS (resigned on 4 August 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
Registered Office	SHACOLAS HOUSE
	Old Nicosia – Limassol Road
	Athalassa, Nicosia

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS **2015**

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 2015, on the basis of our knowledge, declare that:

(a) the annual consolidated and separate financial statements that are presented on pages 20 to 90:

(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

MARIOS N. SHACOLAS	Executive Chairman
STAVROS AGROTIS	Non executive Director
CHRISTAKIS CHARALAMBOUS	Non executive Director
DEMETRIS DEMETRIOU	Non executive Director
YIANNIS IOANNIDES	Non executive Director
GEORGE LOUCA	Executive Director
MARIOS LOUCAIDES	Executive Director
MARIOS PANAYIDES	Non executive Director
CHRYSOULA N. SHACOLA	Executive Director
ELENI N. SHACOLA	Executive Director
MENELAOS CONST. SHACOLAS	Non executive Director
STEPHOS STEPHANIDES	Non executive Director

RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Yiannis Petsas	Chief Financial Officer

Nicosia, 20 April 2016

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 2015 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 ended 31 December 2015 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.

On 23 July 2015, the subsidiary companies Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc have proceeded with the disposal of their shareholdings in ITTL Trade Tourist & Leisure Park Plc and Woolworth Commercial Centre Plc, owners of Shacolas Emporium Park and The Mall of Engomi to the South African interests company, Atterbury Cyprus Ltd. The Groups results have been affected with accounting loss of €12.916.000. It was decided that under the current situation and prospects, the transaction is very satisfactory and beneficial to the Group, as with the liquidity created, it allows the Group to materialize its investment plans and has substantially reduced its loans and subsequently its finance expenses. The real profit for the Group deriving from the disposal of these investments in relation to its cost, amounts to about €71.000.000. The results have also been affected with accounting loss, without any cash flow effect, amounting to €26.522.477, resulting from partial impairment of the goodwill in the consolidated accounts and from the revaluation of investment and other properties. The revaluation was based on reports from Independent Chartered Surveyors in accordance with the International Accounting Stnadards. The reports, due to to the continuous economic recession are considered conservative. It is noted that the Group's results for 2014 have been positively affected with profits amounting to €39.626.427, as a result of the disposal of the Group's investments in CTC-ARI Airports Ltd and in Cyprus Airports (F&B) Ltd, companies that operate in Larnaca and Paphos International Airports.

PRINCIPAL ACTIVITIES

During 2015, 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 (67% participation).

The activities of Ermes Group are analysed as follows:

- Ermes Department Stores Plc manages 8 Debenhams department stores with fashion, cosmetics, homeware and food sections, 1 Glow cosmetics store, 6 Next stores, 2 Peacocks, 4 Oviesse, 1 Navy & Green, 1 Uber and 30 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 food and beverage sector with coffee shops, bakeries and restaurants.
- 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), Paphos (1 store) and Larnaca (1 store).
- Through Scandia Company Limited (and its subsidiary company IDEEA Distribution of Appliances Limited), it is engaged in the import, distribution 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). Until the 23 July 2015, Woolworth (Cyprus) Properties Plc was the parent company of ITTL Trade Tourist & Leisure Park Plc, owner of the Shacolas Emporium Park which includes the operations of the 'The Mall of Cyprus' and of IKEA multistore, as well as owner of Woolworth Commercial Centre Plc, which owns the Mall of Engomi.

REPORT OF THE BOARD OF DIRECTORS

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.

The results of Woolworth include the results of the associate company Akinita Lakkos Mikelli Ltd which is the owner of the immovable properties in the entrance of Nicosia next to EAC Head Offices (35% participation).

Argosy Trading Company Limited

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

Cassandra Trading Limited

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

CTC Automotive Limited

Trading in saloon cars, commercial vehicles, heavy machinery, professional tools and lighting (100% participation).

HOB House of Beauty Limited

Leading importer and distributor of luxury cosmetics and fragrances in the local and travel retail markets (50% participation).

Artview Co. Limited

Importer and distributor of Dior luxury cosmetics and fragrances (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 2015 amounted to €291.826.365 compared to €303.063.591 in 2014, a reduction of 3,7%. The results of the Group for 2015 were as follows:

	2015	2014
	€	€
Loss before tax from continuing operations	**(32.392.702)**	(11.479.883)
Tax expense	**(150.372)**	(398.787)
(Loss) for the year from continuing operations	**(32.543.074)**	(11.878.670)
(Loss)/profit after tax from discontinuing operations	**(12.934.303)**	47.644.511
(Loss)/profit for the year	**(45.477.377)**	35.765.841
Attributable to:		
Owners of the Company	**(35.373.755)**	32.516.671
Non-controlling interests	**(10.103.622)**	3.249.170
(Loss)/profit for the year	**(45.477.377)**	35.765.841
(Losses)/earnings per share		
Continuing operations	**(28,75)**	(10,54)
Discontinuing operation	**(9,19)**	(45,41)
Basic and fully diluted (losses)/earnings per share of €0,85 (cents)	**(37,94)**	34,87

REPORT OF THE BOARD OF DIRECTORS

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

2015 was marked by volatile global political and economic conditions, some of which have positively affected the Cyprus economy. The fiscal indicators have improved, there were increased revenues from tourism and a reduction of interest rates. At the same time, the State continued its structural reforms based on the agreed framework with the international lenders. As a result, for the first time since 2013, positive growth rates were recorded in the economy.

Nevertheless, the problems in the real economy and the society remained intact. Unemployment is reduced, but is still maintained at high levels, many companies continued to face survival issues and the challenges faced by the banking sector due to non performing loans, despite their improvements, did not help in stabilizing the economy or attracting new capital or any substantial development. All the above, combined with reduced consumer's incomes, have contributed in reduced purchasing power, with direct impact on the Companies' turnover, profit margins and profitability.

The Cyprus Trading Corporation Plc Group, continuing its prudent and targeted strategy, proceeded into significant steps in reducing the effects of the crisis. The disposal of its investment in shopping centers of The Mall of Cyprus and of The Mall of Engomi, despite the accounting loss shown in the results, brought such liquidity, that resulted in significant reduction in its banking borrowings and consequently to its finance costs, enabling the commencement of the Group's development plans.

Within the development framework of the Group, the subsidiary Ermes commenced at The Mall of Engomi the operations of the youth fashion store Uber, the children's fashion store Next Kids, and the coffee shop Coffee & More, and enriched its other department stores with new brands. A very important event, was also the operation of a new big Super Home Centre (DIY) Store in Spyros Kyprianou Avenue, opposite the Debenhams Zenon department store in Larnaca. At the same time, the subsidiary Argosy Trading Company Ltd proceeded through existing and new suppliers with the introduction of new products to replace Unilever's products. The contribution of all of the above, in conjunction with the reorganization and automation made in all companies with respect to their operations, their supply and servicing of their customers, will evolve during this year. Finally, it is of significant importance for the associated company Lakos Mikelli Ltd, the agreement for separation in plots of the large private property which is beneficially located at the entrance of Nicosia, close to the headquarters of EAC and the distribution of this land between the co-owners. By separating the plots, the option to proceed to the development or to the disposal of the freehold land is now available to the company. This essentially makes this property much more saleable and adds significantly improved prospects to its future income and value growth.

INTRINSIC VALUE OF SHARES

The intrinsic value of the Company's shares at 31 December 2015 was €1,17 (2014: €1,76) 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 suppliers.
- 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.

REPORT OF THE BOARD OF DIRECTORS

FUTURE DEVELOPMENTS

2016 starts with positive forecasts for both the Cypriot economy and the CTC Group. The exit of the state from the memorandum with its international lenders can only be described as a success for our country, since it will give it the opportunity to develop and attract investments, provided that all social partners will commit to this goal and will not revert with their actions what was achieved in the previous years. Furthermore, important announcements for development projects have been made, such as the assignment of the ports to foreign investors, the construction of new projects such as casinos, etc.

At the same time, important elements for the economy in general, are considered the increase in tourism levels, as well as the developments of the issue to regulate the working hours of retail stores. It is now expected that a sustainable solution will be found that will not affect the state's and business' income, but most importantly it will not affect the income and the jobs of employees.

CTC Group also expects that growth will be achieved in its operations. It has already been announced by Ermes, pending the approval of by the Commission for the Protection of Competition the cooperation of Scandia which trades electrical and electronic appliances with Mega Electric, a deal that is expected to bring an improvement to the profitability of the Group. Furthermore the returns of the investments from the new stores and especially the new big Super Home Center (DIY) store in Larnaca, are expected to positively impact this year's performance. At the same time, the Woolworth Group proceeded in renting the Shacolas Tower in Ledras Street in Nicosia, to the well known clothing chain H&M. This is expected to yield significant benefits in respect to its previous rental by Ermes. Finally, the subsidiary Argosy announced the distribution of new product lines, with the main being the Johnsof and Ioniki Sfoliata bakery and confectionery products, while new agreements are expected to be announced shortly.

The Board of Directors and the Management welcome the efforts made for the improvement of the economy, note the positive outlook, however, it is stressed out that the challenges remain and that prudent and careful management is still needed in all sectors and by all that are involved.

For CTC Group, the strategy and objectives remain unchanged, which is the maintenance of their position in its areas of activity, the continuous reorganization and improvement of its functions, the availability of mature investments with the simultaneous development and addition of new activities and products.

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

BRANCHES

The Group operates showrooms, department stores and other retail stores 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.

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 life cycle*
On 1 July 2005, the Company signed an agreement with an authorised company for the collection of vehicles at the end of their life cycle, 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 in full cooperation with the Ministry of Education, continued 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 2016, the total amount of this contribution will be approximately €1.500.000. 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 April 2015, Mr. Marios N. Shacolas was appointed as the new Executive Chairman of Cyprus Trading Corporation Plc.

In accordance with the Company's Articles of Association, Mr. Marios Panayides, Mr. Menelaos Const. Shacolas, Mr. Stavros Agrotis, Mrs. Eleni Shacola, Mr. Stefos Stefanides, Mr. Christakis Charalambous and Mr. Yiannis Ioannides 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 2015 and at the date of this report is presented in Note 38 of the consolidated and separate financial statements.

The remuneration of the members of the Board of Directors is presented in Note 40 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 39 of the consolidated and separate financial statements.

EVENTS AFTER THE REPORTING DATE

The significant events after the reporting date are listed in Note 43 of the consolidated and separate financial statements.

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,

Marios N. Shacolas
Executive Chairman

Nicosia, 20 April 2016

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 Code also applies to the subsidiary public companies Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc.

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 12 individuals, of which the 7 Directors are Non-Executive and 4 of them are Independent.

Mr. Marios N. Shacolas is the Executive Chairman of the Board of Directors, since 28 April 2015, succeeding Mr. Nicolas K. Shacolas, who has unanimously been declared by the Board of Directors as the Lifetime Honorary Chairman.

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 2015, 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, without this relieving the members of the Board from their collective responsibility. The responsibility of the different categories of the members of the Board 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 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 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 Directors were members of the Board for the whole year of 2015 except for Messrs Nicolas K. Shacolas, Demetris Ioannou, Dinos Lefkaritis and Costas Severi, who resigned on 4 August 2015 and Messrs Stavros Agrotis, Stephos Stephanides, Eleni N. Shacola and Christakis Charalambous who were appointed on 4 August 2015, and Mr. Yiannis Ioannides who was appointed on 29 March 2016.

On 28 August 2015, the Board of Directors, unanimously decrared Mr. Nicolas K. Shacolas as Lifetime Honorary Chairman of the Company.

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 Demetris Demetriou, Marios Panayides and Menelaos Const. Shacolas resign, as well as Messrs Stavros Agrotis, Eleni N. Shacola, Stefos Stefanides and Christakis Charalambous, who were appointed on 4 August 2015, and Mr. Yiannis Ioannides who was appointed on 29 March 2016. All of them 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.

Demetris Demetriou - Chartered Accountant FCA. He worked in the United Kingdom. In 1986 he joined Cyprus Trading Corporation Plc, where he was the Deputy General Manager. Since 2000, he holds the position of General Manager of N.K. Shacolas (Holdings) Limited. He is the Chairman of Woolworth (Cyprus) Properties Plc, Executive Chairman of HOB House of Beauty Limited and Amaracos Holding (CTC+PG) Limited, and a Director of Ermes Department Stores Plc, Cyprus Limni Resorts & GolfCourses Plc and other private companies.

Marios Panayides - Graduate of Bristol University with a BSc in Economics and Accounting and a Chartered Accountant (ACA). He has worked with Ernst & Young in London and as investments manager in large Stock Exchange companies in Greece and Cyprus. He is Deputy General Manager of N.K. Shacolas (Holdings) Limited, Chief Executive Officer of Woolworth (Cyprus) Properties Plc and Cyprus Limni Resorts and GolfCourses Plc and Board Member of Ermes Department Stores Plc and other companies.

Menelaos Const. Shacolas - Studied Law at Kent University in Canterbury (England) and was entitled to Barrister at Law from Kings College University of London. He is the manager of family businesses AKS Hotels (Athens) and CN Shacolas (Investments) Limited and also member of the Board of Directors of Apollo Investments Limited, Ermes Department Stores Plc and other companies.

Stavros Agrotis - Studied Economics at the University of Leicester (BSc Economics) and worked in England at Touche Ross & Co Chartered Accountants, as financial services director at CISCO Limited, and later on at Axia Ventures Group Limited. He is a member of the Board of Directors of Housing Finance Corporation, Eurosure Insurance Company Limited, Evrica Ltd and other companies.

Eleni N. Shacola - Studied in England (B.A. General Degree) at the University of London. She is the Deputy Executive Chairwoman of Ermes Department Stores Plc, Executive Director in companies Woolworth (Cyprus) Properties Plc and Cyprus Limni Resorts and Golfcourses Plc, as well as Director in other companies.

Stephos Stephanides - Graduate of Hull University, England with a BSc. in Economics and Accounting and Chartered Accountant (FCA). He worked three years at Moore Stephens in London and 34 years at PwC in Cyprus.
He was for 31 years partner / shareholder of PwC Cyprus and for 10 years he was in charge of the Advisory Services sector and a member of the PwC Executive Council.

Christakis Charalambous - Graduate in Economics of the University of Westminster in London and holder of a Master's degree in Business Administration from the Imperial College of Science & Technology, University of London. He worked for Bank of Cyprus for the period 1987-1989. Since 1989 he has been working for Shacolas Group. He holds the position of Project & Strategic Development Manager at N.K. Shacolas (Holdings) Ltd. He was the General Manager of Euroinvestment & Finance Public Ltd, listed on the stock market with banking license supervised by the Central Bank of Cyprus, which was a subsidiary of Shacola's Group until its full acquisition by Piraeus Bank of Greece.

Yiannis Ioannides - Holder of the degree of Bachelor of Science (Economics) of the University of London School of Economics and Political Science. He was for years first Executive General Manager of the Cyprus Development Bank. During his tenure he pioneered the promotion of scientific analysis, evaluation and project and business study. He also promoted the internationalization of the Cyprus economy. He was also a pioneer in the creation and provision of advisory services in the public sector for development matters, for seeking new roles for the state and government agencies, as well as for the creation of the Cyprus International Institute of Management (CIIM), the leading institution in management in Cyprus as well as the Cyprus Institute, which was the first pure research center in the area. He is the Executive Chairman of the Board of Governors of the CIIM and Honorary Trustee of the Cyprus Institute committee.

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	NON EXECUTIVE DIRECTORS
Nicolas K. Shacolas (until 4 August 2015)	Demetris Demetriou
Marios N. Shacolas	Marios Panayides
Marios Loucaides	Menelaos Const. Shacolas - Independent (see note below)
Chrysoula N. Shacola	Stavros Agrotis -Independent (from 4 August 2015)
George Louca	Stephos Stephanides -Independent (from 4 August 2015)
Eleni N. Shacola (from 4 August 2015)	Christakis Charalambous (from 4 August 2015)
	Yiannis Ioannides -Independent (from 29 March 2016)
	Demetris P. Ioannou (until 4 August 2015)
	Dinos Lefkaritis (until 4 August 2015)
	Costas Z. Severis (until 4 August 2015)

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 judgement 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.

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
Chrysoula N. Shacola	- Executive
Stavros Agrotis	- Non Executive, Independent

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:

Christakis Charalambous, Chairman	- Non Executive
Menelaos Const. Shacolas	- Non Executive, Independent
Stephos Stephanides	- 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.

The Remuneration Committee has access to professional advice inside and outside the Company. When such services are used, in order to obtain information on market standards for remuneration systems, the Committee will ensure that the consultant with whom they will work, does not at the same time give advice to the Human Resources Department or to any other Executive or Managing Board member.

c. Audit Committee

The role and responsibility of the Audit Committee relates 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 interest, 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
Stephos Stephanides	- 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 2015, 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 2015 is outlined below and is split 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 2015, including the employer's contribution and other benefits, were as follows: Mr. Marios Loucaides, Mrs. Chrysoula N. Shacola and Mr. George Louca €228.903 (2014: €228.903), €170.547 (2014: €170.547) and €131.223 (2014: €117.933) respectively. The other Executive Directors, Mr. Nicolas K. Shacolas, Mr. Marios N. Shacolas and Mrs. Eleni N. Shacola 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 2015 amounted to €46.100, €20.000 and €1.650 respectively. The remuneration of Mrs. Eleni N. Shacola has been paid to her employer as compensation for the time she spends as Non-Executive Director of Cyprus Trading Corporation Plc. The total remuneration of the Executive Directors amounted to €598.423 (2014: €567.853).

During the year ended 31 December 2015, 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. Demetris Demetriou €5.360, Mr. Marios Panayides €4.000, Mr. Menelaos Const. Shacolas €3.570, Mr. Stavros Agrotis €1.650, Mr. Stephos Stephanides €1.820 and Mr. Christakis Charalambous €1.650. The remuneration of the resigned Non-executive Directors was as follows: Mr. Demetris Ioannou €3.200, Mr. Dinos Lefkaritis €3.000 and Mr. Costas Z. Severis €3.200. The remuneration of Mr. Demetris Demetriou, Mr. Marios Panayides and Mr. Christakis Charalambous, 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 €27.450 (2014: €28.230)

The remuneration of the Directors is presented in Notes 10 and 40 of the Consolidated and Separate Financial Statements.

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 for 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 40 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 Companies 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, 20 April 2016

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 18 to 90, which comprise the consolidated statements of financial position and the statement of financial position of the Company as at 31 December 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of 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 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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

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 6 to 10 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

20 April 2016

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2015

	Note	2015 €	2014 €
Continuing operations			
Turnover		**291.826.365**	303.063.591
Cost of Sales		**(218.967.800)**	(226.736.562)
Gross Profit		**72.858.565**	76.327.029
Other operating income	9	**4.579.331**	5.120.013
Distribution expenses		**(50.963.648)**	(51.392.562)
Administrative expenses		**(14.488.991)**	(13.214.860)
Operating profit before depreciation		**11.985.257**	16.839.620
Depreciation for the year		**(5.393.723)**	(5.768.804)
Operating profit	10	**6.591.534**	11.070.816
Finance income	12	**2.933.202**	2.202.744
Finance costs	12	**(15.891.819)**	(18.959.860)
Net finance costs		**(12.958.617)**	(16.757.116)
Non - recurring expenses	13	**-**	(110.390)
Loss from investing activities	14	**(26.522.477)**	(5.000.000)
Share of profit/(loss) from associate companies	22	**496.858**	(683.193)
Loss before tax		**(32.392.702)**	(11.479.883)
Tax expense	15	**(150.372)**	(398.787)
Losses after tax from continuing operations		**(32.543.074)**	(11.878.670)
Discontinued operations			
(Loss)/profit after tax from discontinued operations	17	**(12.934.303)**	47.644.511
(Loss)/profit for the year		**(45.477.377)**	35.765.841
(Loss)/profit attributable to:			
Owners of the Company		**(35.373.755)**	32.516.671
Non-controlling interests		**(10.103.622)**	3.249.170
Profit/(loss) for the year		**(45.477.377)**	35.765.841
Earnings per share			
Basic and fully diluted earnings per share of €0,85 (cents)			
Continuing operations		**(28,75)**	(10,54)
Discontinued operations		**(9,19)**	45,41
		(37,94)	34,87

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Note	2015	2014
		€	€
(Loss)/profit for the year		(45.477.377)	35.765.841
Other comprehensive (expenses)/income			
Items that will never be reclassified income statement			
Deferred tax on revaluation of property plant and equipment	34	1.243.485	(16.276)
Revaluation of available for sale	24	(74.434)	16.664
Revaluation of property plant and equipment	18	(7.917.000)	-
Other comprehensive (expenses)/income for the year after tax		(6.747.949)	388
Total comprehensive (expenses)/income for the year		(52.225.326)	35.766.229
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		(40.589.057)	32.527.163
Non-controlling interests		(11.636.269)	3.239.066
Total comprehensive (expenses)/income for the year		(52.225.326)	35.766.229

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Note	2015 €	2014 €
Assets			
Property, plant and equipment	18	186.855.942	277.522.726
Intangible assets	19	26.187.786	33.730.149
Investment property	20	26.369.684	162.188.897
Investments in associate companies	22	19.510.311	19.096.893
Investments available for sale	24	268.916	343.350
Investments at fair value through profit or loss	25	59.150.100	77.712.100
Loans receivable	26	69.656.321	32.993.567
Trade and other receivables	29	548.003	-
Total non-current assets		388.547.063	603.587.682
Inventories	28	43.792.465	43.936.994
Trade and other receivables	29	26.398.064	30.049.619
Restricted bank deposits	27	13.003.815	-
Cash and cash equivalents		6.423.067	8.729.327
Total current assets		89.617.411	82.715.940
Total assets		478.164.474	686.303.622
Equity			
Share capital	30	79.261.147	79.261.147
Share premium		4.255.873	4.255.873
Own shares reserve	31	(113.817)	(1.644.529)
Fair value reserves	32	4.614.928	9.830.230
Retained earnings		19.402.994	65.847.831
Difference from the conversion of share capital to Euro		401.035	401.035
Total equity attributable to owners of the Company		107.822.160	157.951.587
Non-controlling interests		45.054.851	58.648.432
Total equity		152.877.011	216.600.019
Liabilities			
Borrowings	33	164.254.733	286.551.944
Deferred tax liabilities	34	1.435.464	14.081.337
Trade and other payables	35	-	4.036.762
Total non-current liabilities		165.690.197	304.670.043
Borrowings	33	95.196.935	91.784.272
Trade and other payables	35	62.597.970	70.584.147
Current tax liabilities	36	1.802.361	2.665.141
Total current liabilities		159.597.266	165.033.560
Total liabilities		325.287.463	469.703.603
Total equity and liabilities		478.164.474	686.303.622

The financial statements were approved by the Board of Directors on 29 April 2016.

Marios N. Shacolas
Executive Chairman

George Louca
Executive Director

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	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 interests	**Total equity**
	€	€	€	€	€	€	**€**	**€**
Year ended 31 December 2015								
At 1 January 2015	79.261.147	4.255.873	(1.644.529)	9.830.230	65.847.831	401.035	58.648.432	**216.600.019**
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(35.373.755)	-	(10.103.622)	**(45.477.377)**
Other comprehensive income for the year								
Revaluation of investments available for sale (Note 24)	-	-	-	(74.434)	-	-	-	**(74.434)**
Revaluation of property, plant and equipment	-	-	-	(6.099.257)	-	-	(1.817.743)	**(7.917.000)**
Deferred tax on revaluation (Note 32)	-	-	-	958.389	-	-	285.096	**1.243.485**
Other comprehensive income / (expenses) for the year	-	-	-	(5.215.302)	-	-	(1.532.647)	**(6.747.949)**
Total comprehensive income for the year	-	-	-	(5.215.302)	(35.373.755)	-	(11.636.269)	**(52.225.326**
Transactions with the owners of the Company								
Contributions and distributions								
Equity distribution to the owners of the company	-	-	1.530.712	-	(1.530.712)	-	-	-
Special contribution to the deference fund on deemed distribution	-	-	-	-	(28.401)	-	(8.334)	**(36.735)**
Dividends paid by subsidiary companies	-	-	-	-	-	-	(836.570)	**(836.570)**
Total contributions and distributions	-	-	1.530.712	-	(1.559.113)	-	(844.904)	**(873.305)**
Change in ownership interests								
Decrease in the participation of the Group in a subsidiary company (Note 21)	-	-	-	-	-	-	(1.038.322)	**(1.038.322)**
Sale of share of subsidiary company without lack of control	-	-	-	-	(17.836)	-	67.836	**50.000**
Transfer to income statement due to lack of control to subsidiary companies	-	-	-	-	(9.536.055)	-	-	**(9.536.055)**
Purchase of share to subsidiary company	-	-	-	-	41.922	-	(141.922)	**(100.000)**
Total changes in ownership interests	-	-	-	-	(9.511.969)	-	(1.112.408)	**(10.624.377)**
Total transactions with the owners of the Company	-	-	1.530.712	-	(11.071.082)	-	(1.957.312)	**(11.497.682)**
At 31 December 2015	79.261.147	4.255.873	(113.817)	4.614.928	19.402.994	401.035	45.054.851	**152.877.011**

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	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 interests	**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	**186.129.441**
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 24)	-	-	-	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	58.828.432	**216.780.019**

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Note	2015	2014
		€	€
Cash flows from operating activities			
Profit from operations before working capital changes	37	15.939.804	29.972.458
Increase in trade and other receivables		(4.094.406)	(1.926.201)
Decrease/(increase) in inventories		144.529	(2.100.538)
Increase/(decrease) in trade and other payables		5.923.356	(13.791.072)
Cash generated from operating activities		17.913.283	12.154.647
Interest paid		(15.714.165)	(21.246.212)
Tax paid		(695.291)	(595.507)
Net cash from/(for) operating activities		1.503.827	(9.687.072)
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment	18	(7.769.264)	(4.320.685)
Payments for acquisition of intangible assets	19	(139.889)	(128.965)
Payments for acquisition of investment property	20	(1.561.356)	(628.233)
Payments for acquisition of investment in subsidiary company	21	(100.000)	-
Payments for acquisition of investment available for sale	24	-	(597)
Payments for acquisition of investments at fair value through profit or loss	25	(1.989)	-
Investments in restricted bank deposits	27	(13.000.000)	-
Proceeds from sale of property, plant and equipment		857.708	76.811
Proceeds from sale of investments of joint ventures	23	-	54.731.944
Proceeds from sale of associate company	22	-	3.125.000
Proceeds from sale of subsidiary companies	17	77.369.505	-
Dividends received from associate companies		83.440	83.439
Interest received		198.658	123.179
Net cash from investing activities		55.936.813	53.061.893
Cash flows for financing activities			
New borrowings	33	158.500	1.072.628
Repayment of borrowings	33	(29.842.400)	(39.261.269)
Proceeds/(repayment) of bank overdrafts and other facilities		4.575.372	60.446
Loans granted to related parties	26	(33.765.067)	(7.135.728)
Special contribution to the defence fund on deemed distribution		36.735	-
Dividends paid		(836.570)	(5.115.651)
Net cash for financing activities		(59.746.900)	(50.379.574)
Net decrease in cash and cash equivalents		(2.306.260)	(7.004.753)
Cash and cash equivalents at the beginning of the year		8.729.327	15.734.080
Cash and cash equivalents at the end of the year		6.423.067	8.729.327

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Note	2015 €	2014 €
Other operating income	9	**19.329.915**	13.600.563
Administrative expenses		**(2.549.476)**	(2.381.121)
Operating profits before depreciation		**16.780.439**	11.219.442
Depreciation for the year		**(45.986)**	(24.704)
Operating profits	10	**16.734.453**	11.194.738
Finance income	12	**3.336.468**	4.428.701
Finance expenses	12	**(9.276.917)**	(11.042.585)
Net finance costs		**(5.940.449)**	(6.613.884)
Non-recurring expenses	13	**-**	(4.480.000)
Losses from investing activities	14	**(25.249.578)**	-
(Losses)/profits before tax		**(14.455.574)**	100.854
Tax expense	15	**305.897**	227.199
(Losses)/profits for the year		**(14.149.677)**	328.053
Other comprehensive expenses			
Items that will never be reclassified to income statement			
Deferred tax on revaluation of property, plant and equipment	34	**(850)**	(1.051)
Other comprehensive expenses for the year after tax		**(850)**	(1.051)
Total comprehensive income/(expenses) for the year		**(14.150.527)**	327.002
(Losses)/earnings per share			
Basic and fully diluted (losses)/earnings per share of €0,85 (cents)	16	**(15,17)**	0,35

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

		2015	2014
Assets	Note	**€**	€
Property, plant and equipment	18	**4.963.494**	4.984.129
Intangible assets	19	**2.141**	617
Investment property	20	**26.885.807**	26.781.361
Investments in subsidiary companies	21	**154.406.109**	190.525.850
Investments available for sale	24	**94.929**	94.929
Loans receivable	26	**47.797.259**	57.408.191
Total non-current assets		**234.149.739**	279.795.077
Loans receivable	26	**-**	46.454
Trade and other receivables	29	**25.297.074**	12.887.941
Cash and cash equivalents		**4.168**	59.033
Total current assets		**25.301.242**	12.993.428
Total assets		**259.450.981**	292.788.505
Equity			
Share capital	30	**79.261.147**	79.261.147
Share premium		**4.255.873**	4.255.873
Own share reserve	31	**(15.773)**	(1.546.485)
Fair value reserves	32	**5.303.188**	5.304.038
Retained earnings		**2.158.119**	17.838.508
Difference from the conversion of share capital to Euro		**401.035**	401.035
Total equity		**91.363.589**	105.514.116
Liabilities			
Borrowings	33	**105.855.177**	130.289.769
Deferred tax liabilities	34	**2.025.419**	2.354.288
Total non-current liabilities		**107.880.596**	132.644.057
Borrowings	33	**16.991.123**	10.754.117
Trade and other payables	35	**43.215.673**	43.876.215
Total current liabilities		**60.206.796**	54.630.332
Total liabilities		**168.087.392**	187.274.389
Total equity and liabilities		**259.450.981**	292.788.505

The financial statements were approved by the Board of Directors on 20 April 2016.

Marios N. Shacolas
Executive Chairman

George Louca
Executive Director

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	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 2015							
At 1 January 2015	79.261.147	4.255.873	(1.546.485)	5.304.038	17.838.508	401.035	**105.514.116**
Total comprehensive income/(expenses) for the year							
Losses for the year	-	-	-	-	(14.149.677)	-	**(14.149.677)**
Other comprehensive Income/(expenses) for the year							
Deferred tax on revaluation of property, plant and equipment (Note 32)	-	-	-	(850)	-	-	**(850)**
Other comprehensive income for the year	-	-	-	(850)	-	-	**(850)**
Total comprehensive income for the year	-	-	-	(850)	(14.149.677)	-	**(14.150.527)**
Transactions with owners of the Company							
Distribution of equity (Note 30)	-	-	1.530.712	-	(1.530.712)	-	-
At 31 December 2015	79.261.147	4.255.873	(15.773)	5.303.188	2.158.119	401.035	**91.363.589**

	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**

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Note	2015	2014
		€	€
Cash flows from operating activities			
Profits from operations before working capital changes	37	16.780.439	11.219.442
(Increase)/decrease in trade and other receivables		(12.409.133)	931.354
Decrease in trade and other payables		(660.542)	(9.645.880)
Cash from operating activities		3.710.764	2.504.916
Interest paid		(9.276.917)	(16.689.528)
Tax paid		(23.822)	(9)
Net cash (for)/from operating activities		(5.589.975)	(14.184.621)
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment	18	(24.855)	(75.128)
Payments for acquisition of intangible assets	19	(2.020)	(499)
Payments for acquisition of investment property	20	(104.446)	(332.475)
Payments for acquisition of investments in subsidiary company	21	(50.000)	-
Payments for acquisition of investments available for sale	24	-	(300)
Receipts from sale of property, plant and equipment		-	789
Proceeds from sale of subsidiary company	21	10.920.163	-
Interest received		2.895.212	3.987.445
Net cash from/(for) investing activities		13.634.054	3.579.832
Cash flows for financing activities			
New borrowings	33	33.241.103	75.897.400
Repayment of borrowings		(55.205.199)	(82.945.461)
Grant/(repayment) of bank overdraft and other facilities		3.766.510	(478.592)
Loans granted to related companies	26	(23.636.152)	(5.858.728)
Repayment of loans to related companies	26	33.734.794	23.359.700
Net cash from/(for) financing activities		(8.089.944)	9.974.319
Net decrease in cash and cash equivalents		(54.865)	(630.470)
Cash and cash equivalents at the beginning of the year		59.033	689.503
Cash and cash equivalents at the end of the year		13.168	59.033

The notes on pages 28 to 90 form an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
For the year ended 31 December 2015

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 2015 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.

2. OPERATING ENVIRONMENT OF THE COMPANY AND THE GROUP

After three years of economic recession, the Cyprus economy presented positive growth in the second half of 2015. As of April 2015, the restrictive measures and capital controls, which they have been in force since March 2013 have been abolished. The International rating agencies, upgraded the credit rating of Cyprus state, taking into consideration the progress made in fiscal front and the economic recovery, as well as the establishment of divestitures and insolvency framework, however the credit rating is still in the category of "Non Investment grade". At the same time, there are some significant risks arising from the high level of NPL in the banking sector and the limited availability of borrowings.

This operating environment could affect the trade and other receivables of the Company and the Group (inability to fulfil their liabilities to the Company and the Group), the creditors (inability to continue their activities or to continue the supply of products and services under the same conditions as above), the valuation of immovable properties and the financial assets at fair value through profit or loss, the bankers (failure to provide adequate financing with terms and conditions that applied to previous transactions), and future income from rent/concession rights of use or sale of properties.

The deterioration in operating conditions could also have an impact on cash flow projections of the Company and the Group and hence:

(a) the assessment of impairment for the financial assets,

(b) the valuation of assets measured at fair value based on discounted cash flows and

(c) the Management's assessment for the existence of sufficient financial assistance for the Company and the Group.

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

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 its business in the current business and economic environment.

These measures include, further from the successful reorganization of the Group's loans during 2014 and 2016 (Note 43), the effort deleveraging through liquidation of non-core activities, surplus of assets and matured investments, restriction of expenditure including management and employees expenses, stricter administration of working capital and closure/restructuring the unprofitable operations.

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 2015 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.

Adoption of new and revised Standards and Interpretations
As from 1 January 2015, 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:

Annual Improvements to IFRS 2013. Improvements include amendments for four standards, three of which affect the accounting policies adopted by the Company and the Group. The basis of conclusions of IFRS1, amended to clarify, that when a new issue of a standard is not obligatory but is available for early adoption, an entity which adopts it for the first time can use either the old version or the new one, provided that the standard is applied for the periods that is presented. The amendment of IFRS13 clarifies that the exception of portfolio of IFRS13, for which allows an entity to assess the fair value of a group of financial assets and liabilities in a net position, is applied to all contracts (including purchases or sales contracts of non-financial instruments) that are included within the scope of IAS39 or IFRS9. IAS40 was amended to clarify that, IAS40 and IFRS3 do not supersede each other. The guidance of IAS40 assists the authors to distinguish the investments properties from the properties held for ownership occupancy. The authors, must also refer to the guidance of IFRS3 to specify whether the acquisition of an investment property represents business combination. The amendments have no significant impact on the financial statements of the Company and the Group.

At the date of approval of these consolidated and separate financial statements, Standards, Revised Standards and Interpretations were issued but are not yet effective for annual periods beginning on 1 January 2015. This adoption did not have a material effect on the financial statements of the consolidated and separated financial statement of the Company except of the following. The Company and the Group do not plan to adopt these Standards earlier as indicated where applicable.

Standards and Interpretations adopted by the EU

- Annual Improvements to IFRSs 2010-2012 (effective for annual periods beginning on or after 1 February 2015). These amendments impact seven standards. The amendments to IFRS 2 amend the definitions of 'vesting condition' and 'market condition' and add definitions for 'performance condition' and 'service condition' that previously formed part of the definition of 'vesting condition'. The amendments to IFRS 3 clarify that contingent consideration which is classified as an asset or a liability should be measured at fair value at each reporting date. The amendments to IFRS 8, require disclosure of judgments made by management in applying the aggregation criteria to operating segments. They also clarify that an entity is only required to provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. Amendments to IFRS 13 clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial. The amendments to IAS 16 and IAS 38 clarify that when an item of property, plant and equipment or an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. Finally, the amendments to IAS 24 clarify that when an entity is providing key management personnel services to the reporting entity or to the parent of the reporting entity it is considered a related party of the reporting entity.

3. BASIS OF PREPARATION (continued)

Adoption of new and revised Standards and Interpretations (continued)

Standards and Interpretations not adopted by the EU

- IAS 27 (Amendments) ''Equity method in separate financial statements" (effective for annual periods beginning on or after 1 January 2016). The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements

- IAS 1 (Amendments): Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016). The amendments introduce changes in various areas. In relation to materiality the amendments clarify that information should not be obscured by aggregating or by providing immaterial information, that materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply. In relation to the statement of financial position and the income statement and other comprehensive income, the amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and provide additional guidance on subtotals in these statements. They also clarify that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified the income statement. In relation to the notes to the financial statements the amendments add additional guidance of ordering the notes so as to clarify that understandability and comparability should be considered when determining the order of the notes in order to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

- Annual Improvements to IFRSs 2012–2014 Cycle (effective for annual periods beginning on or after 1 January 2016). The amendments impact four standards. IFRS 5 was amended to clarify that change in the manner of disposal (reclassification from 'held for sale' to 'held for distribution' or vice versa) does not constitute a change to a plan of sale ore distribution, and does not have to be accounted for as such. The amendment to IFRS 7 adds guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement, for the purposes of disclosures required by IFRS 7. The amendment also clarifies that the offsetting disclosures of IFRS 7 are not specifically required for all interim periods, unless required by IAS 34. The amendment to IAS 19 clarifies that for post-employment benefit obligations, the decisions regarding discount rate, existence of deep market in high-quality corporate bonds, or which government bonds to use as a basis, should be based on the currency that the liabilities are denominated in, and not the country where they arise. IAS 34 will require a cross reference from the interim financial statements to the location of 'information disclosed elsewhere in the interim financial report'.

- IFRS 9 ''Financial Instruments" (effective for annual periods beginning on or after 1 January 2018). IFRS 9 replaces the existing guidance in IAS 39. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

- IFRS 14 ''Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016). IFRS 14 is expected to specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. IFRS 14 will permit an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for ''regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

- IFRS 15 ''Revenue from contracts with customers" (effective for annual periods beginning on or after 1 January 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs.

- IAS 7 (Amendments) "Disclosure Initiative" (effective for annual accounting periods beginning on or after 1 January 2017). The amendments are intended to clarify IAS 7 and improve information provided to users for an entity's financing activities. The amendments will require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (a) changes from financing cash flows; (b) changes arising from obtaining or losing control of subsidiaries or other businesses; (c) the effect of changes in foreign exchange rates; (d) changes in fair values; and (e) other changes.

3. BASIS OF PREPARATION (continued)

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 entities (including entities of special purpose O.E.S) controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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.

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.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the amount of any non-controlling interests in the acquiree, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the consideration price is lower than the fair value of the net assets of subsidiaries acquired, the excess is recognized in profit or loss.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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 21.

(ii) Transactions with non-controlling interests

The non-controlling interests in the profit and loss and in the equity of the subsidiaries are presented separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of financial position.

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.

(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.

If the percentage of participation in an associate entity reduce but retained its significant influence, only a proportionate share of the amount previously recognized in comprehensive income is reclassified to profit and loss.

The gain or loss from the sale of subsidiaries or associated companies is calculated as the difference between the selling price and the Group's share of net assets of the subsidiary or associate entity at the date of sale , less any goodwill that has not been written off , resulting from the acquisition of the subsidiary or associate entity.

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 22.

(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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

(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.

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 is 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

(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.

(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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 case 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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Provision is not recognized for future losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase 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.

(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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:

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.

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)

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 the income statement 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 18 and 20.

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 19.

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.

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

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.

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 25.

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.

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(a) Credit risk (continued)

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 2015 are presented in Note 40 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:

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Investments available for sale	**268.916**	343.350	**94.929**	94.929
Investments at fair value through profit and loss	**59.150.100**	77.712.100	**-**	-
Trade and other receivables	**26.946.067**	30.049.619	**25.297.074**	12.887.941
Loans receivable	**69.656.321**	32.993.567	**47.797.259**	57.454.645
Total	**156.021.404**	141.098.636	**73.189.262**	70.437.515

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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Retail	**3.667.143**	4.802.172	**-**	-
Import and distribution	**10.176.602**	9.620.580	**-**	-
Real estate	**78.224**	1.163.406	**-**	-
Total	**13.921.969**	15.586.158	**-**	-

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
A2	**-**	2.624	**-**	-
B2	**-**	1.108	**-**	-
Baa2	**2.882.052**	5.087.943	**-**	-
Caa1	**-**	432.659	**-**	-
Caa2	**205.971**	-	**-**	-
Caa3	**1.484.461**	1.267.492	**1.012**	56.377
Not rated	**1.844**	22.048	**-**	-
	4.574.328	6.813.874	**1.012**	56.377

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(b) Liquidity risks

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 33) 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 33), whereas the Group and the Company have guaranteed borrowings of related companies (Note 40).

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

The Group

31 December 2015	Book value	Contractual cash flows	Within 12 months	1-2 years	2-5 years	Over 5 years
	€	€	€	€	€	€
Bank loans	181.994.643	241.631.479	25.640.059	23.889.519	86.356.970	105.744.931
Bank overdrafts	70.969.992	70.969.992	70.969.992	-	-	-
Factoring facilities	5.789.079	5.789.079	5.789.079	-	-	-
Other loans	697.954	828.668	134.598	138.334	420.764	134.972
Trade and other liabilities	62.579.970	62.579.970	62.579.970	-	-	-
Total	322.031.638	381.799.188	165.113.698	24.027.853	86.777.734	105.879.903

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

The Company

31 December 2015	Book value	Contractual cash flows	Within 12 months	1-2 years	2-5 years	Over 5 years
	€	€	€	€	€	€
Bank loans	99.767.028	138.172.964	12.744.754	12.657.712	37.509.754	75.260.744
Bank overdrafts	10.566.691	10.566.691	10.566.691	-	-	-
Trade and other payables	43.215.673	43.215.673	43.215.673	-	-	-
Total	153.549.392	191.955.328	66.527.118	12.657.712	37.509.754	75.260.744

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

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 2015 would increase equity by €2.970.951 (2014: €3.902.773) and results by €2.957.505 (2014: €3.885.605). 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 (2014: €4.746). 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	
	2015	2014
Financial instruments with variable interest rates	**€**	€
Financial assets	**4.574.328**	6.813.874
Financial liabilities	**(259.451.668)**	(376.204.209)
Total	**(254.877.340)**	369.390.335

	The Company	
	2015	2014
Financial instruments with variable interest rates	**€**	€
Financial assets	**-**	592.761
Financial liabilities	**(110.333.718)**	(113.665.460)
Total	**(110.333.718)**	(113.072.699)

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(c) Market risk (continued)

Interest rate risk (continued)

	The Group	
	2015	2014
Financial instruments with fixed interest rates	**€**	€
Financial assets	**69.656.321**	32.993.567
Financial liabilities	**-**	(2.132.007)
Total	**69.656.321**	30.861.560

	The Company	
	2015	2014
Financial instruments with fixed interest rates	**€**	€
Financial assets	**47.801.427**	56.920.917
Financial liabilities	**(12.512.581)**	(27.378.426)
Total	**35.288.846**	29.542.491

Sensitivity analysis

The increase in interest rates by 1% at 31 December 2015, 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Financial instruments with variable interest rates	**2.548.773**	3.693.903	**2.548.773**	3.693.903

The Company	Equity		Results	
	2015	2014	**2015**	2014
	€	€	**€**	€
Financial instruments with variable interest rates	**1.103.337**	1.130.727	**1.103.337**	1.130.727

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 2015	United States Dollar	Sterling Pound	Swedish Krona
Assets	€	€	€
Trade and other receivables	63.552	-	-
Liabilities			
Trade and other payables	(10.766)	(3.159.266)	-
Net risk exposure	52.786	3.159.266	-

6. FINANCIAL RISK MANAGEMENT (continued)

FINANCIAL RISK FACTORS (continued)

(c) Market risk (continued)

Currency risk (continued)

31 December 2014	United States Dollar	Sterling Pound	Swedish Krona
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)

The Company

The Company had no assets or liabilities denominated in foreign currencies at 31 December 2015 and 31 December 2014.

Sensitivity analysis

A 5% strengthening of the Euro against the following foreign currencies at 31 December 2015, 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
United States Dollar	**(2.639)**	10.975	**(2.639)**	10.975
Sterling Pound	**157.963**	142.746	**157.963**	142.746
Swedish Krona	**-**	2.945	**-**	2.945
Total	**155.324**	156.666	**155.324**	156.666

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)

CAPITAL MANAGEMENT (continued)

The gearing ratio at 31 December 2015 and 31 December 2014 was as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Total borrowings (Note 33)	**259.451.668**	378.336.216	**122.846.300**	141.043.886
Less: Cash and cash equivalents	**(6.423.067)**	(8.729.327)	**(4.168)**	(59.033)
Net debt	**253.028.601**	369.606.889	**122.842.132**	140.984.853
Total equity	**152.877.011**	221.600.019	**91.501.977**	105.514.116
Total capital as defined by management	**405.905.612**	591.206.908	**214.344.109**	246.498.969
Gearing ratio	**62%**	63%	**57%**	57%

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 2015.

	Level 1	Level 2	Level 3	Total
	€	€	€	€
The Group				
Assets				
Investments at fair value through profit and loss	-	-	59.150.100	59.150.100
Investments available for sale	164.422	-	104.494	268.916
Total assets measured at fair value	164.422	-	59.254.594	59.419.016
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)

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 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

	Level 1	Level 2	Level 3	Total
	€	€	€	€
The Company				
Assets				
Investments available for sale	-	-	94.929	94.929
Total assets measured at fair value	-	-	94.929	94.929

Financial Instrument – Level 1

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.

Financial Instrument – Level 2 and 3

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 2015:

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
At 1 January	**77.816.594**	83.038.189	**94.929**	94.629
Additions to investments available for sale	**-**	597	**-**	300
Additions to investments at fair value through profit and loss	**1.989**	-	**-**	-
Losses recognised in the statement of comprehensive income for investments at fair value through profit or loss	**(18.563.989)**	(5.000.000)	**-**	-
Transfer of investments available for sale in Level 1	**-**	(222.192)	**-**	-
At 31 December	**59.254.594**	77.816.594	**94.929**	94.929
Total losses for the period which are included in the statement of comprehensive income for investments held at the reporting date	**(18.563.989)**	(5.000.000)	**-**	-
Changes to non-realised losses for the year which are included in the statement of comprehensive income for investments held at reporting date	**(18.563.989)**	(5.000.000)	**-**	-

During the year 2013, after the decisions taken by Eurogroup in March, the Group acquired 1.123.125 shares in the Bank of Cyprus, which were valued based on a Level 3 valuation method. During the year 2014, after the introduction of shares in the Bank of Cyprus in an active market, these were revalued from Level 3 valuation method to Level 1, their fair value.

Further information regarding the fair values of investments at fair value through profit and loss is presented in Note 25.

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 transactions 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
	€	€	€	€	€	€
2015						
Turnover	177.358.931	114.467.434	-	-	-	291.826.365
(Loss)/profits for the year after tax	(3.606.940)	5.456.705	(40.326.458)	(6.718.643)	(282.041)	(45.477.377)

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	124.607.079	-	-	-	303.063.591
Losses/profit for the year after tax	8.792.510	6.753.753	(1.666.338)	1.432.644	20.453.272	35.765.841

9. OTHER OPERATING INCOME

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Rights for use of immovable property	**1.204.478**	1.102.550	**1.354.915**	1.373.289
Other rights and claims	**370.049**	390.334	**-**	-
Services rendered	**837.448**	1.189.187	**1.006.399**	664.034
Rebates from suppliers	**1.759.418**	1.510.257	**-**	-
Dividends receivable	**-**	-	**16.947.001**	11.555.803
Write off of credit balances with dormant subsidiary companies	**-**	71.615	**-**	-
Profit from sale of property plant and equipment	**34.620**	-	**-**	-
Other income	**373.318**	856.070	**21.600**	7.437
Total	**4.579.331**	5.120.013	**19.329.915**	13.600.563

10. OPERATING PROFITS

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Staff costs (Note 11)	**35.260.419**	34.614.400	**1.379.715**	1.203.960
Depreciation of property, plant and equipment (Note 18)	**5.396.362**	5.895.504	**45.490**	23.977
Amortisation of intangible assets (Note 19)	**116.419**	159.313	**496**	727
Profits/losses from the sale of property, plant and equipment	**(34.620)**	5.148	**-**	-
Directors' remuneration (Note 40)	**648.823**	592.373	**625.873**	546.333
Independent auditors' remuneration				
- current year	**185.600**	182.959	**81.300**	95.300
- prior years	**(6.050)**	26.900	**(6.050)**	26.900
Remuneration for tax advisory services	**6.300**	7.000	**6.300**	7.000
Rent payable	**6.584.579**	4.033.326	**-**	-

11. STAFF COSTS

	The Group		The Company	
	2015	2014	2015	2014
	€	€	€	€
Salaries and wages	32.688.204	31.721.789	1.245.032	1.086.702
Social insurance and other contributions	3.155.917	3.429.380	114.929	100.952
Contributions to provident funds	209.604	189.647	9.872	8.153
Contributions to medical funds	262.411	277.573	9.882	8.153
Compensation claims	(1.055.717)	(1.003.989)	-	-
Total	35.260.419	34.614.000	1.379.715	1.203.960

The average number of employees of the Group during 2015 and 2014 was 2.224 and 2.250 respectively. The average number of employees of the Company during 2015 and 2014 was 28 and 27 respectively.

12. NET FINANCE COSTS

	The Group		The Company	
	2015	2014	2015	2014
	€	€	€	€
Interest receivable	2.600.798	1.801.112	3.336.468	4.428.701
Incentives from suppliers for early repayment	330.695	396.518	-	-
Foreign exchange differences	1.709	5.114	-	-
Finance income	2.933.202	2.202.744	3.336.468	4.428.701
Bank interest and charges	(15.327.790)	(17.953.535)	(6.044.111)	(6.978.088)
Interest on corporation tax and special defence contribution	(53.259)	(14.701)	-	-
Other interest payable	(333.116)	(537.385)	(3.232.806)	(4.064.497)
Foreign exchange differences	(177.654)	(454.239)	-	-
Finance costs	(15.891.819)	(18.959.860)	(9.276.917)	(11.042.585)
Net finance costs	(12.958.617)	(16.757.116)	(5.940.449)	(6.613.884)

13. NON-RECURRING EXPENSES

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Impairment of property, plant and equipment from termination of operations (Note 18)	**-**	(116.415)	**-**	-
Provision for impairment of receivables	**-**	-	**-**	(4.480.000)
Reversal of provision for impairment of inventory	**-**	6.025	**-**	-
Total	**-**	(110.390)	**-**	(4.480.000)

The impairment of property, plant and equipment for the year 2014 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Impairment of goodwill (Note 19)	**(7.549.901)**	-	**-**	-
Impairment of investment property (Note 20)	**(408.587)**	-	**-**	-
Impairment of investment in subsidiary company (Note 21)	**-**	-	**(18.150.254)**	-
Impairment of investments at fair value through profit or loss (Note 25)	**(18.563.989)**	(5.000.000)	**-**	-
Losses on sale of investment in subsidiary company	**-**	-	**(7.099.324)**	-
Total	**(26.522.477)**	(5.000.000)	**25.249.578**	-

15. TAX EXPENSE

	The Group		The Company	
	2015	2014	2015	2014
	€	€	€	€
Corporation tax - current year	247.720	345.493	-	-
- prior years	288	109.079	-	-
Special defence contribution				
- current year	98.084	56.927	23.822	9
- prior years	-	29.918	-	-
Deferred taxation (Note 34)	(195.720)	(142.630)	(329.719)	(227.208)
Charge/(credit) for the year	150.372	398.787	(305.897)	(227.199)

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

	The Group		The Company	
	2015	2014	2015	2014
	€	€	€	€
Accounting (losses)/profits before taxation	(32.392.702)	(11.479.883)	(14.455.574)	100.854
Tax calculated at the applicable tax rates	(4.049.088)	(1.434.985)	(1.806.947)	12.607
Adjustments to taxation for the following:				
Tax effect of expenses not deductible for tax purposes	4.124.193	1.554.245	3.184.215	577.304
Tax effect of allowances and income not subject to tax	(450.996)	635.423	(2.118.375)	(1.490.389)
Corporation tax for prior years	288	109.079	-	-
Deferred tax	(195.720)	(142.630)	(329.719)	(227.208)
Tax effect of Group relief	-	(200.077)	741.107	900.478
Effect of tax losses for which no provision for deferred tax was made	1.005.522	1.061.733	-	-
Effect of tax losses from prior years	(381.911)	-	-	-
Special defence contribution				
- current year	98.084	56.927	23.822	9
- prior years	-	29.918	-	-
Charge/(credit) for the year	150.372	398.787	(305.897)	(227.199)

15. TAX EXPENSE (continued)

The profits of the Cyprus Group companies are subject to corporation tax at the rate of 12,5% (2014: 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% (2014: 26%).

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

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 2013 and 2014 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 losses per share as at 31 December 2015, was based on the losses attributable to the owners amounting to €35.373.755 (2014: profit €32.516.671) and the weighted average number of shares in issue during the year amounting to €93.248.408 (2014: 93.248.408) and was calculated as follows:

	2015	2014
	€	€
Losses from continuing operations attributable to the owners	(26.806.814)	(9.828.318)
(Losses)/profit from discontinued operations attributable to the owners	(8.566.941)	42.344.989
(Losses)/profits attributable to the owners	(35.373.755)	32.516.671
Weighted average number of shares of €0,85 in issue during the year (excluding own shares)	93.248.408	93.248.408
(Basic and fully diluted losses)/basis and fully diluted earnings per share (cents)		
Continuing operations	(28,75)	(10,54)
Discontinued operations	(9,19)	45,41
	37,94	34,87

The Company

The calculation of earnings/(losses) per share as at 31 December 2015, was based on the losses attributable to the owners amounting to €14.149.677 (2014: losses €328.053) and the weighted average number of shares in issue during the year amounting to 93.248.408 (2014: 93.248.408) and was calculated as follows:

	2015	2014
	€	€
(Losses)/profits attributable to the owners	(14.149.677)	328.053
Weighted average number of shares of €0,85 in issue during the year (excluding own shares)	93.248.408	93.248.408
Basic and fully diluted earnings/(basic and fully diluted losses) per share (cents)	(15,17)	0,35

17. DISCONTINUED OPERATIONS

On the 23 of July 2015, following a decision of the Board of Directors, the Group proceeded to the disposal of the interest held in subsidiaries companies ITTL Trade Tourist and Leisure Park Plc and Woolworth Commerical Center Plc, of the order of 99.67% and 99.5% respectively. Both above percentages were formed after the transactions that were made during the year 2015 (Note. 21). Disposal of shares in Atterbury Cyprus Limited was made for the sum of €77.490.257 namely €0,6648 per share held in ITTL Trade Tourist and Leisure Park Plc and € 1,123 per share held in Woolworth Commercial Center Plc.

As a result of this sale, the Group no longer holds any stake in ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc, therefore the results of the two subsidiaries are shown as non-continuing operations. This transaction constitutes a sale with a lost of control and thus minority interest decreased to zero and the loss / gain from the sale is recognized directly in the income statement.

On 31 December 2015, after a decision of the Board of Directors, the Company and the Group proceeded with the disposal of its stake in its subsidiary company F.W.Woolworth (Chemists) Limited of the order of 100%. From the above sale, the Group made losses of €18.556.

On 24 January 2014, following a decision of the Board of Directors, the Group proceeded with the disposal of the percentage held in the associated company CTC-ARI (F & B) Limited of the order of 25%. From the above sale the Group made a profit of €2.091.767.

During 2014, after a decision of the Board of Directors, the Group proceeded with the disposal of its stake in investment in CTC-ARI Holdings Ltd joint venture of the order of 50%. From the above sale the Group made a profit of € 37.534.660.

The agreement of the Group's involvement in the joint venture British Forces Cyprus Retail (BFCR) ended in 31 October 2014 and was not renewed. Upon termination of the Agreement, a loss of € 99.498 was recognized for the analogue integrated cost of the joint venture at the expiration date of the agreement.

As a result of the above transactions the results of the above companies for the current and the previous period are presented in the consolidated financial statements as discontinued operations.

The (loss) / profit from discontinued operations arises from the following:

	2015	2014
	€	€
ITTL Trade Tourist and Leisure Plc and Woolworth Commercial Center Plc		
Profit after tax from discontinued operations	**5.419.410**	8.607.582
Loss from sale of subsidiary companies	**(17.845.157)**	-
	(12.425.747)	8.607.582
F.W. Woolworth (Chemists) Ltd		
Loss from sale of subsidiary company (Note. 21)	**(18.556)**	-
CTC-ARI (F&B) Ltd		
Profit on sale of associated company (Note. 22)	-	2.091.767
CTC-ARI Holdings Ltd		
Gain on sale of investment in joint venture	-	37.534.660
British Forces Cyprus Retail		
Share of loss of joint venture	-	(99.498)
Other provisions		
Provision for possible compensations	**(490.000)**	(490.000)
Total	**(12.934.303)**	47.644.511

17. DISCONTINUED OPERATIONS (continued)

The financial information in regards with the sale of ITTL Trade Tourist and Leisure Plc and Woolworth Commercial Center Plc for the period up until 23 July 2015 is set out below:

Financial data presented in the consolidated income statement and cash flow:

	2015	2014
	€	€
Property use rights and other income	8.315.090	13.702.997
Profit before tax	6.690.708	10.194.568
Taxation	(1.271.298)	(1.586.986)
Profit after tax for the year from non-continuing operations	5.419.410	8.607.582
Loss on disposal of subsidiaries with loss of control	(24.543.331)	-
Transfer of profit to the income statement from the previous sale of shares that does not constitute a loss of control, which were reclassified from reserves	9.536.055	-
Loss from sale of share of the subsidiary companies without loss of control that is carried forward to the reserves	(23.151)	-
Reversal of revaluation in the consolidated financial statements due to disposal	336.564	-
	(14.693.863)	-
Direct transaction costs		
Commission payable	(1.548.805)	-
Provision for possible compensation payment	(1.486.500)	-
Other expenses on disposal	(183.287)	-
Additional purchase price as provided by the sales agreement	67.298	-
Loss from sale of a share of subsidiary companies	(17.845.157)	-
Loss after tax from discontinued operations	(12.425.747)	8.607.582
Total income for the year attributable to minority interest	1.206.626	2.425.617
Proceeds from sale of subsidiary companies		
Minus: Bank and cash equivalents at 23 July 2015	77.490.257	-
	(120.752)	-
Net increase in cash due to the sale of subsidiary companies	77.369.505	-
Cash flows from operating activities	8.523.321	13.533.920
Cash flows from investing activities	(3.350.514)	(1.650.084)
Cash flows for financing activities	(5.625.473)	(11.942.926)
Net decrease in cash generated by subsidiaries	(452.666)	(59.090)

17. DISCONTINUED OPERATIONS (continued)

The carrying value of assets and liabilities of ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc in the consolidated financial statements at the date of sale (23 July 2015) was as follows:

	23 July 2015
	€
Property, plant and equipment (Note 18)	70.187.897
Intangible assets (Note. 19)	15.932
Investment properties (Note. 20)	151.420.247
Trade and other receivables	6.743.311
Cash and cash equivalents	120.752
Total assets	228.488.139
Trade and other payables	(18.580.796)
Borrowings	(93.776.020)
Current tax liabilities	(1.011.062)
Deferred tax liabilities (Note. 34)	(12.025.200)
Total liabilities	(125.393.078)
Total equity	103.095.061

18. 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
2015	€	€	€	€	€	€	**€**
Cost or valuation							
At 1 January	255.438.000	4.407.600	31.821.527	7.824.153	49.165.374	5.718.653	**354.375.307**
Additions	19.260	-	5.060.946	328.572	2.315.250	45.236	**7.769.264**
Disposals	-	-	(65.446)	(1.240.927)	(525.420)	-	**(1.831.793)**
Reduction due to sale of subsidiaries (Note 17)	(69.725.493)	-	(1.171)	-	(2.510.413)	-	**(72.237.077)**
Revaluation	(7.917.000)	-	-	-	-	-	**(7.917.000)**
Transfers from investment property (Note 19)	(14.111.701)	-	-	-	-	-	**(14.111.701)**
At 31 December	163.703.066	4.407.600	36.815.856	6.911.798	48.444.791	5.763.889	**266.047.000**
Depreciation							
At 1 January	1.899.509	-	22.107.649	6.263.366	41.633.976	4.948.081	**76.852.581**
Charge for the year	223.421	-	1.979.620	507.252	2.643.927	42.142	**5.396.362**
Reduction due to sale of subsidiaries (Note 17)	-	-	-	-	(2.049.180)	-	**(2.049.180)**
Disposals	-	-	(62.765)	(468.000)	(477.940)	-	**(1.008.705)**
At 31 December	2.122.930	-	24.024.504	6.302.618	41.750.783	4.990.223	**79.191.058**
Net book value							
At 1 January	253.538.491	4.407.600	9.713.878	1.560.787	7.531.398	770.572	**277.522.726**
At 31 December	161.580.136	4.407.600	12.791.352	609.180	6.694.008	773.666	**186.855.942**

18. 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
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	-	-	-	(631.649)	(87.131)	(1.530)	**(720.310)**
Impairment charge due to termination of operations (Note 13)	-	-	(251.866)	-	(599.470)	-	**(851.336)**
Transfers from investment property (Note 20)	4.498.520	-	-	-	-	-	**4.498.520**
At 31 December	255.438.000	4.407.600	31.821.527	7.824.153	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	1.560.787	7.531.398	770.572	**277.522.726**

18. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company	Land and buildings	Land and buildings under construction	Motor vehicles	Machinery, installations & equipment	Computer equipment	Total
2015						
Cost or valuation						
At 1 January	727.152	4.260.330	138.197	853.805	227.239	**6.206.723**
Additions	-	-	-	17.997	6.858	**24.855**
At 31 December	727.152	4.260.330	138.197	871.802	234.097	**6.231.578**
Depreciation						
At 1 January	70.791	-	98.969	834.875	217.959	**1.222.594**
Charge for the year	23.853	-	10.163	8.616	2.858	**45.490**
At 31 December	94.644	-	109.132	843.491	220.817	**1.268.084**
Net book value						
At 1 January	656.361	4.260.330	39.228	18.930	9.280	**4.984.129**
At 31 December	632.508	4.260.330	29.065	28.311	13.280	**4.963.494**

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 20)	(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 land and buildings of the Company include land amounting to €297.777 (2014: €297.777).

Land and buildings of the Company amounting to €23.536.922 (2014: €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 2015 amounts to €685.999 (2014: €702.286).

18. PROPERTY, PLANT AND EQUIPMENT (continued)

Land and buildings of the Group amounting to €178.052.192 (2014: €291.685.829) 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 2015 amounts to €43.386.085 (2014: €51.490.976).

Information for fair value valuations

At 31 December 2015, 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 €7.917.000.

At 31 December 2015, 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 €165.987.736 for the Group and €4.892.838 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
At 1 January	**257.946.091**	251.392.657	**4.916.691**	4.897.539
Additions and transfers (to)/from investment property	**(14.092.441)**	6.758.405	**-**	24.715
Depreciation for the year	**(223.421)**	(204.971)	**(23.853)**	(5.563)
Reduction due to sale of subsidiaries	**(69.725.493)**	-	**-**	-
Loss on revaluation	**(7.917.000)**	-	**-**	-
At 31 December	**165.987.736**	257.946.091	**4.892.838**	4.916.691

18. 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	112.426.000	Income approach	- Rental income per sq. metre per month	Range of rental income: €5 – €17 Rental yield (%): 6-8,5 Occupancy rate: 100%	Fair value will increase/(decrease) if: - Rental income increases/(decreases) - Rental yield increases/(decreases) - Occupancy rate increases/(decreases)
Shops	19.987.855	Income approach/ market approach and cost approach	- Rental income per sq. meter per month - Price per sq. meter - Average cost of construction	Range of rental income: €3 – €48 Rental yield (%): 5,5-7,5 Occupancy rate: 90% Price per sq. meter: €83 – €1.000	Fair value will increase/(decrease) if: - Rental income increases/(decreases) - Rental yield increases/(decreases) - Occupancy rate increases/(decreases) - Price per sq. meter increases/(decreases)
Offices/ Flats	7.625.993	Income approach/ market approach and cost approach	- Rental income per sq. meter per month - Price per sq. meter - Average cost of construction	Range of rental income: €6 Rental yield (%): 7 Occupancy rate: 86% Price per sq. meter: €65-€978	The fair value will increase/(decrease) if: - Rental income increases/(decreases) - Rental yield increases/(decreases) - Occupancy rate increases/(decreases) - Price per sq. meter 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	14.462.828	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	3.444.162	Market approach and cost approach	- Price per sq. metre - Average cost of construction	Price per sq. metre: €233-€1.450	The fair value will increase/(decrease) if: - Price per sq.metre increases/(decreases)
	165.987.836				

The Company

Property	Valuation €	Valuation Technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Offices	632.508	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)
	4.892.838				

19. INTANGIBLE ASSETS

The Group

2015	Computer software	Goodwill	Total
Cost	€	€	€
At 1 January	4.156.313	33.493.600	**37.649.913**
Additions	139.889	-	**139.889**
Reduction of goodwill due to sale subsidiaries	-	(15.932)	**(15.932)**
Impairment	-	(7.549.901)	**(7.549.901)**
At 31 December	4.296.202	25.927.767	**30.223.969**
Amortisation			
At 1 January	3.919.764	-	**3.919.764**
Charge for the year	116.419	-	**116.419**
At 31 December	4.036.183	-	**4.036.183**
Net book value			
At 1 January	236.549	33.493.600	**33.730.149**
At 31 December	260.019	25.927.767	**26.187.786**

	Computer software	Goodwill	Total
2014			
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**

Goodwill amounting to €25.927.767 (2014: €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) 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.

19. 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**
2015	€	€	€	**€**
Net book value	2.362.057	23.565.710	-	**25.927.767**
2014				
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:

	2015	2014
Sales growth rates	1% - 6%	4,22% - 6,37%
Gross profit margin	20% – 40,5%	15,77% – 39,10%
Discounting rate	8,5% – 10%	10,58% – 10,60%

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 impairment of goodwill of €7.549.901 as the net book value of goodwill is higher 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 2016-2019 %	Gross profit margin %	Discounting rates %	Terminal growth rate %	Impairment €000
Main scenario	2,80	36,90	8,50	2,00	-
Change in variable					
Sales growth rate	2,50	36,90	8,50	2,00	-
Gross profit margin	2,80	36,00	8,50	2,00	-
Discount rates	2,80	26,90	9,00	2,00	-
Mixed scenario	2,50	36,00	9,00	2,00	-

19. INTANGIBLE ASSETS (continued)

The Group (continued)

SENSITIVITY ANALYSIS (continued)

HOB House of Beauty Limited	Sales growth rate 2016-2019 %	Gross Profit Margin %	Discounting Rates %	Terminal Growth Rate %	Impairment €000
Main scenario	3,00	40,50	8,50	2,00	-
Change in variable					
Sales growth rate	2,50	40,50	8,50	2,00	1.286
Gross profit margin	3,00	40,00	8,50	2,00	1.295
Discount rates	3,00	40,50	9,00	2,00	1.273
Mixed scenario	2,50	40,00	9,00	2,00	1.906

Artview Co. Limited	Sales growth rate 2016-2019 %	Gross Profit Margin %	Discounting Rates %	Terminal Growth Rate %	Impairment €000
Main scenario	6,00	21,00	10,00	1,50	492
Change in variable					
Sales growth rate	5,00	21,00	10,00	1,50	525
Gross profit margin	6,00	20,00	10,00	1,50	656
Discount rates	6,00	21,00	10,50	1,50	559
Mixed scenario	5,00	20,00	10,50	1,50	738

The Company

Software	2015	2014
Cost	€	€
At 1 January	134.594	134.095
Additions	2.020	499
At 31 December	136.614	134.594
Amortisation		
At 1 January	133.977	133.250
Charge for the year	496	727
At 31 December	134.473	133.977
Net book value		
At 1 January	617	845
At 31 December	2.141	617

20. INVESTMENT PROPERTY

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
At 1 January	**162.188.897**	166.075.295	**26.781.361**	26.443.601
Additions	**1.561.356**	628.233	**104.446**	332.475
Reduction due to sale of subsidiaries	**(151.420.247)**	-	-	-
Transfer to income statement due to sale of subsidiaries	**336.564**	-	-	-
Transfers from/(to) property, plant and equipment (Note 17)	**14.111.701**	(4.498.520)	-	5.285
Loss on revaluation (Note 14)	**(408.587)**	(16.111)	-	-
At 31 December	**26.369.684**	162.188.897	**26.885.807**	26.781.361

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, which was debited in the statement of comprehensive income for the year ended 31 December 2015, amounts to €408.587.

Fair value hierarchy
The estimation of the fair value of investment property amounting to €162.188.897 for the Group and €26.885.807 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
At 1 January	**162.188.897**	166.075.295	**26.781.361**	26.443.601
Additions and transfers from/(to) property, plant and equipment	**15.673.057**	(3.870.287)	**104.446**	337.760
Sale of subsidiaries	**(151.083.683)**	-	-	-
Loss on revaluation	**(408.587)**	(16.111)	-	-
At 31 December	**26.369.684**	162.188.897	**26.885.807**	26.781.361

20. 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	1.600.000	Income method	- Rental income per sq. metre per month	Rental income range: €5-€17 Rental yield (%): 6, 8,5 Occupancy rate: 100%	Fair value will increase/(decrease) if: - Rental income increases/ (decreases) - Rental yield increases/(decreases) - Occupancy rate increases/ (decreases)
Department stores	13.300.000	Income method	- Rental income per sq. metre per month	Rental income range: €3-€48 Rental yield (%): 5,5 - 7, 5 Occupancy rate: 90%	Fair value will increase/(decrease) if: - Rental income increases/ (decreases) - Rental yield increases/(decreases) - Occupancy rate increases/ (decreases)
Offices	1.384.684	Comparison of sales and cost of construction	- Price per sq. metre - Average cost of construction	- Price per sq. meter: €424 – €978	Fair value will increase/(decrease) if: - Price per sq. meter increases/ (decreases)
Idle land and buildings	10.085.000	Comparison of sales and cost of construction	- Price per sq. metre	- Price per sq. meter: €247- €1.450	Fair value will increase/(decrease) if: - Price per sq. meter increases/ (decreases)
	26.369.684				

The Company

Property	Valuation €	Valuation Technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Shops	2.708.973	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. meter increases/ (decreases)
Offices	2.489.176	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. meter increases/ (decreases)
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 increases/ (decreases)
National Distribution Centre	10.202.499	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 increases/ (decreases)
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 increases/ (decreases)
	26.885.807				

21. INVESTMENTS IN SUBSIDIARY COMPANIES

The Group

The significant subsidiary companies of the Group are as follows:

Company name	Participation in share capital 2015	2014	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	**66,99**	66,99	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
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	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
Scandia Company Limited	**100**	100	Investing activities

21. 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	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	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**	
			2015	**2014**
Woolworth (Cyprus) Properties Plc	Cyprus	Ownership and management of immovable property	77,04%	77,04%
Ermes Department Stores Plc	Cyprus	Retail commerce	69,99%	69,99%

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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Turnover	**-**	-	**151.284.184**	156.038.779
Other income	**6.964.382**	6.891.079	**1.495.556**	1.997.993
(Losses)/profits for the year from continuing operations	**(27.064.034)**	(10.064.875)	**(4.206.592)**	(1.875.293)
(Losses)/profits for the year from discontinued operations	**775.358**	8.629.722	**13.655.596**	10.695.940
(Losses)/profits for the year attributable to minority interest	**(4.278.453)**	(165.286)	**(6.287.695)**	3.534.364
Other comprehensive (expenses)/income for the year	**-**	-	**(11.755)**	(15.225)
Total comprehensive (expenses)/income for the year	**(26.288.676)**	(1.435.153)	**(17.873.943)**	8.805.421
Total comprehensive (expenses)/income for the year attributable to minority interest	**(4.278.453)**	(165.286)	**(6.289.736)**	3.524.260

21. 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Current assets	**1.401.287**	4.998.501	**36.943.739**	36.324.988
Non-current assets	**278.855.486**	494.591.541	**101.517.741**	117.790.056
Current liabilities	**(15.135.037)**	(27.012.718)	**(75.169.990)**	(71.897.678)
Non-current liabilities	**(128.737.879)**	(265.872.734)	**(1.906.434)**	(2.221.797)
Net assets	**136.383.857**	206.704.590	**61.385.056**	79.995.569
Net assets attributable to minority interest	**31.313.734**	38.275.566	**10.970.164**	18.240.579
Net cash (for)/from operating activities	**16.140.829**	178.959.473	**1.816.094**	(2.937.541)
Net cash from investing activities	**16.982.896**	32.975.739	**(624.036)**	17.957.849
Net cash for financing activities	**(33.803.027)**	(50.476.010)	**(4.232.853)**	(20.880.405)
(Decrease)/increase in cash and cash equivalents	**(679.302)**	161.459.202	**(3.040.795)**	(5.860.097)
Dividends paid to minority interest	**-**	27.225	**-**	4.988.426

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.

Changes in the participation percentages in subsidiary companies

Sale of shares of the subsidiary company Woolworth Commercial Center Plc
On 30 June 2015, the subsidiary company Woolworth (Cyprus) Properties Plc sold 50.000 shares owned in the subsidiary company Woolworth Commercial Center Plc, as part of the induction procedure of the company to the "Ernerging Companies Market" (E.C.M), of the Cyprus Stock Exchange, for €50.000 (€1 per share). As a result of this sale, the share of Woolworth (Cyprus) Properties Plc in Woolworth Commercial Center Plc decreases from 99,0% to 89,5%.

From the above sale the following loss has been incurred:	**2015**
	€
Proceeds from the sale of shares	**50.000**
Less: Increase in minority interest	**(67.836)**
Loss from sale transferred to reserves	**(17.836)**

Purchase of shares of the subsidiary company Woolworth Commercial Center Plc
On 14 July 2015, the subsidiary company Woolworth (Cyprus) Properties Plc, proceeded with a purchase of 100.000 shares in Woolworth Commercial Center Plc from Mr Nicos Shacolas (€1 per share). As a result of this purchase, the share of Woolworth (Cyprus) Properties Plc in Woolworth Commercial Center Plc increased by 1%.

From the above purchase the following occurred:	**2015**
	€
Payment for the purchase of shares	**(100.000)**
Less: Decrease in minority interest	**141.922**
Transfer to reserves	**41.922**

21. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Changes in the participation percentages in subsidiary companies (continued)

Sale of shares of subsidiary companies ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc

Information about the sale of the subsidiary companies ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc to the company Atterbury Cyprus Limited on 23 July 2015 are presented in Note 17 of the consolidated and separate financial statements.

The Company	**2015**	2014
	€	€
Cost		
At 1 January	**190.525.850**	190.525.850
Additions	**50.000**	-
Disposals	**(18.019.487)**	-
Impairment to the value of investments in subsidiary companies	**(18.150.254)**	-
At 31 December	**154.406.109**	190.525.850

On 1 January 2015, the Company purchased from its subsidiary company Argosy Trading Company Limited 100% of the share capital of its also subsidiary company Cassandra Trading Limited.

During the year ended 31 December 2015, the Company proceeded with an impairment of €18.150.254 in investments in subsidiary companies and specifically in Artview Company Limited, where the impairment amounts to €765.325 and in Woolworth Properties Plc where the impairment amounts to €17.384.929.

Furthermore, during the year ended 31 December 2015, the Company proceeded with the sale of its subsidiary company Amaracos Holding Ltd, to its also subsidiary company Domex Technical Ltd. The loss from the sale amounts to €7.099.324.

22. INVESTMENTS IN ASSOCIATE COMPANIES

The Group	**2015**	2014
	€	€
At 1 January	**19.096.893**	20.896.758
Share of (losses)/profits for the year after tax	**496.858**	(683.193)
Dividends from associate companies	**(83.440)**	(83.439)
Sale of associate company CTC-ARI (F&B) Limited	**-**	(1.033.233)
At 31 December	**19.510.311**	19.096.893

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 17).

22. 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		
		2015 €	2014 €	Calculation method
Akinita Lakkos Mikelli Limited	11.860.000	**35**	35	Equity method

The associate company is registered in Cyprus, which is also its place of business.

There are no contingent liabilities relating to the Group's interest in the investment in associate.

Significant restrictions

There are no significant restrictions resulting from borrowing arrangements, regulatory requirements or contractual arrangements between investors with significant influence over the associate company, on the ability of the associate 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 company:

	Akinita Lakkos Mikelli Limited	
	2015	2014
Summarised Income statement	**€**	€
Turnover	-	-
Profits/(losses) for the year before tax	**1.612.623**	(2.251.235)
Taxation	**(193.026)**	299.256
Profit/(losses) for the year after tax	**1.419.597**	(1.951.979)
Total comprehensive expenses for the year	**1.419.597**	(1.951.979)
Summarised financial position		
Current assets	**5.823.944**	5.736.635
Non-current assets	**56.664.371**	55.124.371
Current liabilities	**(2.906.802)**	(2.653.192)
Non-current liabilities	**(4.758.197)**	(4.565.695)
Total assets	**54.823.316**	53.642.119

The above information represent the amounts which are included in the financial statements of the associate company and not the Group's share.

Reconciliation of summarised financial information	**2015**	2014
	€	€
Net assets	**54.823.316**	53.642.119
Interest in associate (35%)	**19.188.160**	18.774.742
Goodwill	**322.151**	322.151
Net position	**19.510.311**	19.096.893

The Company

The Company does not own any investments in associate companies as at 31 December 2014 and 31 December 2015.

23. INVESTMENTS IN JOINT VENTURES

The Group
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 Sodexo 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.

	2015	2014
	€	€
At 1 January	-	17.296.782
Disposal of investment in CTC-ARI Holdings Limited	-	(17.197.284)
Impairment charge on expiry of agreement with British Forces Cyprus Retail	-	(99.498)
	-	-

The Company
The Company has not participated in joint ventures as at 31 December 2014 and 31 December 2015.

24. INVESTMENTS AVAILABLE FOR SALE

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Listed securities	**164.422**	238.856	**1.000**	1.000
Non listed securities	**104.494**	104.494	**93.929**	93.929
Total	**268.916**	343.350	**94.929**	94.929

The movement in investments available for sale is presented below:

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
At 1 January	**343.350**	326.089	**94.929**	94.629
Additions	**-**	597	**-**	300
Change of fair value transfer to investments in subsidiary companies	**(74.434)**	16.664	**-**	-
At 31 December	**268.916**	343.350	**94.929**	94.929

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.

25. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	The Group	
	2015	2014
	€	€
Non listed securities defined at fair value through profit and loss at initial recognition	**59.150.100**	77.712.100

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

	The Group	
	2015	2014
Investments at fair value through profit and loss - defined at fair value through profit and loss at initial recognition		
	€	€
Fair value losses	**(18.563.989)**	(5.000.000)
Net loss to investments at fair value through profit and loss	**(18.563.989)**	(5.000.000)

Fair value hierarchy

The estimation of the fair value of investments at fair value through profit and loss amounting to €59.150.100 (2014: €77.712.100) for the Group falls within Level 3 of the Fair Value Hierarchy, based on the inputs to the valuation technique used.

	The Group	
	2015	2014
	€	€
At 1 January	**77.712.100**	82.712.100
Additions	**1.989**	-
Net loss from fair value adjustments of investments at fair value through profit and loss	**(18.563.989)**	(5.000.000)
At 31 December	**59.150.100**	77.712.100

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 the Limni Bay Resort, which will include, 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.

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 10% - 11% (2014: 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.

According to the Management's opinion, there was no significant difference of significant assumptions that were used for the valuation of fair value during 2015 compared to the previous year.

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

Sensitivity of Management's estimations – 31 December 2015

			Changes in discount rate		
			-0,50%	0,00%	0,50%
Investments at fair value through profit and loss	Change in sales price	-10%	45.496.686	42.809.708	38.987.601
		0,00%	64.427.602	**59.150.100**	56.687.983
		10%	83.347.294	79.648.665	74.376.202
	Change in capital expenditure	-10%	68.138.391	64.881.278	60.240.687
		0,00%	64.427.602	**59.150.100**	56.687.983
		10%	60.716.813	57.588.788	53.135.280

Sensitivity of Management's estimations – 31 December 2014

			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 2014 and 31 December 2015.

26. LOANS RECEIVABLE

	The Group		The Company	
	2015	2014	**2015**	2014
Non-current assets	**€**	€	**€**	€
Loans to subsidiary companies (Note 40)	-	-	**30.206.458**	50.123.781
Loans to other parties	**8.868.000**	-	-	-
Loans to related companies (Note 40)	**60.788.321**	32.993.567	**17.590.801**	7.284.410
	69.656.321	32.993.567	**47.797.259**	57.408.191
Current assets				
Loans to subsidiary companies (Note 40)	-	-	-	46.454
	-	-	-	46.454
Total	**69.656.321**	32.993.567	**47.797.259**	57.454.645

26. LOANS RECEIVABLE (continued)

Loans receivable are analysed as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
Receivable	**€**	€	**€**	€
Within twelve months	-	-	-	46.454
Between 1 to 2 years	-	-	-	48.596
Between 2 to 5 years	-	-	-	281.655
Over 5 years	**69.656.321**	32.993.567	**47.797.259**	57.077.940
	69.656.321	32.993.567	**47.797.259**	57.408.191
Total	**69.656.321**	32.993.567	**47.979.259**	57.454.645

The repayment terms and the interest rates of the above loans are presented in note 40.

The loan to other parties bears 3% interest and is repayable over 5 years.

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
At 1 January	**32.993.567**	24.016.011	**57.454.645**	74.514.361
Grant of new loans	**33.765.067**	7.135.728	**23.636.152**	5.858.728
Repayment of loans and interest	-	-	**(35.490.359)**	(27.209.508)
Interest capitalised	**2.398.325**	1.679.610	**3.196.821**	4.291.064
Transfer from the amounts due from related parties	**499.362**	162.218	-	-
At 31 December	**69.656.321**	32.993.567	**48.797.259**	57.454.645

27. LIMITED BANKING DEPOSITS

In the consolidated statement of financial position in the current assets, bank deposits of the order of € 13.003.815 are presented. These deposits are not classified as cash and cash equivalents due to being blocked by the bank.

These bank deposits are part of the collection of the Group for the sale of the subsidiary companies ITTL Trade Tourist and Leisure Park Plc and Woolworth Commercial Center Plc, and were restricted by the bank after court order in relation to early termination of rental contract and the owner of the property to receive all the rental balance up to the termination of the contract. This application is expected to be released by the bank within the next year, after the case being processed or completed in court. This property was used by the subsidiary company Ermes Department Stores Plc since 2003, after the separation of the activities of Woolworth (Cyprus) Properties Plc and taking up commercial activities from Ermes Department Stores Plc. The lease document remained in the name of Woolworth (Cyprus) Properties Plc but there is a mutual understanding between the two companies that any obligation created by the above case will be shouldered by Ermes Department Stores Plc.

28. INVENTORIES

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Finished goods	**43.792.465**	43.936.994	-	-
Non current assets				
Receivable from finance lease assets	**548.003**	-	-	-

29. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	2015	2014
	€	€	€	€
Trade receivables	**18.119.800**	20.994.015	-	-
Less: Provision for bad debts	**(4.197.831)**	(5.407.857)	-	-
Net trade receivables	**13.921.969**	15.586.158	-	-
Other receivables and prepayments	**5.783.066**	5.939.081	**520.211**	55.678
Receivables from finance lease assets	**159.420**	-	-	-
Current tax receivables	**574.960**	530.245	**6.000**	6.000
Amounts due from related parties (Note 40)	**5.958.649**	7.994.135	**24.770.863**	12.826.263
	26.398.064	30.049.619	**25.297.074**	12.887.941
Total	**26.398.064**	30.049.619	**25.297.074**	12.887.941

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 €239.474 (2014: €547.248), for the impairment of its trade receivables during the year ended 31 December 2015. The loss was included in the Statement of Comprehensive Income.

Movement of the provision for bad debts:

	The Group		The Company	
	2015	2014	2015	2014
	€	€	€	€
At 1 January	**5.407.857**	5.276.008	-	-
Provision for bad debts	**239.474**	547.248	-	-
Reduction due to sale of subsidiary companies	**(204.660)**	-	-	-
Amount written off as not recoverable	**(1.244.840)**	(415.399)	-	-
At 31 December	**4.197.831**	5.407.857	-	-

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 for the year ended 31 December 2015 a provision of €4.480.000 (2014: €4.480.000) in relation to receivables. Additionally, the Group has a provision of €496.084 (2014: €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.

30. SHARE CAPITAL

	2015	2014
	€	€
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 2015		31 December 2014	
	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
The Board of Directors does not recommend the payment of dividend but will review the distribution of interim dividends before the end of the current year.

The Board of Directors at a meeting held on 28 November 2014, decided that the same shares held by the Company would be given free of charge to all shareholders of the company, in proportion to their holdings. On 2 April 2015, the process was completed through the Cyprus Stock Exchange with the registration of the free shares to the beneficiaries' accounts, where 1.207.853 with nominal value of €0,85 were allocated in proportion of 1 bonus share for every 76 shares held.

31. 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 2015 includes the cost of acquiring own shares by the subsidiary companies Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc.

As mentioned above (Note 30) during the year that ended on 31 December 2015, the Company completed the distribution of 1.207.853 treasury shares. The treasury shares held by the Company on 31 December 2015 and 31 December 2014 amounted to 12.412 and 1.220.265 respectively, with total acquisition cost € 15.773 and € 1.546.485 respectively.

32. FAIR VALUE RESERVES

The Group

	Revaluation Reserve	Investment revaluation reserve	Total
Year ended 31 December 2015	€	€	**€**
At 1 January	7.648.976	2.181.254	**9.830.230**
Revaluation of investment available for sale	-	(74.434)	**(74.434)**
Revaluation of property, plant and equipment	(6.099.257)	-	**(6.099.257)**
Deferred tax on revaluation	958.389	-	**958.389**
At 31 December	2.508.108	2.106.820	**4.614.928**
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**

The fair value reserves are not distributable.

The Company	**Revaluation reserve 2015**	Revaluation reserve 2014
	€	€
At 1 January	**5.304.038**	5.305.089
Deferred tax on revaluation of property, plant and equipment (Note 34)	**(850)**	(1.051)
At 31 December	**5.303.188**	5.304.038

The fair value reserves are not distributable.

33. BORROWINGS

	The Group		The Company	
	2015	2014	**2015**	2014
Current liabilities	**€**	€	**€**	€
Bank overdrafts	**70.969.992**	68.295.242	**10.566.691**	6.800.181
Factoring facilities	**5.789.079**	3.888.457	**-**	-
Bank loans	**18.370.891**	19.538.103	**6.424.432**	3.953.936
Other loans	**66.973**	62.470	**-**	-
	95.196.935	91.784.272	**16.991.123**	10.754.117
Non-current liabilities				
Bank loans	**163.623.752**	283.854.460	**93.342.596**	102.911.343
Loans from subsidiary company (Note 40)	**-**	-	**12.512.581**	27.378.426
Loan from parent company (Note 40)	**-**	2.132.007	**-**	-
Other loans	**630.981**	565.477	**-**	-
	164.254.733	286.551.944	**105.855.177**	130.289.769
Total	**259.451.668**	378.336.216	**122.846.300**	141.043.886

33. BORROWINGS (continued)

Bank and other loans are analysed as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
Repayable:	**€**	€	**€**	€
Within twelve months	**18.437.864**	19.600.573	**6.424.432**	3.953.936
Between 1 to 2 years	**17.721.352**	23.966.541	**6.814.247**	5.906.832
Between 2 to 5 years	**105.512.927**	163.636.743	**22.949.615**	19.976.599
Over 5 years	**41.020.454**	98.948.660	**76.091.315**	104.406.338
	164.254.733	286.551.944	**105.855.177**	130.289.769
Total	**182.692.597**	306.152.517	**112.279.609**	134.243.705

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
At 1 January	**306.152.517**	344.312.658	**134.243.705**	146.938.709
New loans	**158.500**	1.072.628	**33.241.103**	75.897.400
Repayment of capital and interest	**(36.799.498)**	(55.334.747)	**(61.559.099)**	(96.980.454)
Interest capitalised	**6.957.098**	16.073.478	**6.353.900**	8.388.050
Reduction due to sale of subsidiary companies	**(93.776.020)**	-	**-**	-
Transfer of balances from related companies	**-**	28.500	**-**	-
At 31 December	**182.692.597**	306.152.517	**112.279.609**	134.243.705

The loans are secured with:

The Group

- mortgages on land and buildings of the Group amounting to €178.052.192 (2014: €291.685.829).
- corporate guarantees from related parties amounting to €203.575.246 (2014: €209.552.321), US$- (2014: US$3.000.000).
- pledge of 92.069.399 (2014: 63.152.462) shares of Woolworth (Cyprus) Properties Plc, €73.650.000 (2014: €75.650.000) shares of Ermes Department Stores Plc and 4.150.500 (2014: 4.150.500) shares of Akinita Lakkos Mikelli Limited.
- bank guarantees amounting to €31.411.599 (2014: €32.411.599).
- concession of fire insurance amounting to €10.006.786 (2014: €10.006.786) 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, Zako Limited, Estelte Limited and Calandra Limited.

The Company

- mortgages on land and buildings of the Company amounting to €23.536.922 (2014: €23.536.922).
- corporate guarantees from related parties amounting to €44.357.510 (2014: €41.427.733).
- pledge of €84.918.637 (2014: 63.152.462) shares of Woolworth (Cyprus) Properties Plc and 63.650.000 (2014: 63.650.000) shares of Ermes Department Stores Plc.
- bank guarantees amounting to €19.093.656 (2014: €19.093.656).
- concession of fire insurance amounting to €7.980.000 (2014: €7.980.000).

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

33. BORROWINGS (continued)

The borrowings of the Group bear variable interest which during the year ended 31 December 2015 varied from 3,8% to 5,95% (2014: 3,87% to 6,75%).

The borrowings of the Company bear variable interest which during the year ended 31 December 2015 varied from 5,15% to 6,75% (2014: 4,75% to 6,75%).

On 31 December 2015, the Group and the Company had undrawn bank overdraft facilities amounting to €13.309.494 (2014: €15.570.669) and €122.619 (2014: €401.700) respectively.

The bank overdrafts expiring within one year are subject to annual review at various dates during 2015. The Board of Directors expects that the bank overdrafts subject to review in 2015 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	
	2015	2014	**2015**	2014
	€	€	**€**	€
Euro	**259.451.668**	378.336.216	**122.846.300**	141.034.886
	259.451.668	378.336.216	**122.846.300**	141.043.886

34. 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 2015	(134.177)	8.864.775	5.350.739	**14.081.337**
Debit to the statement of comprehensive income (Note 15)	-	(159.723)	(35.997)	**(195.720)**
Debit to disposal group sold during the year	-	342.646	475.886	**818.532**
Decrease from the sale of subsidiary companies	134.177	(10.221.156)	(1.938.221)	**(12.025.200)**
Debited to reserves	-	-	(1.243.485)	**(1.243.485)**
At 31 December 2015	-	(1.173.458)	2.608.922	**1.435.464**
At 1 January 2014	(134.177)	8.224.752	5.065.287	**13.155.862**
Debit to the statement of comprehensive income	-	640.023	269.176	**909.199**
Debited to reserves	-	-	16.276	**16.276**
At 31 December 2014	(134.177)	8.864.775	5.350.739	**14.081.337**

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

	2015	2014
	€	€
(Credit)/debit due to temporary differences between depreciation and capital allowances	**(159.723)**	640.023
(Credit)/debit due to revaluation to the fair value of investment property	**(41.759)**	269.176
Debit to disposal group sold during the year	**818.532**	-
Total	**617.050**	909.199

	2015	2014
The amount credited to reserves is as follows:	**€**	€
Debit/(credit) due to revaluation of property, plant and equipment	**(1.243.485)**	16.276

34. DEFERRED TAX LIABILITIES (continued)

The Company	Temporary differences between depreciation and capital allowance	Revaluation of property, plant and equipment	Revaluation of investment property	Total
	€	€	€	**€**
At 1 January 2015	450.526	117.965	1.785.797	**2.354.288**
Debit/(credit) to the statement of comprehensive income (Note 15)	(344.953)	-	15.234	**(329.719)**
Credited to reserves (Note 32)	-	850	-	**850**
At 31 December 2015	105.573	118.815	1.801.031	**2.025.419**
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 32)	-	1.051	-	**1.051**
At 31 December 2014	450.526	117.965	1.785.797	**2.354.288**

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

	2015	2014
	€	€
Credit due to temporary differences between depreciation and capital allowances	**(344.953)**	(246.035)
Debit due to revaluation of investment property to the fair value of investment property	**15.234**	18.827
	(329.719)	(227.208)

	2015	2014
	€	€
The amount debited to reserves is as follows:		
Debit due to revaluation of property, plant and equipment	**850**	1.051

35. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
Current liabilities	**€**	€	**€**	€
Trade payables	**38.239.827**	38.057.368	-	-
Other payables and accrued expenses	**24.011.559**	29.739.607	**921.178**	998.727
Amounts due to related parties (Note 40)	**346.584**	2.787.172	**42.294.495**	42.877.488
	62.597.970	70.584.147	**43.215.673**	43.876.215
Non-current liabilities				
Contractors' retention	-	4.036.762	-	-
	-	4.036.762	-	-
Total	**62.597.970**	74.620.909	**43.215.673**	43.876.215

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

36. CURRENT TAX LIABILITIES

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Corporation tax	**1.533.537**	2.280.736	-	-
Special defence contribution	**268.824**	384.405	-	-
Current tax liabilities	**1.802.361**	2.665.141	-	-

37. NOTES TO THE STATEMENTS OF CASH FLOWS

Profits/(Losses) from operations before working capital changes

		The Group		The Company	
		2015	2014	**2015**	2014
	Note	**€**	€	**€**	€
(Losses)/profits for the year		**(45.477.377)**	35.765.841	**(14.149.677)**	328.053
Adjustments for:					
Depreciation: - property, plant and equipment	18	**5.396.362**	5.895.504	**45.490**	23.977
- intangible assets	19	**116.419**	159.313	**496**	727
Taxation	15	**150.372**	398.787	**(305.897)**	(227.199)
Tax from non-continued operations		**1.271.298**	1.586.986	-	-
Interest payable		**15.714.165**	21.246.212	**9.276.917**	11.042.585
Interest receivable	12	**(2.600.798)**	(1.801.112)	**(3.336.468)**	(4.428.701)
Foreign exchange differences		**175.945**	449.125	-	-
Share of (profits)/losses from associated companies	22	**(496.858)**	683.193	-	-
Losses from sale of subsidiary companies	17	**15.202.419**	-	-	-
Profits from sale of associated companies	21	-	(2.091.767)	-	-
Share of profits from joint ventures	21	-	(37.435.162)	-	-
Profits/(losses) from sale of property, plant and equipment	10	**(34.620)**	5.148	-	-
Non-recurring expenses	13	-	110.390	-	4.480.000
Losses from investing activities	14	**26.522.477**	5.000.000	**25.249.578**	-
Profits from operations before working capital changes		**15.939.804**	29.972.458	**16.780.439**	11.219.442

38. 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	
	31/12/15	29/04/16
	%	%
Marios N. Shacolas	19,33	19,33
Eleni N. Shacola	19,33	19,33
Chrysoula N. Shacola	19,33	19,33

During 2015, 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.

39. 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.

40. RELATED PARTY TRANSACTIONS

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

(a) Sales of goods and services		The Group		The Company	
	Nature of transactions	2015	2014	2015	2014
		€	€	€	€
Parent company	Consultancy services	**40.957**	36.899	**40.957**	36.899
	Rights for use of space	**46.368**	46.368	**46.368**	46.368
		87.325	83.267	**87.325**	83.267
Subsidiary companies	Financing and interest	-	-	**2.662.065**	3.933.730
	Consultancy services	-	-	**769.304**	489.006
	Rights for use of space	-	-	**1.308.315**	1.326.921
	Dividends receivable	-	-	**16.947.001**	11.555.803
		-	-	**21.686.685**	17.305.460
Related companies	Sales of goods	**408.591**	469.159	-	-
	Financing and interest	**2.280.200**	1.679.610	**674.400**	441.256
	Consultancy services	**138.575**	701.592	**114.340**	103.629
	Rights for use of space	**40.549**	14.759	-	-
	Other	**114.355**	98.489	**71.468**	-
		2.982.270	2.963.609	**860.208**	544.885

40. RELATED PARTY TRANSACTIONS (continued)

(b) Purchases of goods and services

		The Group		The Company	
	Nature of transactions	2015	2014	2015	2014
		€	€	€	€
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
	Purchases of shares	-	-	-	13.407
	Financing and interest	-	-	3.232.806	4.064.497
	Consultancy services	-	-	-	96.367
		-	-	3.232.806	4.207.488
Related companies	Financing and interest	105.706	183.135	-	-
	Consultancy services	218.075	105.246	-	-
	Other	-	772.785	-	-
		323.781	1.061.166	-	-

(c) Year end balances arising from the above transactions

	The Group		The Company	
	2015	2014	2015	2014
	€	€	€	€
Amounts receivable				
Parent company	141.259	68.159	-	-
Subsidiary companies	-	-	20.033.344	7.732.429
Related companies	4.815.944	6.907.553	4.737.519	5.093.834
Associated companies	1.001.446	1.018.423	-	-
	5.958.649	7.994.135	24.770.863	12.826.263
Amounts payable				
Parent company	25.232	2.127.921	-	1.986.981
Subsidiary companies	-	-	42.205.952	40.801.964
Related companies	321.352	659.251	88.543	88.543
	346.584	2.787.172	42.294.495	42.877.488

40. RELATED PARTY TRANSACTIONS (continued)

(d) Loan from parent company

The loan from the holding company N.K. Shacolas (Holdings) Limited bears interest at 5% (2014: 5.75%) and on the 31 December 2013 an agreement was signed between related parties that it will not request repayment of any amount over the next four years from the date of the agreement. The loan was fully repaid during the year that ended on the 31 December 2015.

The movement of the above loan was as follows:

	The Group	
	2015	2014
	€	€
At 1 January	**2.132.007**	5.836.351
New Loan	**150.000**	1.480.468
Repayment	**(2.338.238)**	(5.543.194)
Transfer of balances from related companies	-	28.500
Interest payable	**56.231**	329.882
At 31 December	-	2.132.007

(e) Loans payable to subsidiary companies

The loans receivable from subsidiary companies include the following loans:

(i) Loan granted from the subsidiary company Ermes Department Stores Plc amounting to €4.468.104 (2014: € 9.022.241), which bears interest at 6.25% until 30 June 2015 and 5.50% from 1 July 2015 and is payable in more than five years.

(ii) Loan granted from the subsidiary company Amaracos Holding (CTC + PG) Limited amounting to € 8.044.477 (2014: € 18.356.185), which bears interest at 2% and is payable in more than five years.

(f) Loans receivable from subsidiary companies

Loans receivable from subsidiary companies include the following loans:

(i) Loan granted to the subsidiary company Woolworth (Cyprus) Properties Plc amounting to € 30.206.458 (2014: € 49.636.507), which bears interest at 6.5% until 30 June 2015 and 7% from 1 July 2015 and is payable in more than five years.

(ii) Loan granted to the subsidiary company CTC Automotive Limited, which was repaid during the year that ended on the 31 of December 2015 (2014: € 533.728). The loan bears interest at 4.75% and was payable in monthly instalments until 2024.

(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 €7.736.254 (2014: €7.284.410). 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 by the Company to the related company Olympos Investments Ltd amounting to € 9.854.547 (2014: € 0). The loan bears interest at 5.5% and is repayable in more than five years.

(iii) Loan granted by the subsidiary company Woolworth (Cyprus) Properties Plc to the related company Cyprus Limni Resorts and GolfCourses Plc amounting to € 34.064.101 (2014: € 25.709.157). The loan bears interest at 5.75% (2014: 5.75%) and is repayable in more than five years.

(iv) Loan granted by the subsidiary company Woolworth (Cyprus) Properties Plc to the related company Olymbos Investments Limited amounting to €9.133.419 (2014: €-). The loan bears interest at 5% and is repayable in more than five years.

40. RELATED PARTY TRANSACTIONS (continued)

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

	The Group		The Company	
	2015	2014	**2015**	2014
Remuneration and other short term benefits	**€**	€	**€**	€
Board of Directors	**684.823**	592.373	**625.873**	546.333
Remuneration and other short term benefits				
Key Management Personnel	**3.513.947**	3.371.737	**313.061**	183.571
Total	**4.198.770**	3.964.110	**938.934**	729.904

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

	The Group		The Company	
	2015	2014	**2015**	2014
	€	€	**€**	€
Emoluments as Executive Directors	**94.700**	72.240	**67.750**	50.470
Remuneration as Executive Directors	**491.259**	411.786	**491.259**	411.786
Emoluments as Non-Executive Directors	**59.450**	52.500	**27.450**	28.230
Employer's contributions to Executive Directors	**39.414**	55.847	**39.414**	55.847
Total	**684.823**	592.373	**625.873**	546.333

The total remuneration and other short term benefits of key management 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 (2014: €121.794.406).

41. CONTINGENT LIABILITIES

The Group

At 31 December 2015 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 Board of Directors will monitor the progress of the case and act accordingly.

The Company

On 31 December 2015 and 31 December 2014 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.

42. 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.

The Company

At 31 December 2015 and 31 December 2014, the Company had no significant capital commitments.

43. EVENTS AFTER THE END OF THE REPORTING PERIOD

The following events occurred after the reporting date and relate to the better understanding of the Group's and the Company's financial statements.

Scandia and Megaelectric

On 6 April 2016 an agreement was signed between the subsidiary company of Ermes Department Stores Plc Ideea Distribution of Appliances Ltd, owner of the chain of shops Scandia and the company E&G Electricplus Limited, owner of the shops Megaelectric. The agreement provides for the incorporation of a new entity, to which all activities of both companies will be transferred to. At the same time all staff will be transferred as well as the assets and liabilities of both Companies. Ermes Department Stores Plc will retain control of the new entity with 50% + 1 shares. The agreement is subject to approval by the commission for the Protection of Competition.

Restructuring of Borrowings

According to the restructuring of borrowings of the Company and the Group and the banks it collaborates with (subsequently to consolidation), with regards to borrowings that are presented in the financial statements, liabilities as at 31 December 2015 amounting to €81.295.187 for the Company and €131.921.082 for the Group, a change in the repayment conditions and a reduction in the interests charged was achieved. As a result, current liabilities amounting to €4.467.470 for the Company and €9.728.972 for the Group have been converted to non-current liabilities.

If the restructuring with these banks was to be completed before 31 December 2015, then the separation of borrowings of the Company and the Group into current and non-current liabilities would be as followed:

	The Group	The Company
	2015	2015
Current liabilities	€	€
Bank overdrafts	70.969.992	10.566.691
Factoring facilities	5.789.079	-
Bank loans	8.641.919	1.956.962
Other loans	66.973	-
	85.467.963	12.523.653
Non-current liabilities		
Bank loans	173.352.724	97.810.066
Loans from subsidiary companies	-	12.512.581
Other loans	630.981	-
	173.983.705	110.322.647
Total	259.451.668	122.846.300
Repayable		
Between 1 to 2 years	8.064.587	2.370.236
Between 2 to 5 years	95.160.079	21.105.458
Over 5 years	70.759.039	86.846.953
	173.983.705	110.322.647

43. EVENTS AFTER THE END OF THE REPORTING PERIOD (continued)

Based on the above, the liquidity risk of the Company and the Group including interest payable would be as followed:

	Within 1 year	1 - 2 years	2 - 5 years	Over 5 years
	€	€	€	€
The Group				
As at 31 December 2015				
Bank overdrafts	70.969.992	-	-	-
Factoring facilities	5.789.079	-	-	-
Bank loans	14.426.012	13.282.360	74.648.542	140.419.914
Other loans	134.598	138.334	420.764	134.972
Trade and other payables	62.597.970	-	-	-
	153.917.651	13.420.694	75.069.306	140.554.886
The Company				
As at 31 December 2015				
Bank overdrafts	10.556.691	-	-	-
Bank loans	7.471.324	7.358.144	37.118.288	86.091.085
Trade and other payables	43.215.673	-	-	-
	61.243.688	7.358.144	37.118.288	86.091.085

The Group is in advanced discussions for the restructuring of its remaining loans and it is expected soon that this restructuring will also be approved.

There were no other significant events after the reporting date that may affect the consolidated and separate financial statements as at 31 December 2015.

44. DIFFERENCE FROM FINANCIAL RESULTS INDICATION

The profitability of the Group is not materially different from the indicative results which were announced on 26 February 2016. The losses of the Group for the year ended 31 December 2015 amounted to €45.477.377, while the losses of the Group as per the financial results indication amounted to €45.419.000.

DESIGN / LAYOUT/ PRODUCTION SUPERVISION: GRANDAD ADVERTISING