Demetra Investment Public Limited

Annual Report and Consolidated Financial Statements
For the year ended 31 December 2011

Board of Directors and Professional Advisors

BOARD OF DIRECTORS

Demetrios Stavrou	(Non-executive Chairman)
Lefteris Christoforou	(Non-executive Vice-chairman)
Dr. Nearchos Ioannou	(Non-executive Vice-chairman)
Kriton Georgiades	(Non-executive Director)
Evangelos Georgiou	(Non-executive Director)
Fotis Demetriades	(Non-executive Director)
Maria Ioannou Theodorou	(Non-executive Director)

COMPANY SECRETARY

Dr. Nicos Michaelas

REGISTERED OFFICE

13 Lemesou Avenue, 5th Floor
2112, Aglantzia, Nicosia
Cyprus

INVESTMENTS MANAGERS

Co-operative Central Bank Ltd
EFG Eurobank Asset Management Ltd
Marfin CLR (Financial Services) Ltd
Argus Financial Services Ltd
Goldman Sachs International

LAWYERS

Georgiades & Pelides LLC

BANKERS

Co-operative Central Bank Ltd
Co-operative Credit Companies and Savings Companies
Alpha Bank
Cyprus Popular Bank Public Co Ltd
EFG Eurobank Ergasias A.E.
Bank Of Cyprus Public Company Ltd
Piraeus Bank
Societe Generale

AUDITORS

Deloitte Limited
24 Spyrou Kyprianou,
1075 Nicosia,
Cyprus

Report of the Board of Directors

The Board of Directors of Demetra Investment Public Limited (the "Company") presents its report together with the audited consolidated financial statements of the Company and its subsidiaries ("the Group") and the individual financial statements of the Company for the year ended 31 December 2011.

Principal activities

The principal activities of the Group comprise of the management of the investment portfolio which includes investments in bonds, securities, venture capital and strategic investments, including inter alia, dividend and interest bearing securities, deposits and financial instruments such as forward contracts, as well as investments in the real estate and immovable property development.

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

The Group, during the year, had incurred losses as a result of the continuing global economic crisis that had negatively affected the Group's investment portfolio. The loss after tax for the year was €14,9 million (7,43 cent per share), compared to €15,6 million after tax loss in 2010 (7,79 cent per share). The Company's net asset value per share has decreased from 81,36 cents on 31 December 2010 to 73,99 cents on 31 December 2011, a decrease of 9,1%.

The Group's dividend receivable, which amounted to €1,1 million, significantly decreased by 59% compared to 2010. The decrease was due to the dividend policy of the public companies and due to the significant decrease of the investment portfolio in securities. Interest receivable amounted to €4,5 million, representing a fall of 8%. This decrease was mainly due to the fall of the interest rates of bonds as a result of the decrease of the investment portfolio in bonds.

The Group's financial assets showed a loss of €14,7 million compared to a loss of €11,8 million in 2010. The loss resulted mainly from the decrease of the Company's portfolio value which is invested in the stock markets of Cyprus and Greece, because of the decrease of the securities value, in those stock markets.

The Group's investment portfolio in the real estate and immovable property development sector showed a loss of €3,5 million, which resulted from the global financial downturn and its effect on the global real estate markets. This loss is unrealised and is a result of the revaluation of the Group's property.

Administrative expenses have shown no significant change in comparison to 2010, and amounted to €1,8 million. Financial expenses have increased from €133 thousand in 2010 to €487 thousand in 2011, mainly due to the inclusion of foreign exchange loss that amounted to €229 thousand in 2011.

The activities of the group, for management purposes, fall within two main sectors: a) Securities Portfolio Management and b) Land and immovable Property Development. On 31 December 2011, the Group's assets were made up of investments of 61,0% in Securities Portfolio Management Investments, 36.3% in Land and Immovable Property Development and 2.7% in other assets.

The ongoing global economic crisis significantly affects negatively the stock markets and the sector of land immovable property development, and also all other sectors of the economy both in Cyprus and abroad. The depth and timing of this economic crisis cannot be predicted. The Board of Directors under these conditions is not in a position to make an accurate estimate on the Group's results in 2012.

Report of the Board of Directors (continued)

Results

The Company's and the Group's results for the year are presented on pages 13 and 9 respectively.

Main risks and uncertainties

The main risks which both the Company and the Group face are market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operating risk, compliance risk, share ownership risk, capital management risk and economic crisis risk. These risks and the risk management policy adopted by the Company and the Group are explained in note 3 of the financial statements.

Future development of the Group

The Board of Directors does not anticipate any significant changes in the activities of the Company and the Group in the foreseeable future.

Events after the balance sheet date

Any significant events that occurred after the balance sheet date are described in note 41 of the financial statements.

Existence of branches

The Company and the Group do not maintain any branches.

Corporate Governance Statement

The Company gives special attention to the application of sound corporate governance policies, practices and procedures. Corporate governance is the set of procedures followed for the correct management and administration of an entity. Corporate Governance rules the relationship between the shareholders, the board of directors and the management team of a company. Additional information is provided in the Report on Corporate Governance, included in the Annual Report.

The Company being listed in the Cyprus Stock Exchange (CSE) adopts the principles of the Code of Corporate Governance introduced by the CSE and fully applies the provisions of the Code.

Dividends

The Board of Directors of the Company does not suggest any dividend payment and the net loss for the year is transferred to the Reserves (2010: € NIL).

Share capital

During the year, there were no changes in the share capital of the Company.

On 2 September 2009, the Company's Board of Directors decided to introduce a share repurchase scheme which has a duration from 3rd September 2009 to 2nd September 2010 for the repurchase of up to 5.000.000 own shares. During the year ended 31 December 2009 the Company acquired 6.538 own shares with a total cost of €2.492. The ownership duration for these shares may not exceed two years. On 15 September 2010, the Board of Directors decided to renew the Buyback Program which runs from 16 September 2010 to 15 September 2011, while on 7 September 2011 the Buyback Program was renewed for an additional year.

On 27 March 2012, the Company sold the above shares and received the amount of €1.483.

Report of the Board of Directors (continued)

Changes in the Group's structure

During the year ended 31 December 2011 the Company, through its subsidiary Demetra Real Estate Investments Limited, acquired the 100% of the share capital of Aniben Enterprises Limited for the amount of €2.750.000. The acquired company owns an investment property which generates rental income.

Board of directors

The members of the Board of Directors as at 31 December 2011 and on the date of this report are shown on page 1. All of them were members of the Board throughout 2011. During the forthcoming Annual General Meeting one third of the directors will resign from office, but they will reserve the right to put themselves forward for re-election.

There were no significant changes in the assignment of responsibilities of the members of the Board of Directors. The remuneration of the Board Members for the current year remained at €3.500 per annum, according to the resolution of the Annual General Meeting dated 7 September 2011.

Board of Directors Remuneration

During the year, the Board Members received the amount of €64.400 (2010: €71.450) as remuneration for their services as Members of the Board of Directors of the Company. Additionally, during 2011 an amount of €73.846 (2010: €48.000) was paid to the Chairman and to the two vice-chairmen of the Board for entertainment expenses. Detailed analysis of the remuneration of each Director is given in note 34 of the financial statements.

Additionally, during 2011 an amount of €28.696 (2010: €19.590) was paid for other expenses of the members of the Board of Directors.

Directors' interests in the Company's capital

The percentage shareholding in the Company's share capital, as at 31 December 2011 and 18 April 2012 by the members of the Board of Directors, their spouses and their infant children, together with companies in which they hold directly or indirectly at least 20% of the voting rights in a general meeting, are as follows:

	31 December 2011	18 April 2012
	%	%
Demetrios Stavrou	0,004	0,004
Dr. Nearchos Ioannou	0,000	0,000
Lefteris Christoforou	0,000	0,000
Kriton Georgiades	0,003	0,003
Evangelos Georgiou	0,003	0,003
Fotis Demetriades	0,001	0,001
Maria Ioannou Theodorou	0,000	0,000

Major shareholders

As at 31 December 2011 and 18 April 2012, the shareholders listed below owned more than 5% of the issued share capital of the Company with the following shareholding percentages:

	31 December 2011	18 April 2012
	%	%
Limassol Co-operative Limited	7,46%	7,49%
Strovolos Co-operative	6,56%	6,61%

Auditors

Deloitte Limited, expressed their willingness to continue in office. A resolution authorising the Board of Directors to determine their remuneration will be submitted at the forthcoming Annual General Meeting.

By Order of the Board of Directors

Demetrios Stavrou
Chairman

Nicosia, 23 April 2012

Demetra Investment Public Limited

Declaration of the Members of the Board of Directors and other officers of the Company for the preparation of the Financial Statements

In accordance with Article 9(7) of Law 190(I)/2007 on Transparency Requirements in relation to an issuer whose securities are listed for trading on a regulated market, we the Members of the Board of Directors and all other persons responsible for the financial statements of Demetra Investment Public Limited for the year ended 31 December 2011, confirm that to the best of our knowledge:

(a) the annual financial statements that are presented on pages 9 to 62

  (i) were prepared according to the International Financial Reporting Standards as adopted by the European Union and according to Article (4), and

  (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Demetra Investment Public Limited and the undertakings included in the consolidated financial statements, as a whole and

(b) The Report of the Board of Directors includes a fair review of the developments and performance of the business as well as the position of Demetra Investment Public Limited [and the undertakings included in the consolidated financial statements, as a whole together with the description of the principal risks and uncertainties that they face.

Members of the Board of Directors

……………………………. Demetrios Stavrou, Non-executive Chairman

…………………………….. Lefteris Christoforou, Non-executive Vice-chairman

……………………………. Dr. Nearchos Ioannou, Non-executive Vice-chairman

……………………………. Kriton Georgiades, Non-executive Director

…………………………….. Evangelos Georgiou, Non-executive Director

…………………………….. Fotis Demetriades, Non-executive Director

…………………………….. Maria Ioannou Theodorou, Non-executive Director

Financial Controller

…………………………….. Costas Paphitis

Company Secretary

…………………………….. Nicos Michaelas

Nicosia, 23 April 2012

Independent Auditors' Report

To the Members of Demetra Investment Public Limited

Report on the Consolidated and Individual Financial Statements of the Company

We have audited the consolidated financial statements of ***Demetra Investment Public Limited*** (the "Company") and its subsidiaries ("the Group") and the individual financial statements of the Company on pages 9 to 62, which comprise the consolidated and Company statement of financial position as at 31 December 2011 and the consolidated and Company statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated and individual financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113 and those internal safeguards which the Board determines are necessary to enable the preparation of the consolidated and separate financial statements 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 individual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 financial statements.

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

Independent Auditors' Report

To the Members of Demetra Investment Public Limited (continued)

Opinion

In our opinion, the consolidated and individual financial statements give a true and fair view of the financial position of the Group and the Company as of 31 December 2011 and of the financial performance and cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other legal and regulatory requirements

Pursuant to the requirement of the Law of 2009 on Statutory Audit of Annual and Consolidated Accounts, 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.
- The consolidated and individual financial statements of the Company 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 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 2 to 5 is consistent with the consolidated and individual financial statements.

Pursuant to the requirements of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission, we report that a statement of corporate governance has been performed for the information that relate to paragraphs (a), (b), (c), (f) and (g) of article 5 of Directive DI190-2007-04, which is a special section of the Report of the Board of Directors.

Other Matter

This report, including the opinion, has been for and only for prepared for the Company's members as a body in accordance with Article 34 of the Law of 2009 on Statutory audit of Annual and Consolidated Accounts 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.

Andreas Andreou
Chartered Accountants and Registered Auditors
for and on behalf of

Deloitte Limited
Chartered Accountants and Registered Auditors

Nicosia, April 23, 2012

Demetra Investment Public Limited

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2011

	Note	2011 €	2010 €
Revenue			
Dividends receivable	6	**1.115.918**	2.710.317
Interest receivable and other financial income	6	**4.513.122**	4.919.843
Loss from disposal, revaluation and development of land and immovable property	10	**(3.506.199)**	(5.610.893)
Loss from financial assets and liabilities	5	**(14.653.658)**	(11.792.451)
		(12.530.817)	(9.773.184)
Administrative expenses	9	**(1.769.415)**	(1.722.833)
Reversal of provision / (provisions)	11	**112.428**	(2.383.679)
Financial expenses	12	**(486.991)**	(133.389)
Write off of negative goodwill	16	**171**	-
Share of loss from associated companies	20	**(56.171)**	(549.817)
Loss before taxation		**(14.730.795)**	(14.562.902)
Taxation	13	**(122.596)**	(1.018.403)
Net loss for the year		**(14.853.391)**	(15.581.305)
Other comprehensive income / (expense)			
Exchange gain arising on the translation of balances with foreign subsidiaries		**260.791**	16.584
Loss on revaluation of financial assets available-for-sale		**(149.275)**	-
(Loss) / gain on revaluation of tangible assets		**(15.584)**	15.584
Deferred tax due to reassessment		**1.558**	(1.558)
Total comprehensive expense for the year		**(14.755.901)**	(15.550.695)
Net loss attributable to:			
Company Shareholders		**(14.853.391)**	(15.581.305)
Loss per share – cents	14	**(7,43)**	(7,79)

The notes on pages 17 to 62 form an integral part of these financial statements.

Consolidated Statement of Financial Position
as at 31 December 2011

	Note	**2011 €**	2010 €
ASSETS			
Non-current assets			
Property, plant and equipment	17	**1.715.723**	2.872.671
Investment property	18	**42.042.222**	37.736.259
Financial assets available-for-sale	21	**150.725**	966.242
Loans and other receivables	23	**2.127.677**	410.064
Deferred taxation	29	**515.330**	254.002
Total non-current assets		**46.551.677**	42.239.238
Current Assets			
Inventory	22	**11.546.761**	12.435.002
Loans and other receivables	23	**3.906.878**	4.246.591
Receivables from associated companies	24	**3.376.722**	2.456.022
Financial assets at fair value through profit and loss	26	**15.236.082**	46.793.480
Bank deposits	27	**60.491.630**	54.607.444
Cash and cash equivalents	27	**13.955.651**	9.154.929
Total current assets		**108.513.724**	129.693.468
Total assets		**155.065.401**	171.932.706
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	28	**170.000.000**	170.000.000
Reserves		**(22.033.452)**	(7.277.551)
Total equity		**147.966.548**	162.722.449
Non-current liabilities			
Deferred taxation	29	**204.325**	258.254
Loans – non-current portion	30	**4.787.442**	5.658.567
Total non-current liabilities		**4.991.767**	5.916.821
Current liabilities			
Loans – current portion	30	**871.124**	896.979
Financial liabilities at fair value through profit and loss	31	**32.423**	106.225
Trade and other payables	32	**803.331**	1.996.303
Current tax liabilities	33	**400.208**	293.929
Total current liabilities		**2.107.086**	3.293.436
Total equity and liabilities		**155.065.401**	171.932.706
Net assets per share - cents	14	**73,99**	81,36

On 23 April 2012 the Board of Directors of Demetra Investment Public Limited authorised these consolidated financial statements for issue.

Demetrios Stavrou, Chairman

Dr. Nearchos Ioannou, Vice-chairman

The notes on pages 17 to 62 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Changes in Equity
for the year ended 31 December 2011

	Share capital €	Accumulated profits / (losses) €	Land and Buildings revaluation reserve €	Own shares reserve €	Share Capital Conversion Reserve €	Exchange difference reserve €	Revaluation reserve for financial assets available-for-sale €	Total equity €
Balance 31 December 2009 / 1 January 2010	**170.000.000**	**6.152.502**	**-**	**(2.492)**	**860.144**	**46.269**	**-**	**177.056.423**
Net loss for the year	-	(15.581.305)	-	-	-	-	-	(15.581.305)
Other comprehensive income for the year	-	-	14.026	-	-	16.584	-	30.610
Defence payable on deemed distribution of dividends – adjustment for prior years	-	1.216.721	-	-	-	-	-	1.216.721
Balance 31 December 2010 / 1 January 2011	**170.000.000**	**(8.212.082)**	**14.026**	**(2.492)**	**860.144**	**62.853**	**-**	**162.722.449**
Net loss for the year	-	(14.853.391)		-	-	-	-	(14.853.391)
Other comprehensive income / (expense) for the year	-	-	(14.026)	-	-	260.791	(149.275)	97.490
Balance 31 December 2011	**170.000.000**	**(23.065.473)**	**-**	**(2.492)**	**860.144**	**323.644**	**(149.275)**	**147.966.548**

From the tax year commencing 1 January 2003, companies, tax residents in Cyprus, who do not distribute at least 70% of their profits after tax as defined by the Special Defence Contribution for the Cyprus Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special defence contribution at 20% for the years 2012 and 2013 and 17% for 2014 onwards (for 2011 the percentage was 15% until 31 August 2011 and 17% up to year end) is payable on such deemed dividend distribution to the extent that the shareholders of the Company (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are tax residents of Cyprus.

The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year during the following two years and in the case when the actual dividend is paid after the two years of the relevant tax year, any deemed distribution amount decreases the actual dividend for which special contribution for defence is withheld.

The notes on pages 17 to 62 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Cash Flows
for the year ended 31 December 2011

	Note	**2011 €**	2010 €
Cash flow from operating activities			
Loss for the year before taxation		**(14.730.795)**	(14.562.902)
Adjustments for:			
Depreciation of property, plant and equipment	17	**83.437**	64.152
Loss on disposal and revaluation of property, plant and equipment	10	**214.764**	10.705
Loss on disposal and revaluation of financial assets and liabilities held at fair value through profit and loss	5	**14.687.416**	11.792.451
Profit from financial assets available-for-sale	5	**(33.758)**	-
Gain from write off of negative goodwill	16	**(171)**	-
Loss on revaluation and disposal of investment property	10	**3.687.883**	306.161
Interest on loans payable		**246.621**	127.345
Share of loss from associated companies	20	**56.171**	549.817
Exchange difference arising on the re-translation of balances in foreign currency		**260.791**	16.584
Net cash flow before working capital changes		**4.472.359**	(1.695.687)
Decrease in inventories		**888.241**	4.725.653
(Increase) / decrease in trade and other receivables		**(377.900)**	684.744
Increase in receivables from associated companies		**(976.871)**	(20.783)
Net sales of financial assets and liabilities at fair value through profit and loss		**16.796.180**	(2.132.746)
Decrease in trade and other payables		**(1.109.821)**	(823.701)
(Increase) / decrease in bank deposits		**(5.884.186)**	1.322.725
Cash flow from operations		**13.808.002**	2.060.205
Taxation paid		**(430.032)**	(1.028.325)
Net cash flow from operations		**13.377.970**	1.031.880
Cash flow from investing activities			
Purchase of property, plant and equipment	17	**(364.020)**	(184.138)
Proceeds from sale of property, plant and equipment	17	**1.207.183**	2.000
Sale of shares in associated companies	20	**-**	16.225
Investments in subsidiaries	19	**(2.732.964)**	113.878
Purchase of investment property	18	**(5.243.847)**	(8.559.082)
Purchase of financial assets available-for-sale	21	**700.000**	-
Purchase of bonds	23	**(1.000.000)**	-
Increase of financial assets held-to-maturity		**-**	(1.565)
Sale of financial assets held-to-maturity		**-**	6.834.406
Net cash flow for investing activities		**(7.433.648)**	(1.778.276)
Cash flow from financing activities			
Proceeds from receivable loans		**-**	7.000.000
Repayment of loans		**(1.143.600)**	(9.445.101)
Net cash flow for financing activities		**(1.143.600)**	(2.445.101)
Net increase / (decrease) in cash and cash equivalents		**4.800.722**	(3.191.497)
Cash and cash equivalents at the beginning of the year		**9.154.929**	12.346.426
Cash and cash equivalents at the end of the year	27	**13.955.651**	9.154.929

The notes on pages 17 to 62 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Comprehensive Income
for the year ended 31 December 2011

	Note	**2011** **€**	2010 €
Revenue			
Dividends receivable	6	**1.115.918**	2.710.317
Interest receivable and other financial income	6	**4.922.403**	5.802.294
(Loss)/Gain from disposal, revaluation and development of land and immovable property	10	**(726.850)**	261.861
Loss from financial assets and liabilities	5	**(10.953.658)**	(11.797.080)
		(5.642.187)	(3.022.608)
Administrative expenses	9	**(1.500.863)**	(1.579.696)
Impairment of investments in subsidiaries	19	**(5.615.952)**	(24.000.000)
Decrease in provisions	11	**-**	100.029
Financial expenses	12	**(501.230)**	(130.250)
Loss before taxation		**(13.260.232)**	(28.632.525)
Taxation	13	**(304.695)**	(932.551)
Net loss for the year		**(13.564.927)**	(29.565.076)
Other comprehensive expense			
Loss on revaluation of investments available-for-sale		**(149.275)**	-
Total comprehensive expense for the year		**(13.714.202)**	(29.565.076)
Net loss attributable to:			
Company shareholders		**(13.564.927)**	(29.565.076)
Loss per share – cent	14	**(6,78)**	(14,78)

The notes on pages 17 to 62 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Financial Position as at 31 December 2011

	Σημ.	2011 €	2010 €
ASSETS			
Non-current assets			
Property, plant and equipment	17	**141.234**	142.688
Investment property	18	**3.615.000**	4.246.000
Investments in subsidiaries	19	**19.971.872**	22.837.824
Investments in associates	20	**828**	828
Financial assets held-for-sale	21	**150.725**	966.242
Loans and other receivables	23	**2.127.677**	410.064
Receivables from subsidiaries and associated companies	25	**-**	3.358.382
Deferred taxation	29	**30.272**	-
Total non-current assets		**26.037.608**	31.962.028
Current assets			
Loans and other receivables	23	**3.529.308**	3.975.532
Receivables from subsidiaries and associated companies	25	**38.806.115**	29.986.047
Financial assets at fair value through profit and loss	26	**15.236.082**	43.093.480
Bank deposits	27	**60.491.630**	54.607.444
Cash and cash equivalents	27	**12.815.659**	8.362.844
Total current assets		**130.878.794**	140.025.347
Total assets		**156.916.402**	171.987.375
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	28	**170.000.000**	170.000.000
Reserves		**(19.668.374)**	(5.954.172)
Total equity		**150.331.626**	164.045.828
Non-current liabilities			
Deferred taxation	29	**37.576**	79.644
Loans – non-current portion	30	**4.787.442**	5.658.567
Total non-current liabilities		**4.825.018**	5.738.211
Current liabilities			
Loans – current portion	30	**871.124**	896.979
Financial liabilities at fair value through profit and loss	31	**32.423**	106.225
Trade and other payables	32	**480.633**	915.267
Current tax liabilities	33	**375.578**	284.865
Total current liabilities		**1.759.758**	2.203.336
Total equity and liabilities		**156.916.402**	171.987.375
Net assets per share (cents)	14	**75,17**	82,03

On 23 April 2012 the Board of Directors of Demetra Investment Public Limited authorised these financial statements for issue.
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Demetrios Stavrou, Chairman | Dr. Nearchos Ioannou, Vice-chairman

The notes on pages 17 to 62 form an integral part of these financial statements.

Holding Company Statement of Changes in Equity
for the year ended 31 December 2011

	Share Capital €	Accumulated profits / (losses) €	Own shares reserve €	Share Capital Conversion Reserve €	Revaluation reserve for financial assets available-for-sale €	Total equity €
Balance 31 December 2009 / 1 January 2010	**170.000.000**	**21.536.531**	**(2.492)**	**860.144**	**-**	**192.394.183**
Net loss for the year	-	(29.565.076)	-	-	-	(29.565.076)
Defence payable on deemed distribution of dividends – adjustment for prior years	-	1.216.721	-	-	-	1.216.721
Balance 31 December 2010 / 1 January 2011	**170.000.000**	**(6.811.824)**	**(2.492)**	**860.144**	**-**	**164.045.828**
Net loss for the year	**-**	**(13.564.927)**	**-**		**-**	**(13.564.927)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**(149.275)**	**(149.275)**
Balance 31 December 2011	**170.000.000**	**(20.376.751)**	**(2.492)**	**860.144**	**(149.275)**	**150.331.626**

From the tax year commencing 1 January 2003, companies, tax residents in Cyprus, which do not distribute at least 70% of their profits after tax as defined by the Special Defence Contribution for the Cyprus Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special defence contribution at 20% for the years 2012 and 2013 and 17% for 2014 onwards (for 2011 the percentage was 15% until 31 August 2011 and 17% up to year end) is payable on such deemed dividend distribution to the extent that the shareholders of the Company (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are tax residents of Cyprus.

The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year during the following two years and in the case when the actual dividend is paid after the two years of the relevant tax year, any deemed distribution amount decreases the actual dividend for which special contribution for defence is withheld.

The notes on pages 17 to 62 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Cash Flows
for the year ended 31 December 2011

	Note	**2011 €**	2010 €
Cash flow from operating activities			
Loss for the year before taxation		**13.260.232**	(28.632.525)
Adjustments for:			
Interest as loans payable		**246.621**	127.345
Depreciation of property, plant and equipment	17	**37.076**	42.555
Loss from sale of property, plant and equipment		**-**	10.705
Profit from financial assets available-for-sale	5	**(33.758)**	-
Loss on disposal and revaluation of financial assets and liabilities held at fair value through profit and loss	5	**10.987.4 16**	11.797.080
Impairment of investments in associates and subsidiaries	19	**5.615.95**	24.000.000
Loss / (profit) on revaluation and sale of investment properties	10	**723.400**	(261.861)
Net cash flow before working capital changes		**4.316.47**	7.083.299
Increase / (decrease) in trade and other receivables		**(271.389)**	234.615
Increase in amounts receivable from subsidiary and associated companies		**(5.355.53**	(17.769.597)
Net sales of financial assets and liabilities at fair value through profit and loss		**16.796.1**	(2.132.746)
Increase in trade and other payables		**(434.634)**	(941.554)
(Increase) / decrease in bank deposits		**(5.884.18**	1.046.893
Cash flow from / (to) operations		**9.166.91**	(12.479.090)
Taxation paid		**(392.478)**	(989.600)
Net Cash flow from / (to) operations		**8.774.43**	(13.468.690)
Cash flow from investing activities			
Purchase of property, plant and equipment	17	**(35.622)**	(76.721)
Proceeds from sale of property, plant and equipment	17	**-**	2.000
Purchase of investment property	18	**(92.400)**	(1.305.139)
Sale of financial assets available-for-sale	21	**700.000**	-
Increase of financial assets held-to-maturity		**-**	(1.565)
Sale of financial assets held-to-maturity		**-**	6.834.406
Sale of shares in associated companies	20	**-**	16.225
Purchase of bonds	23	**(1.000.00**	-
Purchase of subsidiaries	19	**(2.750.00**	-
Net cash flow (used in) / from investing activities		**(3.178.02**	5.469.206
Cash flow from financing activities			
Receipts from loans		**-**	7.000.000
Repayment of loans		**(1.143.60**	(571.801)
Net cash flow for (used in)/ from financing activities		**(1.143.60**	6.428.199
Net increase / (decrease) in cash and cash equivalents		**4.452.81**	(1.571.285)
Cash and cash equivalents at the beginning of the year		**8.362.84**	9.934.129
Cash and cash equivalents at the end of the year	27	**12.815.6**	8.362.844

The notes on pages 17 to 62 form an integral part of these financial statements.

1. General Information

Incorporation
Demetra Investment Public Limited (the "Company") was incorporated in Cyprus as a public limited liability company in accordance with the provisions of the Companies Law, Cap. 113 on 30 December 1999. The shares and warrants of the Company were listed on the Cyprus Stock Exchange on 27 April 2000. The registered office of the Company is at 13 Lemesos Avenue, 5th floor, 2112, Nicosia, Cyprus.

Principal Activities
On 7 March 2005, the Board of the Cyprus Stock Exchange with the agreement of the Securities and Exchange Commission approved the Prospectus of the Company dated 4 March 2005 regarding the expansion of its activities and its release from any investment limitations.

The principal activities of the Group comprise the management of the investment portfolio which includes investments in securities, venture capital and strategic investments, including inter alia, dividend earning and interest earning securities, deposits and financial instruments such as derivatives and forward contracts, as well as investments in real estate and immovable property development.

Investment management
On 14 February 2011, the agreement with the Central Cooperative Bank Limited governing the management of the Company's funds which are invested in the Cyprus Stock Exchange with the Central Cooperative Bank Limited was renewed for a period of one additional year. The Company reserves the right to terminate the agreement at any given time by giving at least one month's notice. For the services provided by the Investment Manager to the Company, based on the terms of the Management Agreement, the Company has agreed to pay him a Management Fee of 0,33% per year which will be calculated quarterly based on Portfolio value plus VAT. Furthermore, the commission payable by the Company for its stock market transactions amounts to 0,25% on the total value of these transactions, excluding the Stock Exchange's fees and the transactions costs.

During the year ended 31 December 2011, the Company terminated the agreements with EFG Eurobank Asset Management Limited, Marfin CLR (Financial Services) Limited, Goldman Sachs International and Argus Financial Services Limited which related to the fund management of investments in foreign Stock Exchanges.

2. Summary of significant accounting policies

The principal accounting policies applied throughout the year for the preparation of the Company's and Group's financial statements are set out below. These policies have been applied consistently for all the periods presented in these financial statements, except where it is stated otherwise.

Basis of preparation

The consolidated and individual financial statements presented in Euros are prepared under the historical cost convention, modified to include the revaluation of investment property, financial assets and liabilities at fair value through profit and loss, available for sale financial assets and tangible non-current assets.

Compliance Statement

The financial statements of the Company and the Group 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 as well as the provisions of the Cyprus Stock Exchange Law and Regulations.

2. Summary of significant accounting policies (continued)

Basis of preparation (continued)

Compliance Statement (continued)

The preparation of these financial statements in conformity with IFRS, requires the use of certain critical accounting estimates and the exercise of judgement from management during the process of applying the Company's and the Group's accounting policies. It also requires the use of estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Despite the fact that these estimates are based on management's best possible knowledge with reference to current circumstances and conditions, actual results may differ from these estimates.

The financial statements of the Company and Group can be obtained from the Company's registered office which is located at 13 Lemesos Avenue, 5th floor, 2112, Nicosia, Cyprus.

Adoption of new and revised International Financial Reporting Standards
In the current year, the Company and the Group has adopted all new and revised International Financial Reporting Standards (IFRS) which relate to their work and are effective for accounting periods beginning on January 1, 2011:

- IAS 24 'Related Party Disclosures' (Amended)
- IFRIC 14 'Prepayments of a Minimum Funding Requirement' (Amended)
- IFRS 1 'Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters' (Amended)
- IFRS 1 'First-time Adoption of International Financial Reporting Standards' (Revised)
- IFRS 3 'Business Combinations' (Revised)
- IFRS 7 'Financial Instruments: Disclosures' (Revised)
- IAS 1 'Presentation of Financial Statements' (Revised)
- IAS 27 'Consolidated and Separate Financial Statements' (Revised)
- IAS 32 'Classification on Rights Issues' (Amended)
- IAS 34 'Interim Financial Statements' (Revised)
- IFRIC 13 'Customer Loyalty Programmes' (Revised)
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments' (Revised)

The adoption did not result in significant changes in accounting policies of the Company and the Group.

2. Summary of significant accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (continued)

At the date of approval of these financial statements the following accounting standards were issued by the IASB but were not yet effective:

i) Adopted by the European Union

Standard / Interpretation	Effective for annual periods beginning on or after:
Amendments to IFRS 7 "Financial Instruments: Disclosures" regarding transfers of financial assets	1 July 2011

ii) Not Adopted by the European Union

New Standards	Effective for annual periods beginning on or after:
IFRS 9 “Financial Instruments” (and subsequent amendments to IFRS 9 and IFRS 7)	1 January 2015
IFRS 10 “Consolidated Financial Statements”	1 January 2013
IFRS 11 “Joint Arrangements”	1 January 2013
IFRS 12 “Disclosures of Involvement with Other Entities”	1 January 2013
IFRS 13 “Fair Value Measurement”	1 January 2013

New Interpretations

IFRIC Interpretation 20 ‘Stripping Costs in the Production Phase of a Surface Mine”	1 January 2013

Amendments

Amendment to IAS 12 “Income Taxes” for the deferred taxation regarding the recovery of underlying assets	1 January 2012
Amendment to IFRS 1 “ First-time Adoption of International Financial Reporting Standards” regarding severe hyperinflation and removal of fixed for First-time Adopters	1 July 2011
Amendment to IAS 1 “Financial Statement Presentation” regarding Presentation of items of Other Comprehensive	1 July 2012
Amendments to στο IAS 19 “Employee Benefits”	1 January 2013
Amendment to IFRS 7 “Financial Instruments: Disclosures” regarding Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendment to IAS 32 “Financial Instruments: Presentation” regarding Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendment to IAS 27 “Consolidated and Separate Financial Statements”	1 January 2013
Amendment to IAS 28 “Investments in Associates and Joint Ventures”	1 January 2013

The Company and the Group is in the process of assessing the effect of the adoption of the above standards on the financial statements of the Company and the Group.

2. Summary of significant accounting policies (continued)

Basis of consolidation

The consolidated financial statements of the Group for the year ended in 31 December 2011, include the financial statements of the holding company (the “Company”) and its subsidiaries all of which together are referred to as the “Group”. The financial statements of the subsidiary companies are prepared on the same date as the Company’s report, using identical accounting policies.

The subsidiary companies included in Note 19, are the companies in which the direct or indirect involvement of the Group's voting share capital of the company exceeds 50%. The share capital of minority shareholders in profit or loss, is shown separately in the consolidated statement of financial position (as part of equity) and the consolidated statement of comprehensive income, respectively.

The consolidated financial statements do not include transactions and balances between Group companies, nor the unrealized gains and losses or gains on transactions between Group companies.

The consolidated financial statements do not include Cooper Security Services Public Limited. Cooper Security Services Public Limited was incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113, on 17 November 1993. The Company holds 50,72% of the shares in Cooper Security Services Public Limited. The net assets of Cooper Security Services Public Limited on 31 December 2011 and the net profit of the company for the year ended based on the unaudited financial statements of the company are not considered material for consolidation purposes. Operations of the company were terminated during the year 2008 and the Board of Directors has already commenced the procedures for its liquidation.

Business combinations

The combination of subsidiaries is accounted for using the acquisition method. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any directly attributable costs. Other costs which are associated with the acquisition of subsidiaries are recognized in the income statement over the period which the Group has undertaken the costs and the services have been provided. The identifiable assets, liabilities and contingent liabilities of the subsidiary that meet the criteria for recognition under IFRS 3 are recognized at fair value at the acquisition date, except:

- Deferred tax assets or liabilities and obligations, or assets relating to employee benefits are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS19 'Employee Benefits', respectively,
- Liabilities or equity instruments relating to benefits based on the value of the shares of the acquiree or the replacement of benefits depending on the value of the shares of the acquiree to the benefits that depend on the value of the shares of the Group, measured in accordance with IFRS 2 'Share-based payments' at the acquisition date and
- Assets (or disposal group) which are classified as held for sale at the acquisition date, in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', and are recognised and measured in accordance with this standard.

2. Summary of significant accounting policies (continued)

Business combinations (continued)

The goodwill arising on acquisition is recognized as an asset and is initially measured at cost, which is the difference between the amount of consideration offered, the amount of minority interests in the acquired entity and the fair value of interest previously held by the Company in the acquired entity (if any), in relation to the proportion of the Group's net fair value of identifiable assets, liabilities and contingent liabilities recognized of the acquired entity. If, after reassessment, the Group's participation in the net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary exceeds the sum of the consideration offered, the amount of any minority interest and the fair value of any equity interests held by the Group prior to the acquired entity, is recognised immediately in the income statement.

Minority interests represent the share of profit or loss and net assets not held, directly or indirectly by the Group. The losses of the subsidiary are distributed to the minority interests even if this would lead to a negative balance. Minority interests are presented separately in the consolidated income statement and included within equity, separately from equity attributable to owners of the Company.

The change in turnout in subsidiaries (without loss of control) is accounted for as a transaction between owners on equity. Consequently, no share premium or profit / (loss) arises in the income statement from these transactions but any dispute arising from the adjustment, minority rights and the fair value of consideration received or paid is recognized in equity and paid to shareholders . Such exchange differences on the share to the proportion of minority interests sold, removed from the translation reserve and transferred to minority interests. Minority interests are measured at fair value or the proportion of minority interest in net fair value of net assets of actual economic unit. The choice of measurement determined in each case per transaction. Other types of non-controlling interests are measured at fair value, as appropriate, based on the provisions of IFRS.

When business combinations are achieved, the former Group's interest in the acquired entity is measured again at fair value on the date of acquisition (when the Group obtains control) and any gain or loss arising recognized in the income statement. Amounts that were created in the acquired entity before the acquisition date and are recognized in comprehensive income are transferred to the income statement when the entity is sold.

If the consideration offered by the Group in a business combination includes assets or liabilities arising from setting contingent consideration, contingent consideration is recognized at fair value at the acquisition date and included as part of the consideration offered for the combination. Changes in the fair value of contingent consideration which meet the conditions of the adjustments during the measurement period are adjusted retroactively, causing a corresponding adjustment to goodwill. Adjustments during the measurement period are adjustments arising from the acquisition of additional information during the 'measurement period'(which may not exceed one year from the date of acquisition) on the facts and circumstances that existed at the acquisition date.

The accounting for changes in fair value of contingent consideration that do not qualify for adjustment during the measurement period depends on how you classify contingent consideration. Contingent consideration classified as equity is not remeasured and the subsequent settlement is recognized in equity. Contingent consideration classified as an asset or liability is measured again in accordance with IAS 39 or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, and any gain or loss is recognized in the results.

If the initial accounting for a business combination is completed by the end of the period during which an acquisition occurs, the Group recognizes in its financial statements provisional sums for items on which the accounting is not complete. These provisional figures retroactively are adjusted during the measurement period, or additional assets or liabilities to reflect new information obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of amounts recognized as of that date.

The business combinations whose acquisition date was before 1 January 2011 accounted for under the previous version of IFRS 3.

2. Summary of significant accounting policies (continued)

Business combinations (continued)

Where the Group no longer has control or significant influence, profit or loss from the sale is calculated as the difference between (i) the total fair value of consideration received and fair value and (ii) the previous carrying value of assets (including goodwill) and liabilities of the subsidiaries and any minority interest. When the assets of the subsidiary company have been revalued or accounted for at fair value and the gain or loss is recognized in the income statement and included in equity, amounts previously recognized in the income statement and included in equity accounted for as like The Company has sold to (eg reclassification in the income statement or transfer to reserve results). The fair value of an investment remains in the former subsidiary of the date the Group ceases to have control is recognized at fair value under the provisions of IAS 39 "Financial Instruments: recognition and measurement".

Investments in associated companies

Associated companies are entities in which the Group owns between 20% and 50% of the voting rights or over which the Group exerts significant influence but doesn't control them. Investments in associated companies are initially recognized in cost price and subsequently accounted for according to the method of the net position. The investment of the Group in associated companies includes the goodwill (after the deductions of any accumulated impairment losses) which arises on their acquisition. If the acquisition cost is less than the fair value of the clearly identifiable net assets of the associated company that has been acquired, the difference is recognized in the consolidated income statement as negative goodwill.

The share of the Group in the profit or loss of the associated companies after their acquisition is recognized in the consolidated statement of comprehensive income and the share of the Group in the reserves movement after the acquisition is recognized in the reserves. The accumulated movements after the acquisition are adjusted against the accounting value of the investment. When the share of the Group in the loss of the associated company equals or exceeds the interest in the associated company including other unsecured receivables, the Group doesn't recognize any further losses, except if it has took on liabilities or made payments on behalf of the associated company.

Any unrealized profits arising from transactions between the Group and its associated companies are set-off to the extent of the interest of the Group in these associated companies. Any unrealised losses are also set-off except if the transaction reveals an impairment in the value of the asset carried forward. Where necessary, the accounting policies of the associated companies have been adjusted in order to conform to the accounting policies adopted by the Group.

The financial statements of the associates are prepared on the same date as the Company's report, using identical accounting policies.

Revenue recognition

The revenue of the Group and Company is recognized as follows:

Dividend income is recognised when the Company's and the Group's right to receive payment is established. Dividends from investments in shares of public companies are considered payable on the date of recording in the Register of the Shareholders for the purpose of dividend payment or the "ex-dividend" date of shares trade.

Interest from securities, bonds and deposits are recognised on the accrued income basis and included the statement of comprehensive income.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Profit or loss from the sale of financial assets or liabilities at fair value through the profit and loss is calculated as the difference between the average cost price and the net selling proceeds, which includes the stock exchange selling costs. The profit or loss is recognized in the statement of comprehensive income.

The difference between the fair value of financial instruments at fair value through profit and loss at 31 December 2011 and the average cost price represents unrealised gain or loss and is recognised in the statement of comprehensive income as deficit / surplus from revaluation of investments.

Income from real estate development is recognised upon delivery and transfer of risks to the buyer.

Rental income is recognized under the accrual basis depending on the substance of the agreements

Functional and presentation currency

Items included in the Company's and the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") which is the Euro.

Employees' benefits

The Company and its employees contribute to the Governmental Social Insurance Fund based on the salaries of the employees. Furthermore, the Company contributes to a Medical Scheme as well as to the Approved Provident Fund of the Company. The contributions of the Company are written-off in the year to which they relate and are included in the staff cost.

Debtors and provisions for bad debts

Bad debts are written off to the income statement and a specific provision is made, where it is considered necessary. No general provision for bad debts is made. Trade debtors are stated after deducting the specific provision for bad and doubtful debts, if any.

Foreign currencies

For the purpose of preparing the separate financial statements of the holding Company and its subsidiaries, the accounting records of the Group's companies are kept in Euro ("the functional currency") with the exception of foreign subsidiaries. Transactions in foreign currency are recorded based on the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currencies are retranslated to Euro at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated to Euro at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost and are denominated in a foreign currency are not retranslated to Euro.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items, are included in the income statement of the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement of the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in the exchange difference reserve. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the exchange difference reserve.

2. Summary of significant accounting policies (continued)

Foreign currencies (continued)

For the purpose of presenting the consolidated financial statements, the financial statements of the Group's foreign subsidiaries are retranslated to Euro using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising from the retranslation are transferred to reserves. Such translation differences are recognised in the income statement, in the period in which the foreign operation is disposed of.

Taxation

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The management evaluates periodically the stands that it took in the tax returns in relation to instances where the applicable tax regulations are subject to interpretation and creates provisions where this is necessary based on the amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets and liabilities are netted off where there is a strong legal right to net off the current tax assets with the current tax liabilities and when the deferred taxes relate to the same tax authority.

The carrying value of the deferred tax assets is reviewed at each financial position date and it is reduced to the extent that it is not any more probable that adequate future taxable profits will be available to allow the recovery of this asset, either partly or in full.

Property, plant and equipment

Property, plant and equipment are shown at historical cost less accumulated depreciation and impairment losses. The historical cost includes any expenditure that is directly attributable to the acquisition of the property, plant and equipment.

Land and buildings are shown at fair value based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are made at regular intervals so that the amounts disclosed in the statement of financial position do not differ significantly from their fair values at the date of the statement of financial position. All other property, plant and equipment are stated at historical cost less depreciation

Increases in the carrying value arising on revaluation are credited to other comprehensive income and reported in the revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against this reserve. All other decreases are charged in the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the original cost of the asset is transferred from revaluation reserve to retained earnings.

2. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

	%
Buildings	3
Furniture and office equipment	10
Motor vehicles	20
Computer Hardware	20 - 33,3
Ships	4

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Gains and losses on disposal of property, plant and equipment are determined by comparing sales proceeds with the respective carrying amounts, and are included in the income statement.

Investment property

Investment property consists of investments in land and buildings that are held for capital appreciation or for rental. Investment property is initially recognised at cost, which includes transaction costs relating to the acquisition, and is subsequently carried at fair value.

Properties under construction or constructed for future use as investment property are classified as investment property. Such properties are stated at fair value at year end.

The fair value of the investment property is based on valuations performed by independent professional valuators before the deduction of transaction costs that the Company and the Group will incur during the sale of these properties.

The profit or loss on the disposal of investment property included in the statement of comprehensive income for the year represents the net proceeds less the carrying amount of such property.

The profit or loss on the revaluation of investment property included in the statement of comprehensive income for the year represents the difference between the market value at the end of the year and the market value at the beginning of the year or the cost of the investment property acquired during the year.

2. Summary of significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price of inventories at the ordinary operations of the Company and Group less all estimated costs of sale. The purchase price includes the cost of purchase of investment property and subsequent expenses

Impairment of assets

At the end of each reporting period, the Company and the Group review the carrying amounts of it, tangible and intangible assets to determine whether there's any indication that those assets have suffered an impairment loss (if any). An asset is impaired when there is objective evidence of impairment as a result of one or more events occurring after initial recognition of an asset (a 'loss event') and that loss event (or events) has an impact that can be assessed reliably on the estimated future cash flows of the asset or group of assets.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company and the Group estimate the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is defined as the higher of the asset's fair value less cost to sell and its value in use. Fair value less costs to sell is defined as the net proceeds from the disposal of an asset in a binding sale agreement in an arm's length transaction between knowledgeable, willing parties after deducting the costs of disposal, whereas value in use is the present value of the future cash flows expected to be derived from the continuous use of an asset and from its ultimate disposal at the end of its estimated useful life.

For the calculation of the value in use, the future cash flows are discounted at a pre-tax interest rate. The discount factor reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments

(i) Investments

The Company and the Group classifies its investments in the following categories:

a) financial assets at fair value through profit or loss, b) held to maturity financial assets and c) financial assets held for sale. The classification depends on the purpose for which the investment was initially acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every reporting date.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

(a) Financial assets at fair value through profit and loss

This category has two sub-categories: 1) financial assets held for trading and 2) those designated at fair value through profit and loss at initial recognition.

A financial asset is classified in this category if it was acquired with a main purpose of being disposed off in the near future, or if it was classified in this category by the management.

These investments are initially recognised at cost and they are subsequently adjusted to their fair value. Any surplus or deficit which arises from this adjustment is recognised in the statement of comprehensive income in the period in which it occurs.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Company's management has the positive intention and ability to hold to maturity.

The held-to-maturity financial assets are presented initially at their purchase cost and subsequently at their amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account the difference between the original amount and the amount payable at maturity, and all other fees that are integral part of the effective interest rate.

(c) Financial assets held for sale

Available for sale financial assets are those acquired for an indeterminate period and may be sold to meet liquidity needs, changes in interest rates, exchange rates of other changes in values. For available-for-sale investments, gains and losses arising from changes in fair value are recognized in other comprehensive income and are reported in equity until the investments are disposed of or are decided to be impaired, time during which the previous accumulated profits or losses were recognized in equity, will be included in the income statement. Impairment loss previously recognized in profit or loss on equity classified as available for sale are not subsequently reversed through profit or loss. Impairment losses on bonds been registered as available for sale were recognized in the results subsequently reversed if an increase in the fair value of investment can be related objectively to an event occurring after the impairment loss was recognized.

Purchases and sales of investments are recognised on the date of transaction which is the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company and the Group has transferred substantially all risks and rewards of ownership.

The fair values of quoted investments in an active market are based on current bid prices. If the market for a financial asset is not active the Company and the Group establishes fair value by using valuation techniques. These include the use of recent transactions performed on an arm's length basis, reference to other similar instruments and discounted cash flow analysis, by making maximum use of market inputs and by relying as little as possible on the Company's and the Group's specific inputs.

The Company and the Group assesses at each financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for held to maturity financial assets or corporate bonds the impairment in their value is recognised in the statement of comprehensive income in the period in which it occurs.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

(ii) Bank borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and deposits in bank accounts that are highly liquid or are repayable within three months from the date of acquisition.

(iv) Loans and other receivables

Loans and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company and the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Offsetting financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, the Company and the Group have a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary shares are classified as equity.

Purchase of treasury shares

The treasury shares are presented in the Statement of financial position of the Company and the Group as a reduction in the shareholders' funds. No profit or loss from the sale, issue or cancellation of the treasury shares which are owned by the Company and the Group and the share of the treasury shares which are owned by the subsidiary and associated companies is recognized in the statement of comprehensive income for the year. The share of the Company in the treasury shares which are owned by the subsidiary and associated companies at the balance sheet date is presented as a reduction in the shareholders' funds instead of being included as part of the assets in the consolidated statement of financial position.

Dividends

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

2. Summary of significant accounting policies (continued)

Analysis by activity sector

For management purposes, the activities of the Group are divided into two main sectors:

a) Investment Management Portfolio and
b) Investments in Land and Immovable Property Development.

The sectors are divided based on the reporting of information to the Board of Directors which is the responsible body for all decision making.

Income and expenses by sector
The income and expenses that directly relate to an activity sector are attributed to that certain sector.

Assets by Sector
The balances of the assets by sector include all the assets that are used in a sector. In case that an asset is used in more than one sector then it is attributed to that sectors on a proportionate basis. Income and charges between sectors are carried out on an arm's length basis.

Analysis by geographical sector

The Group also prepares analysis by geographical sector and distinguishes its activities by areas in which the economic and political situations are consistent.

a) Analysis of the income of the Group by geographical sector based on the geographical area of the investments.
b) Analysis of the assets of the Group by geographical sector based on the geographical area of the assets of the Group.

The Group conducts its operations in the following geographical sectors: Cyprus, member-states of the Eurozone, Romania, Bulgaria and other countries.

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

3. Financial risk management

(a) Financial Risk Factors
The main financial assets of the Company and the Group are the cash at bank, the investments in securities and bonds and the trade and other receivables. The main financial liabilities are bank loans the trade and other liabilities.

The accounting policies that relate to financial instruments have been applied to the following:

31 December 2011
Financial assets

	THE GROUP		THE COMPANY	
	At fair value	Loans and receivables	At fair value	Loans and receivables
	€	€	€	€
Loans and other receivables	-	6.034.555	-	5.656.985
Cash and cash equivalents	-	13.955.651	-	12.815.659
Bank deposits	-	60.491.630	-	60.491.630
Receivables from subsidiaries and associates	-	3.376.722	-	38.806.115
Financial assets held- for-sale	150.725	-	150.725	-
Financial assets at fair value through profit and loss	15.236.082	-	15.236.082	-
	15.386.807	83.858.558	15.386.807	117.770.389

Financial liabilities

	THE GROUP		THE COMPANY	
	At fair value	Loans and other liabilities	At fair value	Loans and other liabilities
	€	€	€	€
Trade and other payables	-	607.175	-	318.853
Bank borrowings	-	5.658.566	-	5.658.566
Financial liabilities at fair value through profit and loss	32.423	-	32.423	-
	32.423	6.265.741	32.423	5.977.419

31 December 2010
Financial assets

	THE GROUP		THE COMPANY	
	At fair value	Loans and receivables	At fair value	Loans and receivables
	€	€	€	€
Loans and other receivables	-	4.656.655	-	4.385.596
Cash and cash equivalents	-	9.154.929	-	8.362.844
Bank deposits	-	54.607.444	-	54.607.444
Receivables from subsidiaries and associates	-	2.456.022	-	33.344.429
Financial assets held- for-sale	966.242	-	966.242	-
Financial assets at fair value through profit and loss	46.793.480	-	43.093.480	-
	47.759.722	70.875.050	44.059.722	100.700.313

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

31 December 2010
Financial liabilities

	THE GROUP		THE COMPANY	
	At fair value	**Loans and other liabilities**	**At fair value**	**Loans and other liabilities**
	€	**€**	**€**	**€**
Trade and other payables	**-**	**1.773.694**	**-**	**763.601**
Bank borrowings	**-**	**6.555.546**	**-**	**6.555.546**
Financial liabilities at fair value through profit and loss	**106.225**	**-**	**106.225**	**-**
	106.225	**8.329.240**	**106.225**	**7.319.147**

The Company's and the Group's activities expose them to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk, securities ownership risk, capital management risk and financial crisis risk all arising from the financial instruments they hold and their general activities.

These risks are monitored by various mechanisms by all the companies of the Group so as to avoid the possibility of having excess risks concentrated. The risk management policies employed by the Company and the Group to manage these risks are discussed below:

(i) Market price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The financial assets at fair value through profit and loss are subject to market price risk arising from uncertainties about future prices of the investments. This market price risk is managed through the diversification of the investment portfolio in Cyprus and abroad and by selected placements and disposals when this is considered necessary.

Sensitivity analysis
An increase in prices of investments at fair value through profit and loss by 15% on 31 December 2011 would have as a result an increase in the results for the year of the Company and the Group by €2.285.413 (2010: €6.464.022 and €7.019.022 respectively). An increase in prices of investments available-for-sale by 15% on 31 December 2011 would have as a result an increase in the results for the year of the Company and the Group by € 22.609 (2010: €144.936). For a decrease of 15% there would be an equal but opposite impact on the results for the year.

(ii) Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company and the Group is exposed to interest rate risk in relation to its revenue, cash flows and financial position from interest rates fluctuations. The Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

(ii) Interest rate risk (continued)

At the balance sheet date, the analysis of the financial instruments that bear interest compared to the interest rates were:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Financial instruments bearing fixed interest rate				
Financial assets	**66.387.661**	55.978.823	**66.387.661**	55.978.823
Financial instruments bearing variable interest rate				
Financial assets	**18.845.362**	26.849.006	**52.876.912**	56.703.031
Financial liabilities	**(5.658.566)**	(6.555.546)	**(5.658.566)**	(6.555.546)
	79.574.457	76.272.283	**113.606.007**	106.126.308

Sensitivity analysis

An increase of 50 basis points in interest rates at 31 December 2011 would have as a result an increase in the profit for the year which is shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 50 basis points there would be an equal and opposite impact on the results.

	THE GROUP Results		THE COMPANY Results	
	2011	2010	**2011**	2010
	€	€	**€**	€
Financial instruments bearing variable interest rate	**65.934**	101.467	**236.092**	250.737

(iii) Credit risk

Credit risk arises when a possible failure by the counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets at the balance sheet date. The Company and the Group apply effective controls and procedures in order to minimize this risk. Cash balances are held with high credit quality financial institutions and the Company as well as the Group have policies to limit the amount of credit exposure to any financial institution.

The accounting value of the financial assets represents the maximum exposure in credit risk. The maximum exposure in credit risk at the reporting date was:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Loans and other receivables	**6.034.555**	4.656.655	**5.656.985**	4.385.596
Cash and cash equivalents	**13.955.651**	9.154.929	**12.815.659**	8.362.844
Bank deposits	**60.491.630**	54.607.444	**60.491.630**	54.607.444
Corporate securities listed in CSE	**4.086.362**	7.414.337	**4.086.362**	7.414.337
Securities listed in foreign stock exchanges	**25.440**	6.853.594	**25.440**	6.853.594
Financial assets available-for-sale	**150.725**	966.242	**150.725**	966.242
Receivables from subsidiaries and associates	**3.376.722**	2.456.022	**38.806.115**	33.344.429
	88.121.085	86.109.223	**122.032.916**	115.934.486

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company and the Group have procedures to minimize such losses such as maintaining sufficient cash deposits and other highly liquid assets.

The following tables show the expected maturity of the financial liabilities of the Company and the Group. The tables have been prepared based on the conventional non pre-settled cash flows of the financial obligations and based on the earliest date at which the Company/the Group could be obligated to pay:

THE GROUP

31 December 2011

	Net Book Value €	**Contractual cash flows €**	**within 3 months €**	**between 3 and 12 months €**	**1-2 years €**	**2-5 years €**	**more than 5 years €**
Bank borrowings	**5.658.566**	**6.545.286**	**285.900**	**857.700**	**1.143.600**	**4.258.086**	**-**
Trade and other payables	**607.175**	**607.175**	**607.175**	**-**	**-**	**-**	**-**
	6.265.741	**7.152.461**	**893.075**	**857.700**	**1.143.600**	**4.258.086**	**-**

31 December 2010

	Net Book Value €	Contractual cash flows €	within 3 months €	between 3 and 12 months €	1-2 years €	2-5 years €	more than 5 years €
Bank borrowings	6.555.546	7.407.083	285.900	857.700	1.143.600	4.574.400	545.483
Trade and other payables	1.773.694	1.773.694	1.773.694	-	-	-	-
	8.329.240	9.180.777	2.059.594	857.700	1.143.600	4.574.400	545.483

THE COMPANY

31 December 2011

	Net Book Value €	**Contractual cash flows €**	**within 3 months €**	**between 3 and 12 months €**	**1-2 years €**	**2-5 years €**	**more than 5 years €**
Bank borrowings	**5.658.566**	**6.545.286**	**285.900**	**857.700**	**1.143.600**	**4.258.086**	**-**
Trade and other payables	**318.853**	**318.853**	**318.853**	**-**	**-**	**-**	**-**
	5.977.419	**6.864.139**	**604.753**	**857.700**	**1.143.600**	**4.258.086**	-

31 December 2010

	Net Book Value €	Contractual cash flows €	within 3 months €	between 3 and 12 months €	1-2 years €	2-5 years €	more than 5 years €
Bank borrowings	6.555.546	7.407.083	285.900	857.700	1.143.600	4.574.400	545.483
Trade and other payables	763.601	763.601	763.601	-	-	-	-
	7.319.147	8.170.684	1.049.501	857.700	1.143.600	4.574.400	545.483

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

(v) 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 recognized assets and liabilities are denominated in a currency that is not the Company's and the Group's functional currency. The Company and the Group are exposed to foreign exchange risk arising from its overseas investments which are located outside the Eurozone.

The accounting value of the monetary assets and liabilities of the Company and the Group which are presented in foreign currency at the reporting date is as follows:

	THE GROUP		**THE COMPANY**	
	Assets		**Assets**	
	2011	2010	**2011**	2010
	€	€	**€**	€
United States Dollars	**2.490.437**	6.161.057	**3.050.016**	9.519.440
English Sterling	**32.250**	624.177	**32.250**	624.177
Swiss Franc	**61.004**	418.663	**61.004**	418.663
Japanese Yen	**2.245**	313.472	**2.245**	313.472
Romanian Lei	**33.726**	8.187	**-**	-
Bulgarian Leva	**4.027**	1.390	**-**	-
Moldavian Lei	**39.430**	31.937	**-**	-
Danish Kruna	**-**	130.583	**-**	130.583
	2.663.119	7.689.466	**3.145.515**	11.006.335

Sensitivity analysis

A 5% strengthening of the Euro against the following currencies at 31 December 2011 would have decreased the results for the year by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 5% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the results.

	THE GROUP		**THE COMPANY**	
	Results		**Results**	
	2011	2010	**2011**	2010
	€	€	**€**	€
United States Dollars	**118.592**	293.384	**145.239**	453.307
English Sterling	**1.536**	29.723	**1.536**	29.723
Swiss Franc	**2.905**	19.936	**2.905**	19.936
Japanese Yen	**107**	14.927	**107**	14.927
Romanian Lei	**1.606**	390	**-**	-
Bulgarian Leva	**192**	66	**-**	-
Moldavian Lei	**1.878**	1.521	**-**	-
Danish Kruna	**-**	6.218	**-**	6.218
	126.816	366.165	**149.787**	524.111

(vi) Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Company's information technology and control systems as well as the risk of human error and natural disasters. The Company and the Group use methods of self-assessment of risks and benchmarks to address operational risks. In addition there are procedures for timely reporting of incidents.

The internal audit and compliance department of the Company and the Group through independent audits and regular reports to the executive management of the Company and the Group, ensure that the framework for managing operational risks and operational policies and procedures are effectively implemented. The Company and the Group seek to inform their employees regarding the operational risk management through continuous personnel training.

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

(vii) Compliance risk

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

(viii) Share ownership risk

The risk of share ownership arises from the investment in shares/participation of the Company and the Group and it is a combination of credit, price and operational risk as well as the risk of compliance and loss of reputation. The Company and the Group apply procedures of analysis, measurement and evaluation of this risk in order to minimize it.

(ix) Capital management risk

The Company and the Group manage their capital to ensure that they will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's and the Group's overall strategy remains unchanged from last year.

(x) Financial Crisis risk

The adverse economic developments during the last years that took place mainly in the international stock market led to a significant worsening of the International Financial Crisis. A significant number of International Financial Institutions went bankrupt or acquired by other Financial Institutions or joined in the Program of Liquidity Enhancement offered by the governments of the countries where they operate. As a result of the above developments, the date of issuance of financial statements there is a continuing market uncertainty that may affect the results of the Company and the Group. This risk is faced with the best possible diversification of portfolio investments in Cyprus and abroad, the selected placements and liquidation when deemed necessary.

(b) Fair value estimation

The fair value of financial assets at fair value through profit and loss which are traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company and the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current selling price.

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Company and the Group use a variety of methods, such as the estimated discounted cash flow method, and makes assumptions that are based on market conditions existing at the balance sheet date. The fair value of the financial instruments approximates their accounting value at the statement of financial position date.

The nominal value less accumulated credit adjustments for financial assets and liabilities is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company and the Group for similar financial instruments.

3. Financial risk management (continued)

***(c)* Fair value measurements recognised in statement of financial position**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2011

THE GROUP	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**€**	**€**	**€**	**€**
Financial assets at fair value through profit and loss	**13.206.209**	**1.329.873**	**700.000**	**15.236.082**
Financial assets available-for-sale	**-**	**-**	**150.725**	**150.725**
	13.206.209	**1.329.873**	**850.725**	**15.386.807**
Financial liabilities				
Financial liabilities at fair value through profit and loss	**32.423**	**-**	**-**	**32.423**

THE COMPANY	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**€**	**€**	**€**	**€**
Financial assets at fair value through profit and loss	**13.206.209**	**1.329.873**	**700.000**	**15.236.082**
Financial assets available-for-sale	**-**	**-**	**150.725**	**150.725**
	13.206.209	**1.329.873**	**850.725**	**15.386.807**
Financial liabilities				
Financial liabilities at fair value through profit and loss	**32.423**	**-**	**-**	**32.423**

31 December 2010

THE GROUP	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**€**	**€**	**€**	**€**
Financial assets at fair value through profit and loss	40.562.592	2.330.888	3.900.000	46.793.480
Financial assets available-for-sale	666.242	-	300.000	966.242
	41.228.834	2.330.888	4.200.000	47.759.722
Financial liabilities				
Financial liabilities at fair value through profit and loss	106.225	-	-	106.225

THE COMPANY	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**€**	**€**	**€**	**€**
Financial assets at fair value through profit and loss	40.562.592	2.330.888	200.000	43.093.480
Financial assets available-for-sale	666.242	-	300.000	966.242
	41.228.834	2.330.888	500.000	44.059.722
Financial liabilities				
Financial liabilities at fair value through profit and loss	106.225	-	-	106.225

3. Financial risk management (continued)

(c) Fair value measurements recognised in statement of financial position (continued)

The movement of financial instruments classified in Level 3 is presented below:

THE GROUP

	Financial assets €
Balance at 1 January 2010	5.831.214
Unrealised losses that have been recognised through profit and loss	(913.600)
Transferred to other receivables and prepayments	(717.614)
Balance at 1 January 2011	4.200.000
Unrealised losses that have been recognised through profit and loss	**(3.800.000)**
Unrealised losses that have been recognised through other comprehensive income	**(149.275)**
Additions	**600.000**
Balance at 31 December 2011	**850.725**

THE COMPANY

	Financial assets €
Balance at 1 January 2010	2.131.214
Unrealised losses that have been recognised through profit and loss	(913.600)
Transferred to other receivables and prepayments	(717.614)
Balance at 1 January 2011	**500.000**
Unrealised losses that have been recognised through profit and loss	**(100.000)**
Unrealised losses that have been recognised through other comprehensive income	**(149.275)**
Additions	**600.000**
Balance at 31 December 2011	**850.725**

During the year there have not been any movements between the Levels.

4. Critical judgements and estimates in applying the Company's and the Group's accounting policies

During the implementation of the accounting policies of the Company and the Group described in Note 2, the Board of Directors exercised the following estimates and judgments that have a significant effect on the amounts recognised in the financial statements:

Estimates

Provision for bad and doubtful debts
The Company and the Group review their trade and other receivables to assess their recoverability. Such evidence includes the payment record and the overall financial position of the third party. If indications of non-recoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged to the income statement.

The review of the credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

4. Critical judgements and estimates in applying the Company's and the Group's accounting policies (continued)

Estimates (continued)

Income Taxes
The taxation charge for the year is calculated on the basis of the taxation legislation and on various estimates made during the preparation of the financial statements and has been charged to the statement of comprehensive income. The final tax assessment for the companies of the Group is agreed with the taxation authorities at a later stage. Any possible differences between the amount of the provision and the actual charge will affect the taxation charge of subsequent periods.

Valuation of non-listed investments
The Company and the Group use various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the statement of financial position date.

Goodwill impairment
During the assessment of goodwill impairment it is required to estimate the value in use of the specific cash generating units (CGUs) of the Company, to which goodwill has been allocated. The value in use estimation is based on valuation assumptions of future cash flows that are expected to arise from the cash generating units and using an appropriate discount rate their present value is calculated.

Impairment of financial assets available for sale
Financial assets available for sale are reduced where the decrease in fair value compared to the cost price is significant or prolonged. In this case, the total loss previously recognized in equity, will be recognized in the income statement. The definition of significant or prolonged requires estimates by management. Factors taken into account in these estimates include the expected volatility in the price of the asset. In addition, impairment may occur when there is evidence of significant adverse changes in technology, market, economic or legal environment in which the firm has invested in the Group.

Judgements

Classification of investments
The Company and the Group adopt the provisions of IAS39 regarding the classification of financial assets.

The Company and the Group exercise judgment concerning the classification of their financial assets on the basis of the strategic management of the relevant risks associated with those investments. Within this framework, the Company and the Group have classified their financial instruments to financial instruments held-to maturity, available for sale financial assets, financial assets included at fair value through profit and loss and loans receivable.

Financial instruments held-to-maturity
The Company and the Group follow the provisions of IAS 39 in the classification of non-derivative financial instruments with fixed or predetermined payments with an expiration date, as held-to-maturity. This classification requests the exercise of substantial judgment. On exercising that judgment the Company and the Group evaluate whether those investments will be held-to-maturity. If the Company and the Group fail to hold these investments to maturity for reasons other than the ones specified in IAS39, the whole classification of assets will be changed to financial assets available for sale.

Legal cases
At the date of this report there were no pending lawsuits against the Company and the Group and no contingent liabilities, relating to legal claims, which need to be reported.

4. Critical judgements and estimates in applying the Company's and the Group's accounting policies (continued)

Judgements (continued)

Going concern
The Company's management has made an assessment of the Company's and the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's and the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

5. Loss from financial instruments

THE GROUP

	2011 €	2010 €
Loss from disposal of financial assets and liabilities at fair value through profit and loss	**(13.152.082)**	(6.052.762)
Profit from disposal of financial assets available-for-sale (Note 21)	**33.758**	-
Loss from revaluation of financial assets and liabilities at fair value through profit and loss (Notes 26 and 31)	**(1.535.334)**	(5.739.689)
	(14.653.658)	(11.792.451)

THE COMPANY

	2011 €	2010 €
Loss from disposal of financial assets and liabilities at fair value through profit and loss	**(13.152.082)**	(6.057.891)
Profit from disposal of financial assets available-for-sale (Note 21)	**33.758**	-
Profit / (Loss) from revaluation of financial assets and liabilities at fair value through profit and loss (Notes 26 and 31)	**2.164.666**	(5.739.689)
Reversal of impairment in value of investments in related companies	**-**	500
	(10.953.658)	(11.797.080)

6. Analysis of revenue from investments in financial asset - by financial asset category

THE GROUP

	2011 €	2010 €
Loans and other receivables (including bank deposits and cash and cash equivalents)		
- Interest receivable and other financial income	**3.902.853**	4.214.836
Financial instruments at fair value through profit and loss		
- Interest receivable	**595.060**	637.581
Financial instruments available-for-sale		
- Interest receivable	**15.209**	-
Financial instruments held-to-maturity		
- Interest receivable	**-**	67.426
	4.513.122	4.919.843
Financial instruments at fair value through profit and loss		
- Dividends receivable	**1.115.918**	2.710.317
	5.629.040	7.630.160

6. Analysis of revenue from investments in financial asset - by financial asset category (continued)

THE COMPANY

	2011	2010
	€	€
Loans and other receivables (including bank deposits and cash and cash equivalents)		
- Interest receivable and other financial income	**4.312.134**	5.097.287
Financial instruments at fair value through profit and loss		
- Interest receivable	**595.060**	637.581
Financial instruments available-for-sale		
- Interest receivable	**15.209**	-
Financial instruments held-to-maturity		
- Interest receivable	**-**	67.426
	4.922.403	5.802.294
Financial instruments at fair value through profit and loss		
- Dividends receivable	**1.115.918**	2.710.317
	6.038.321	8.512.611

7. Segmental Analysis

THE GROUP
31 December 2011

	Investments	**Land and immovable property development field**	**Other Segments**	**Total**
	€	**€**	**€**	**€**
Dividends receivable	**1.115.918**	**-**	**-**	**1.115.918**
Interest receivable	**3.686.496**	**826.626**	**-**	**4.513.122**
Loss from sale or revaluation of investments	**(14.653.658)**	**-**	**-**	**(14.653.658)**
Loss from sale, revaluation and development of land and real estate.	**-**	**(3.506.199)**	**-**	**(3.506.199)**
Net total income/(loss)	**(9.851.244)**	**(2.679.573)**	**-**	**(12.530.817)**
Negative goodwill	**-**	**171**	**-**	**171**
Reversal of provision	**-**	**-**	**112.428**	**112.428**
Financial expenses	**(247.442)**	**(236.345)**	**(3.204)**	**(486.991)**
Share of loss from associated companies	**-**	**-**	**(56.171)**	**(56.171)**
Administrative expenses	**(587.358)**	**(966.535)**	**(215.522)**	**(1.769.415)**
Loss before tax - as in statement of comprehensive income	**(10.686.044)**	**(3.882.282)**	**(162.469)**	**(14.730.795)**
Total Assets	**94.624.723**	**56.305.550**	**4.135.128**	**155.065.401**
Additions to non-current assets	**29.786**	**8.031.266**	**296.918**	**8.357.970**

7. Segmental Analysis (continued)

31 December 2010

	Investments	Land and immovable property development field	Other Segments	Total
	€	€	€	€
Dividends receivable	2.710.317	-	-	2.710.317
Interest receivable	4.077.631	842.212	-	4.919.843
Loss from sale or revaluation of investments	(11.792.451)	-	-	(11.792.451)
Loss from sale, revaluation and development of land and real estate.	-	(5.610.893)	-	(5.610.893)
Net total loss	(5.004.503)	(4.768.681)	-	(9.773.184)
Provisions	-	-	(2.383.679)	(2.383.679)
Financial expenses	-	(132.706)	(683)	(133.389)
Share of loss from associated companies	-	-	(549.817)	(549.817)
Administrative expenses	(632.366)	(869.745)	(220.722)	(1.722.833)
Loss before tax - as in statement of comprehensive income	(5.636.869)	(5.771.132)	(3.154.901)	(14.562.902)
Total Assets	111.980.208	56.521.784	3.430.714	171.932.706
Additions to non-current assets	38.360	8.704.573	910.265	9.653.198

In other segments is included mainly the loss of the Group's participation in Sheerwater Holding Limited, which amounts to €2.933.496 in 2010. In 2011, the provision for Sheerwater Holding Limited was reversed by €112.428.

8. Geographical Analysis

THE GROUP
2011

	Cyprus	Euro-zone	Romania	Bulgaria	Other countries	Total
	€	€	€	€	€	€
Income / (Losses)	**(3.940.273)**	**(7.253.373)**	**884.581**	**(1.358.450)**	**(863.302)**	**(12.530.817)**
Non-current assets	**38.195.705**	**-**	**1.097.000**	**4.465.240**	**-**	**43.757.945**

2010

	Cyprus	Euro-zone	Romania	Bulgaria	Other countries	Total
	€	€	€	€	€	€
(Losses) / Income	(1.302.666)	(4.527.299)	(5.855.493)	583.839	1.328.435	(9.773.184)
Non-current assets	34.950.405	-	966.525	4.692.000	-	40.608.930

9. Administrative expenses

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Investment managers fees	**87.961**	201.764	**87.961**	201.764
Custodian fees	**11.392**	10.290	**11.392**	10.290
Auditor's remuneration - audit services	**55.820**	54.495	**33.120**	33.120
Auditor's remuneration - taxation services	**8.624**	26.335	**7.648**	26.335
Auditor's remuneration - other services	**14.433**	8.439	**14.433**	1.840
Internal auditor fees	**19.504**	18.400	**19.504**	18.400
Auditor's remuneration – prior year	**(1.495)**	-	**(1.495)**	-
Annual fees of the Members of the Board of Directors	**24.500**	24.500	**24.500**	24.500
Committees' fees of the Members of the Board of Directors	**39.900**	46.950	**39.900**	46.950
Costs of attendance of the Board of Directors	**73.846**	48.000	**73.846**	48.000
Other expenses of the Members of the Board of Directors	**28.696**	19.590	**28.696**	19.590
Insurance	**52.203**	38.210	**18.541**	16.010
Printing and dispatch of Annual Report and Annual General Meeting expenses	**65.000**	65.000	**65.000**	65.000
Adjustment of Welfare costs of General Assembly	**(1.878)**	(139.801)	**(1.878)**	(139.801)
Cyprus Stock Exchange Annual Fee and other expenses	**6.167**	5.155	**6.167**	5.155
Cyprus Stock Exchange depository fees	**43.569**	43.569	**43.569**	43.569
Legal expenses	**197.280**	99.381	**196.300**	99.131
Other professional expenses	**48.796**	50.750	**13.801**	33.188
Valuation expenses	**23.975**	39.760	**1.515**	5.100
Salaries and staff expenses (Note 15)	**466.994**	456.428	**466.994**	456.428
Rents	**4.828**	30.136	**63.820**	68.704
Contributions and donations	**25.053**	17.420	**22.953**	17.420
Travelling abroad	**50.697**	13.460	**50.697**	13.460
Expenses for press announcements	**69.183**	55.546	**69.183**	55.546
Electricity and water	**17.607**	11.720	**14.819**	11.720
Loss from sale of furniture and equipment	**-**	10.705	**-**	10.705
Costs related to the desalination project	**-**	163.780	**-**	163.780
Travelling inland	**4.990**	7.228	**4.990**	7.228
Telephone and postages	**10.510**	10.845	**10.510**	10.845
Printing and stationary	**5.865**	19.550	**5.865**	19.550
Hospitality Expenses	**28.772**	21.759	**28.772**	21.759
Depreciation of property, plant and equipment (Note 17)	**83.437**	64.152	**37.076**	42.555
Provision for Bad and doubtful debts	**84.000**	61.092	**-**	61.092
Other administrative expenses	**119.186**	118.225	**42.664**	60.763
	1.769.415	1.722.833	**1.500.863**	1.579.696

10. ((Loss) / gain from sale, revaluation and development of land and immovable property

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
(Loss) / gain from revaluation of investment property (Note 18)	**(3.687.883)**	(306.161)	**(723.400)**	261.861
Decrease in the inventory value	**(682.911)**	(5.896.093)	**-**	-
Loss from sale of properties included in inventory (Note 22)	**(86.304)**	-	**-**	-
Loss from revaluation of property, plant and equipment	**(214.764)**	-	**-**	-
Commissions from sale and rental of investment property	**(16.497)**	-	**(3.450)**	-
Rent receivable (Note 18)	**1.182.160**	591.361	**-**	-
	(3.506.199)	(5.610.893)	**(726.850)**	261.861

Income from rent receivable for the Group represents rent received from investment property that is currently under operating leases.

11. Provisions

The Group recognised a provision of €2.383.679 for the year ended 31 December 2011. In 2010, the Group proceeded with the acquisition of Crystal Sea Maritime Limited (100%) per the termination agreement of Sheerwater Holdings Ltd with its partners. As a result of the above transaction the Group recognised a loss valued at €1.983.708 which was calculated as the difference between the loan used to acquire the assets of Crystal Sea Maritime Limited and the net assets at the termination date including any provisional losses until the settlement of its debts. Also in 2010 a provision valued at €399.971 was made for the loans given to Sheerwater Holdings Limited and its subsidiary companies. The final amount of loss for the settlement of the debt of Crystal Sea Maritime Limited was €112.428 lower than the initial provision and thus, the amount was reversed in the 2011 results.

During 2010, the Company reduced the provision on loans receivable from associated companies and its subsidiaries by €500.000. In addition a provision was recognised for loans issued to Sheerwater Holdings Limited and its subsidiary companies for €399.971.

12. Financial expenses

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Interest on tax	**3.204**	642	**-**	-
Bank interest and charges	**254.777**	132.747	**253.788**	130.250
Foreign exchange loss	**229.010**	-	**247.442**	-
	486.991	133.389	**501.230**	130.250

13. Taxation

Taxation charge for the year is made up of the following:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Tax adjustment for previous years	**-**	432.612	**-**	448.021
Corporation tax	**408.308**	481.514	**377.025**	457.645
Defence contribution	**27.987**	14.924	**10**	699
Tax of foreign subsidiaries	**-**	3.072	**-**	-
Deferred taxation (Note 29)	**(313.699)**	86.281	**(72.340)**	26.186
	122.596	1.018.403	**304.695**	932.551

Taxation on the Company's / Group's profit before tax differs from the theoretically anticipated amount that would arise using the applicable tax rates as follows:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	€	€
Loss before tax	**(14.730.795)**	(14.562.902)	**(13.260.232)**	(28.632.525)
Tax calculated at the applicable corporation tax rate of 10%	**(4.814.484)**	(2.952.931)	**(1.326.023)**	(2.863.253)
Tax effect of expenses not deductible for tax purposes	**5.256.404**	4.120.295	**2.008.897**	3.820.023
Tax effect of allowances and income not subject to tax	**(380.137)**	(602.056)	**(404.235)**	(461.939)
Special contribution for defence	**27.987**	14.924	**10**	699
Tax adjustment for previous years	**-**	432.612	**-**	448.021
Tax of foreign subsidiaries	**-**	3.072	**-**	-
Other effects	**32.826**	2.487	**26.046**	(11.000)
Tax charge	**122.596**	1.018.403	**304.695**	932.551

Tax Rates

Corporation tax

According to the Income Tax Law of 2002, which came into effect on 1 January 2003, the Group's Cyprus tax resident companies are subject to corporation tax on its taxable profits at the rate of 10%. In case of losses, the Group's companies can elect to transfer losses and offset them against their taxable profits future profits indefinitely.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% (10% to 30 August 2011). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17% (the rate was 15% up to 30 August 2011).

From 1 January 2003, the Group which consists of the Company and its subsidiaries is entitled to transfer its tax losses between its companies and offset them against taxable profits, given that companies have been part of the Tax Group for the whole of the tax year. For tax purposes, members of the same Group are considered to be companies in which the holding company owns directly or indirectly over 75% of the issued share capital and they are part of the Group, for the whole tax year.

14. Loss per share and net assets per share

The loss per share is calculated by dividing the loss for the year which is attributable to the shareholders of the Company by the weighted average number of issued shares during the year.

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Loss for the year	**(14.853.391)**	(15.581.305)	**(13.564.927)**	(29.565.076)
Weighted average number of shares in issue during the year	**199.993.462**	199.993.462	**199.993.462**	199.993.462
Loss per share (cents)	**(7,43)**	(7,79)	**(6,78)**	(14,78)

The net assets per share is calculated by dividing the net assets at 31 December by the number of issued shares on that date.

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Net assets at 31 December	**147.966.548**	162.722.449	**150.331.626**	164.045.828
Number of shares in issue at 31 December	**199.993.462**	199.993.462	**199.993.462**	199.993.462
Net assets per share (cents)	**73,99**	81,36	**75,17**	82,03

The Company has no share options that can be exercised. As a result the diluted earnings per share and the diluted net assets per share were not calculated.

During 2009, the Company has acquired 6.538 own shares which have been deducted from the total number of issued shares of the Company for the calculation of the loss per share and the net assets per share (Note 28).

15. Staff expenses

THE GROUP AND THE COMPANY

	2011	2010
	€	€
Salaries	**368.984**	364.377
Provident fund contribution	**36.661**	36.438
Other employer's contributions	**61.349**	55.613
	466.994	456.428

The total number of employees of the Group and the Company as at 31 December 2011 was 8 (2010: 9).

16. Negative goodwill

THE GROUP

	2011	2010
	€	€
Balance 1 January	-	-
Additions (Note 19)	171	-
Write-off	(171)	-
Balance 31 December	-	-

On 12 October 2011, the Group, through its 100% Demetra Real Estate Investments Limited, acquired 100% of the share capital of Aniben Enterprises Limited (Note 19). A negative goodwill of €171 resulted from this transaction. The Board of Directors of the Company decided to write-off the total amount of goodwill in the statement of comprehensive income for the year ended 31 December 2011.

17. Property, plant and equipment

THE GROUP

	Land and buildings	Furniture and office equipment	Computer hardware	Motor Vehicles	Ships	Total
	€	€	€	€	€	€
Cost						
Balance 1 January 2010	-	83.806	130.605	15.377	-	229.788
Additions	-	167.783	16.355	-	-	184.138
From purchase of subsidiaries (Note 19)	-	-	-	-	910.265	910.265
Transfer from investment property (Note18)	1.718.126	-	-	-	-	1.718.126
Fair value adjustment	(3.860)	-	-	-	-	(3.860)
Sales	-	(25.858)	-	-	-	(25.858)
Balance 1 January 2011	**1.714.266**	**225.731**	**146.960**	**15.377**	**910.265**	**3.012.599**
Additions	**23.846**	**15.099**	**28.157**	-	**296.918**	**364.020**
Sales	-	-	-	-	**(1.207.183)**	**(1.207.183)**
Fair value adjustment	**(265.096)**	-	-	-	-	**(265.096)**
Balance 31 December 2011	**1.473.016**	**240.830**	**175.117**	**15.377**	-	**1.904.340**
Accumulated depreciation						
Balance 1 January 2010	-	31.385	67.505	9.483	-	108.373
Charge for the year	19.444	13.390	28.243	3.075	-	64.152
Sales	-	(13.153)	-	-	-	(13.153)
Fair value adjustment	(19.444)	-	-	-	-	(19.444)
Balance 1 January 2011	-	**31.622**	**95.748**	**12.558**	-	**139.928**
Charge for the year	**34.748**	**23.901**	**21.969**	**2.819**	-	**83.437**
Fair value adjustment	**(34.748)**	-	-	-	-	**(34.748)**
Balance 31 December 2011	-	**55.523**	**117.717**	**15.377**	-	**188.617**
Net book value						
31 December 2011	**1.473.016**	**185.307**	**57.400**	-	-	**1.715.723**
31 December 2010	1.714.266	194.109	51.212	2.819	910.265	2.872.671

17. Property, plant and equipment (continued)

THE COMPANY

	Furniture and office equipment €	Computer hardware €	Motor vehicles €	Total €
Cost				
Balance 1 January 2010	83.806	129.126	15.377	228.309
Additions	60.942	15.779	-	76.721
Sales	(25.858)	-	-	(25.858)
Balance 1 January 2011	**118.890**	**144.905**	**15.377**	**279.172**
Additions	**7.753**	**27.869**	**-**	**35.622**
Balance 31 December 2011	**126.643**	**172.774**	**15.377**	**314.794**
Accumulated depreciation				
Balance 1 January 2010	31.385	66.214	9.483	107.082
Charge for the year	11.570	27.910	3.075	42.555
Sales	(13.153)	-	-	(13.153)
Balance 1 January 2011	**29.802**	**94.124**	**12.558**	**136.484**
Charge for the year	**12.496**	**21.761**	**2.819**	**37.076**
Balance 31 December 2011	**42.298**	**115.885**	**15.377**	**173.560**
Net book value				
31 December 2011	**84.345**	**56.889**	**-**	**141.234**
31 December 2010	89.088	50.781	2.819	142.688

Land and buildings are mortgaged for the benefit of bank account (Note 18).

The land and buildings of the Group were revalued by the Directors on 31 December 2011 by taking into account the assessments of independent valuers which have been performed, using the market value basis. The market value was calculated based on existing comparative data, after taking into account the natural and legal characteristics, the prospects and opportunities of the relevant properties as well as the trends of the real estate market and economy. The deficit resulting from the revaluation after any resulting deferred tax has been debited to the revaluation reserve in shareholders' interests up to the balance of the reserve. The excess was debited to the profit and loss account.

Land and buildings based on historical cost are as follows:

	2011 €	2010 €
Cost	**1.741.972**	1.718.126
Accumulated depreciation	**(54.192)**	(19.444)
	1.687.780	1.698.682

18. Investment property

	THE GROUP 2011 €	THE GROUP 2010 €	THE COMPANY 2011 €	THE COMPANY 2010 €
Balance 1 January	**37.736.259**	31.201.464	**4.246.000**	2.679.000
Transfer to Property, plant and equipment (Note 17)	**-**	(1.718.126)	**-**	-
Additions	**5.243.846**	8.559.082	**92.400**	1.305.139
From purchase of subsidiaries	**2.750.000**	-	**-**	-
Fair value adjustment (Note 10)	**(3.687.883)**	(306.161)	**(723.400)**	261.861

Balance 31 December	**42.042.222**	37.736.259	**3.615.000**	4.246.000

18. Investment property (continued)

The property included in investment property was revalued on 31 December 2011 according to valuations of independent professional valuators, for each property, using the comparative method of valuation, based on the value of each property in the free market. The market value was estimated according to the existing comparative data and by taking into consideration any physical and legal characteristics, prospects and any potential of the properties under review, as well as the trends in the real estate market and in the economy in general. The profit or loss on revaluation of the investment property is included in the statement of comprehensive income for the year.

Investment property of €7.896.000 (2010: €9.462.000) was not transferred to the Group, as the title deeds were not yet issued, but all necessary acquisition documents have been filed with the Land Registry Department.

Investment property of €8.526.984 on 31 December 2011 and property, plant and equipment of €1.473.016, owed to the subsidiary company Demetra Tower Ltd, is mortgaged for the benefit of a banking institution for an amount of €7.000.000 (Note 30).

Rental income received by the Group from investment property, which is currently under operating leases, amount to €1.182.160 (2010: €591.361) (Note 10).

19. Investments in subsidiary companies

THE COMPANY

	2011	2010
	€	€
Balance 1 January	**22.837.824**	45.460
Additions	**2.750.000**	46.792.364
Impairment	**(5.615.952)**	(24.000.000)
Balance 31 December	**19.971.872**	22.837.824

The additions for the year ended 31 December 2011 represent the issue of new shares of the subsidiary Demetra Real Estate Investments Ltd towards the Company. The additions for the year ended 31 December 2010 represent issue of new shares of the subsidiaries Demetra Overseas Investments Ltd (€41.178.122) and Demetra Real Estate Investments Limited (€5.614.242) towards the Company in exchange for the assignment of equal value loans which are due by other Group companies.

During 2011, the Board of Directors decided to make an impairment adjustment for the investments in subsidiary companies for a value of €5.615.952 (2010: €24.000.000) due to the losses resulted from the sector of land and property development during the years 2008 until 2011 and the significant reduction of the net assets of the subsidiary companies.
The total amount of impairment on 31 December 2011 amounts to €29.615.592 (2010: €24.000.000).

19. Investments in subsidiary companies (continued)

The subsidiary companies as at 31 December 2011 are as follows:

	Principal Activity	Country of incorporation	Ownership percentage and voting rights Direct	Indirect
Demetra Overseas Investments Limited	Investment in foreign associated companies	Cyprus	100%	-
Demetra Real Estate Investments Limited	Investments in the field of land and immovable property development in Cyprus	Cyprus	100%	-
Demetra Oil & Gas Investments Limited	Dormant	Cyprus	100%	-
Demetra Bulgaria Limited	Investments in the field of land and immovable property development in Bulgaria	Bulgaria	-	100%
Demetra Investment Public SRL	Investments in the field of land and immovable property development in Romania	Romania	-	100%
Demetra Residency Developments SRL	Dormant	Romania	-	100%
Demetra Realty Developments SRL	Investments in the field of land and immovable property development in Romania	Romania	-	100%
Demetra Investment Public SRL	Dormant	Moldavia	-	100%
Demetra Golf Investments Limited	Investment in the development of golf resorts	Cyprus	-	100%
Demetra Tower Limited	Investments in the field of land and immovable property development in Cyprus	Cyprus	-	100%
Demetra Tower (Limassol) Limited	Investments in the field of land and immovable property development in Cyprus	Cyprus	-	100%
Demetra Iphigenias Tower Limited	Investments in the field of land and immovable property development in Cyprus	Cyprus	-	100%
Aniben Enterprises Limited	Investments in the field of land and immovable property development in Cyprus	Cyprus	-	100%
Crystal Sea Maritime Ltd	Dormant	Cyprus	-	100%
Cooper Security Services Public Limited	Dormant	Cyprus	50,72%	-

The details relating to the acquisition of the subsidiary companies are shown below:

Aniben Enterprises Limited
During 2011, the Company through its 100% subsidiary Demetra Real Estate Investments Limited, acquired 100% of the share capital of Aniben Enterprises Limited, a company established in Cyprus as a limited liability company.

The net loss that was recognized in the consolidated financial statements from the date of incorporation as acquisition of the above subsidiaries until the end of the financial year amounts to € 286.072 (2010: €nil).

19. Investments in subsidiary companies (continued)

The assets and liabilities of the subsidiary company acquired by the Group during 2011 were as follows:

	Book value €	Fair value €
Investment property	**1.838.495**	**2.750.000**
Tax receivable	**6.138**	**6.138**
Bank deposits	**17.036**	**17.036**
Creditors and accrued expenses	**(23.003)**	**(23.003)**
Total assets of the acquired company	**1.838.666**	**2.750.171**
Acquisition cost		**2.750.000**
Negative goodwill written off through results (Note 16)		**171**

Covered in:

Cash	**2.750.000**

Cash flow from the acquisition of subsidiary companies during the year 2011:

Cash paid for the acquisition of the company	**(2.750.000)**
Cash acquired	**17.036**
	(2.732.964)

The assets and liabilities of the subsidiary company acquired by the Group during 2010 were as follows:

	Book value €	Fair value €
Ships	**1.880.265**	**910.265**
Debtors and prepayments	**8.572**	**8.572**
Bank deposits	**113.879**	**113.879**
Inventory	**20.171**	**20.171**
Taxation	**(49)**	**(49)**
Balances with related companies	**(3.374.102)**	**(3.374.102)**
Creditors and accrued expenses	**(212.036)**	**(212.036)**
Net liabilities of the acquired company	**(1.563.300)**	**(2.533.300)**
Provision for non-recovery of loans already granted		**1.983.708**
Provision for associated companies losses already recognised		**549.593**
Acquisition cost		**1**

Covered in:

Cash	**1**

Cash flow from the acquisition of subsidiary companies during the year 2010:

Cash paid for the acquisition of the company	**(1)**
Cash received	**113.879**
	113.878

20. Investments in associated companies

THE GROUP

	2011	2010
	€	€
At 1 January	**-**	16.449
Additions	**-**	(16.225)
Share of loss after tax	**-**	(224)
At 31 December	**-**	-

A loss from associated undertakings of €56.171 (2010: €549.817) was recognised in the statement of comprehensive income. The total loss for 2011 comprises of the provision above the initial investment from the participation in Verendrya Ventures Limited. The loss for the year ended 31 December 2010 includes an amount of €224 and a provision above the initial investment of €549.593 from the participation in Crystal Sea Maritime Limited.

THE COMPANY

	2011	2010
	€	€
At 1 January	**828**	21.681
Sales	**-**	(21.353)
Reversal of impairment	**-**	500
Balance 31 December	**828**	828

The associated companies at 31 December 2010 are:

	Principal Activity	**Country of incorporation**	**2011 Ownership percentage and voting rights**		**2010 Ownership percentage and voting rights**	
			Direct	**Indirect**	**Direct**	**Indirect**
Verendrya Ventures Limited	Development and construction of desalinization units.	Cyprus	40%	-	40%	-
Flightcare Cyprus Limited	Dormant	Cyprus	25%	-	25%	-
Sheerwater Holdings Limited	Dormant	Cyprus	-	25%	-	25%

Verendrya Ventures Limited

The Company, through its associated company Verendrya Ventures Limited, has proceeded in 2010 with the sign off of an agreement of cooperation with Logicom Public Limited for the construction of the desalination unit at Episkopi area and the management of the unit for the next 20 years. The Company's indirect involvement in this project is 20% through Verendrya Ventures Limited. The above named company has acquired 100% of the share capital of Netcom Limited, which participates with a 50% in a joint venture with the Israeli company Mekorot Development and Enterprise Ltd for construction and maintenance of the desalination unit at Episkopi area. No goodwill arose from this transaction. For its participation to the project the Company guaranteed through freeze of bank accounts an amount of €7.167.622 (2010: €200.000).

Sheerwater Holding Limited

During 2009, the Company, through its 100% subsidiary Demetra Oil & Gas Investments Limited, acquired 25% shareholding of Sheerwater Holdings Limited, a company established in Cyprus as a limited liability company, with activities in the oil and gas sector. During 2010, the Company has terminated its cooperation with the other partners and began the liquidation process of Sheerwater Holdings Limited. Simultaneously, under the termination agreement, the Group proceeded to acquire the entire share capital of Crystal Sea Maritime Limited for €1, which has in possession a ship. This company was previously a 100% subsidiary of Sheerwater Holdings Limited. During the year ended 31 December 2011, the Company sold the ship owned by Crystal Sea Maritime Limited and thus, during 2011 Crystal Sea Maritime Limited became dormant.

20. Investments in associated companies (continued)

Significant total amounts for the associated companies of the Group:

THE GROUP

	2011	2010
	€	€
Total Assets	**8.464.062**	2.332.498
Total Liabilities	**8.604.490**	2.547.293
Total income	**-**	392.696
Total net loss	**(140.428)**	(1.318.067)

In the total amount net loss and in the total revenue for the year ended 2010, is included the next result of Crystal Sea Maritime Limited, which at the end of the year 2010 was transferred in the investments in subsidiaries.

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21. Financial assets available-for-sale

THE GROUP AND THE COMPANY

	2011	2010
	€	€
Corporate bonds listed in foreign Stock Exchanges	**-**	666.242
Corporate bonds listed in the Cyprus Stock Exchange	**150.725**	300.000
Balance 31 December	**150.725**	966.242

The corporate bonds earn interest equal to the 3 months Euribor plus 1.8% (2010: 3 months Euribor plus 0,6% - 1,8%). These bonds as at 31 December 2011 have expiry date on 30 May 2018 and the issuer has the right of redemption at par on specified dates between May 2013 and May 2018.

During 2010, the Company traded securities of € 854.300, with expiry date in 2016, with non-cumulative convertible perpetual capital securities at indefinite duration. Because of this transaction, and based on International Accounting Standard 39 "Financial Instruments: Recognition and Measurement", the Company proceeded to the reclassification of all investments included in the category of financial assets held to maturity, to the category Financial assets available for sale. The Company is not allowed to reclassify any investment in the category “financial assets held-to-maturity” for a period of two years according to IAS 39.

The movement of financial assets available-for-sale is presented below:

THE GROUP AND THE COMPANY

	2011	2010
	€	€
At 1 January	**966.242**	-
Transfer from financial assets held to maturity	**-**	966.242
Unrealised exchange loss recognised through statement of comprehensive income	**(149.275)**	-
Disposals	**(666.242)**	-
Balance 31 December	**150.725**	966.242

From the disposal of the government bonds listed in foreign stock exchanges, the Company received the amount of €700.000. As a result, gains of €33.758 were recognised as income in the income statement.

22. Inventories

	TTHE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Land and buildings under development and for sale	**11.546.761**	12.435.002	**-**	-

Legal ownership of inventory valued at €811.000 (2010: €1.401.000) has not been transferred to the Group, because the title deeds have not been issued yet. However all the necessary acquisition documents have been filed with the Land Registry Office. All inventories above are measured at the lower of cost and net realizable value (NRV).

During 2011 the Group sold inventory with a carrying value of €295.000 for the amount of €208.696 plus V.A.T., realising a loss of €86.304 (Note 10).

23. Loans and other receivables

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Interest receivable	**1.386.287**	1.128.735	**1.386.287**	1.128.735
Corporate bonds receivable	**3.476.153**	2.149.527	**3.476.153**	2.149.527
Dividends receivable	**23.959**	50.921	**23.959**	50.921
Amounts receivable from cash refunds in relation to investments in new share issues	**15.460**	18.010	**15.460**	18.010
Other receivables and prepayments	**1.132.696**	1.309.462	**755.126**	1.038.403
	6.034.555	4.656.655	**5.656.985**	4.385.596

Loans and other receivables are analysed as follows:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Receivable within one year	**3.906.878**	4.246.591	**3.529.308**	3.975.532
Receivable over one year	**2.127.677**	410.064	**2.127.677**	410.064
	6.034.555	4.656.655	**5.656.985**	4.385.596

Corporate bonds comprise of bonds from financial institutions of €1.000.000 (2010: € Nil), with fixed annual interest rate of 6,5% and expiry date on 31 October 2021 and of bonds of €410.064 (2010: €410.064) with variable annual interest rate of basic plus 1,875% and expiry date on 8 December 2015. As a result, the above mentioned bonds were classified as non-current assets. All other amounts included in corporate bonds are receivable within one year.

Other receivables comprise of a loan of €717.613 (2010: €717.613) due from a non-related company for which a loan agreement was signed on 31 December 2011 with an annual fixed interest rate of 6%. The loan is repayable by 48 quarterly instalments up to 31 December 2023. For the first two years the loan agreement provides only the repayment of interest. As a result, this receivable was classified as non-current asset. The loan is secured with floating charge over the assets of the non-related company, with the right of conversion to fixed charged under certain circumstances.

Amounts receivable from cash refunds in relation to investments in new share issues bear annual interest of 6% (2010: 6%). The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the date of the statement of financial position.

Past due but not impaired trade receivables and other financial assets for the Group and the Company amount to €15.460 (2010: €18.010).

Notes to the Company and Consolidated Financial Statements
for the year ended 31 December 2011

24. Receivable from associated companies
THE GROUP

	2011	2010
	€	€
Receivables from associated companies within one year (Note 34)	**3.432.893**	2.456.022
Provision for losses of associated companies above investment cost (Note 20)	**(56.171)**	-
	3.376.722	2.456.022

The balance on 31 December 2011 relates to a loan facility of €4.360.000 granted to the related company Verendrya Ventures Limited. During 2011 interest charged on this loan amounted to €216.871 (2010: €56.022). The loan is repayable on first demand and bears annual interest of 5,5%.

The total balance on 31 December 2011 includes provision for losses of €56.171 from the Group's participation in Verendrya Ventures Limited.

25. Receivable from subsidiary and associated companies
THE COMPANY

	2011	2010
	€	€
Receivable from subsidiary and associated companies within one year (Note 34)	**38.806.115**	29.986.047
Receivables from subsidiary and associated companies over one year (Note 34)	**-**	3.358.382
	38.806.115	33.344.429

The amounts receivable from subsidiary and associated companies bear annual interest at the rate of 1% - 5,5% (2010: 1% - 5,5%) per annum. All amounts are presented net of provision for doubtful amounts.

During 2010, amounts receivable from subsidiary companies amounting to € 46.792.364 were capitalized by the Company through issuance of new shares (Note 19).

The movement of the provision for non-receipt of receivable amounts from subsidiary and associated companies is presented below:

	€
At 1 January 2010	5.450.000
Decrease in provision	(500.000)
Balance 31 December 2010	4.950.000
Write off receivable from subsidiary as non-recoverable	(2.150.000)
Balance 31 December 2011	**2.800.000**

26. Financial assets at fair value through profit and loss

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
At 1 January	**46.793.480**	56.238.622	**43.093.480**	52.538.622
Addition	**15.103.846**	20.661.835	**15.103.846**	20.661.835
Disposals	**(45.052.108)**	(24.581.852)	**(45.052.108)**	(24.581.852)
Net transfer from other financial assets	**-**	136.687	**-**	136.687
Changes in fair value (Note 5)	**(1.609.136)**	(5.661.812)	**2.090.864**	(5.661.812)
At 31 December	**15.236.082**	46.793.480	**15.236.082**	43.093.480

The financial assets at fair value through profit and loss are analysed as follows:

	THE GROUP		THE COMPANY	
Shares listed on the Cyprus Stock Exchange by sector:	**Market value 2011 €**	Market value 2010 €	**Market value 2011 €**	Market value 2010 €
Financial	**979.648**	3.318.931	**979.648**	3.318.931
Customer retail services	**1.090.463**	1.444.023	**1.090.463**	1.444.023
Consumption goods	**3.338.530**	3.505.150	**3.338.530**	3.505.150
Technology	**1.926.832**	2.673.575	**1.926.832**	2.673.575
Corporate bonds	**4.086.362**	7.414.337	**4.086.362**	7.414.337
	11.421.835	18.356.016	**11.421.835**	18.356.016
Non-listed shares	**700.000**	3.900.000	**700.000**	200.000
Total investments in Cyprus	**12.121.835**	22.256.016	**12.121.835**	18.556.016
Foreign investments				
Structured and other products	**1.329.874**	2.330.888	**1.329.874**	2.330.888
Securities in foreign stock exchanges	**1.542.923**	14.165.509	**1.542.923**	14.165.509
Stock repos	**216.010**	1.187.473	**216.010**	1.187.473
Derivatives listed in foreign stock	**25.440**	6.853.594	**25.440**	6.853.594
Total foreign investments	**3.114.247**	24.537.464	**3.114.247**	24.537.464
Total investments	**15.236.082**	46.793.480	**15.236.082**	43.093.480

The financial assets at fair value through profit and loss are presented in the cash flow statement under cash flows from operations as part of changes in working capital. The changes in fair values of financial assets at fair values through profit and loss are included in the statement of comprehensive income.

Financial assets designated at fair value through profit and loss determined at inception are those of which performance is evaluated on a fair value basis in accordance with the Group's established investment strategy. Information about the fair value of these financial assets can be provided internally on a fair value basis to the Group's chief directors.

During 2011 the Company invested an amount of €600.000 in a non-listed company. The Board of Directors decided that the fair value of the investment on 31 December 2011 did not present significant change compared to the acquisition cost.

Financial assets whose fair value as at 31 December 2011 was of €216.010 (2010: €1.187.473) were borrowed to the Athens Derivatives Stock Exchange. The Company still reserves all risks and rewards from the ownership of the shares, but they are unable to sell these shares, since they are bound by the Derivatives Stock Exchange.

26. Financial assets at fair value through profit and loss (continued)

The accounting value of financial assets shown below is categorized as follows:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Financial assets that have been designated at fair value through profit and loss during the initial recognition	15.236.082	46.793.480	**15.236.082**	43.093.480

27. Cash and other bank balances

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Balances with Co-Operative Financial Institutions, Savings Companies and Commercial Banks	**7.625.051**	6.849.505	**6.485.059**	6.057.420
Cash under management by Investment	**6.330.600**	2.305.424	**6.330.600**	2.305.424
Total cash and cash equivalents	**13.955.651**	9.154.929	**12.815.659**	8.362.844
Bank deposits – more than 3 months	**60.491.630**	54.607.444	**60.491.630**	54.607.444
At 31 December	**74.447.281**	63.762.373	**73.307.289**	62.970.288

The cash and cash equivalents that are included in statement of cash flows, comprise the above balance sheet amounts and bear annual interest of 0,30%-4,50% (2010: 0,05%-4,50%).

Bank deposits represent savings accounts of period more than three months and bear annual interest of 2,95%-5,25% (2010: 0,10%-6,50%).

Bank deposits of the Company of €7.167.622 (2010: €200.000) were secured as collateral for the participation of the Group in the desalination project where the associated company Verendrya Ventures Limited participates (Note 35).

28. Share capital

	2011		2010	
	Number of shares	€	Number of shares	€
Authorised				
Shares of €0,85 each	**500.000.000**	**425.000.000**	500.000.000	425.000.000
Issued and fully paid				
Shares of €0,85 each	**200.000.000**	**170.000.000**	200.000.000	170.000.000

All issued ordinary shares carry the same rights.

On 2 September 2009 the Board of Directors of the Company decided to establish a buy back repurchase share scheme which started from 3 September 2009 to 2 September 2010 and allowed the repurchase up to 5.000.000 of own shares. The duration of ownership of these shares must not exceed two years. During the year ended 31 December 2009, the Company acquired 6.538 own-shares for a total cost of €2.492. On 15 September 2010, the Board of Directors of the Company decided to renew the own-share repurchase scheme which was active from 16 September 2010 to 15 September 2011, while on 7 September 2011 renewed the scheme for an additional year. On 27 March 2012 the Company sold all the above shares for the amount of €1.483.

29. Deferred taxation

The deferred taxation is calculated on the temporary differences using the liability method based on the applicable tax rates.

Deferred Tax Liability

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
At 1 January	**258.254**	246.095	**79.644**	53.458
(Credit)/Charge in the Income Statement (Note 13)	**(53.929)**	12.159	**(42.068)**	26.186
At 31 December	**204.325**	258.254	**37.576**	79.644

Deferred Tax Assets

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
At 1 January	**254.002**	329.682	**-**	-
(Credit) / Charge to other comprehensive income	**1.558**	(1.558)	**-**	-
(Credit) /Charge in the Income Statement (Note 13)	**259.770**	(74.122)	**30.272**	-
At 31 December	**515.330**	254.002	**30.272**	-

Deferred tax liabilities arise from the revaluation of investment property, whilst deferred tax assets arise from the tax losses of foreign subsidiaries and revaluation of investment property.

30. Borrowings

THE GROUP AND THE COMPANY
Bank Loan

	2011	2010
	€	€
Payable within one year	**871.124**	896.979
Payable over one year	**4.787.442**	5.658.567
Total amount	**5.658.566**	6.555.546

The bank loan granted to the Company during 2010 had duration of seven years, was repayable in 84 monthly installments, with the first installment being paid on 31 July 2010, and interest to be capitalised every six months. The loan bears interest equal to basic rate plus 2.5% margin per year. The loan, including interest, is repayable by 31 July 2017. The above bank loan is secured by a mortgage of € 7.000.000 on the property owned by Demetra Tower Limited. The carrying value of the above property on 31 December 2011 amounts to €10.000.000 (2010: €11.633.000) (Note 17 and 18).

31. Financial liabilities at fair value through profit and loss

	THE GROUP		THE COMPANY	
Derivatives listed in foreign stock exchanges	**Market value 2011 €**	Market value 2010 €	**Market value 2011 €**	Market value 2010 €
At 31 December	**32.423**	106.225	**32.423**	106.225

The financial liabilities at fair value through profit and loss are presented in the statement of cash flows from operations as part of changes in working capital.
Changes in fair value of financial liabilities at fair value through profit and loss amount to a gain of €73.802 (2010: loss €77.876) and are included in the statement of comprehensive income (Note 5).

32. Trade and other creditors

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Trade creditors	**161.302**	616.501	**-**	-
Other creditors and accrued expenses	**642.029**	1.379.802	**480.633**	915.267
	803.331	1.996.303	**480.633**	915.267

The fair value of other creditors approximates their carrying amount at the statement of financial position date.

33. Current tax liabilities

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Corporation tax	**385.421**	280.099	**375.578**	284.865
Special contribution for defence	**15.617**	14.273	**-**	-
Corporation tax of foreign subsidiaries	**(830)**	(443)	**-**	-
	400.208	293.929	**375.578**	284.865

34. Related parties transactions

(i) Remuneration of key management personnel
The remuneration and other benefits of the members of the Board of Directors and the key management personnel were as follows:

THE GROUP AND THE COMPANY	2011	2010
	€	€
Annual fees of the Members of the Board of Directors	**24.500**	24.500
Board members rights for their participation on committees	**39.900**	46.950
Allowance for entertaining	**73.846**	48.000
Other expenses of the Members of the Board of Directors	**28.696**	19.590
	166.942	139.04

The remuneration of the Board of Directors during 2011 is analysed as follows:
Dimitrakis Stavrou: annual fee €3.500 (2010: €3.500) and reward for participation in committees: €4.350 (2010: €5.550), Lefteris Christoforou: annual fee €3.500 (2010: €3.500) and reward for participation in committees: €6.750 (2010: €8.400), Dr. Ioannou Nearchos: annual fee €3.500 (2010: €3.500) and reward for participation in committees: €6.600 (2010: €7.800), Kriton Georgiades: annual fee €3.500 (2010: €3.500) and reward for participation in committees: €4.500 (2010: €5.100), Evangelos Georgiou: annual fee €3.500 (2010: €3.500) and reward for participation in committees: €4.200 (2010: €4.350), Fotis Dimitriadis: annual fee €3.500 (2010: €3.500) and reward for participation in committees: €7.200 (2010: €7.950), Maria Ioannou Theodorou: annual fee €3.500 (2010: €3.500) and reward for participation in committees: €6.300 (2010: €7.800).

Additionally during 2011 an amount of €36.922 (2010: €24.000) was paid to the Chairman of the Board and €18.462 (2010: €12.000) to each Vice for entertainment expenses. The total amount paid in 2011 was €73.846 (2010: €48.000).

34. Related parties transactions (continued)

(ii) ***Remuneration of other key management personnel***

	2011	2010
	€	€
Salaries	**189.013**	180.895
Provident fund contributions	**18.901**	18.090
Other employer's contributions	**21.780**	18.982
	229.694	217.967

In other key management personnel 2 members of the management team of the Company are included.

(iii) Receivables from directly and indirectly subsidiary and associated companies net of provision

THE COMPANY

	2011	2010
	€	€
Amounts due from subsidiary companies	**35.373.222**	30.888.407
Amounts due from associated companies	**3.432.893**	2.456.022
	38.806.115	33.344.429

The above amounts are presented net of provision of €2.800.000 (2010: €4.950.000).

The above amounts are repayable as follows:

	2011	2010
	€	**€**
Repayable within one year:		
- Due from subsidiary companies	**35.373.222**	27.530.025
- Due from associated companies	**3.432.893**	2.456.022
	38.806.115	29.986.047
Repayable between one and five years:		
- Due from subsidiary companies	**-**	3.358.382
	38.806.115	33.344.429

(iv) **Interest charged to subsidiary and associated companies**
THE COMPANY

	2011	2010
	€	€
Interest charged to subsidiary companies	**419.865**	935.332
Interest charged to associated companies	**216.871**	182.564
	636.736	1.117.896

(v) Receivables from associated companies
HE GROUP

	2011	2010
	€	€
Repayable within one year	**3.376.722**	2.456.022

During 2011 interest charged to the associated companies was €216.871 (2010: €182.564) and recognised loss for non-collection of receivables was €56.171.

35. Contingent liabilities

The Group has given guarantees amounting to €7.167.622 (2010: €200.000) for its participation in the desalination project in Episkopi through its subsidiary Verendrya Ventrures Limited. The Board of Directors expects that the Group will not suffer any financial loss from the above guarantees.

At the date of this report there were no pending lawsuits against the Company and the Group and no contingent liabilities that need to be reported.

36. Commitments

Commitments relate to rent payable by the Company and the Group and are as follows:

	THE GROUP		THE COMPANY	
	2011	2010	**2011**	2010
	€	€	**€**	€
Within one year	**-**	230.000	**65.360**	291.272
Between two to five years	**-**	-	**164.008**	229.368
More than five years	**-**	-	**-**	-
	-	230.000	**229.368**	520.640

The obligations of the Company include an amount of €229.368 (2010: €290.640) for rental commitments to the subsidiary Demetra Tower Ltd. The obligations of the Company on 31 December 2010 include an amount of € 230.000 for the construction of a building in Nicosia.

37. Leasing of property

The future minimum receipts from leasing of property leasing for which no provision is recognised in the financial statements are as follows:

THE GROUP

	2011	2010
	€	€
Within one year	**1.590.005**	1.013.652
Between two to five years	**4.307.875**	3.721.627
More than five years	**1.744.027**	1.045.291
	7.641.907	5.780.570

38. Provident fund

The Company operates a defined contribution provident fund in which its employees participate. The contributions of the employees range from 5% to 10%, whereas employers’ contributions are 10%. The fund operates independently and prepares separate financial statements. The total contributions of the Company and the Group to the fund for 2011 were €36.661 (2010: €36.438).

39. Significant contracts

Other than the agreements with the asset managers, as described in Note 1 “General Information”, there are no other significant contracts.

40. Dividends

The Board of Directors of the Company does not recommend the payment of a dividend.

41. Events after the balance sheet date

The Group through Netcom Ltd, where it owns indirectly 40% of its share capital (the remaining 60% is owned by Logicom Public Limited – also indirectly), has entered into a joint venture with 50% shareholding, with Mekorot Development and Enterprise Ltd an Israeli company. These parties entered into an agreement with the Water Development Department (WDD) for the renovation and running of the desalination unit at Larnaca which has a capacity of 60.000 c.b. of water daily.

The contract was the result of a competition launched by the WDD in 2010.

The signing of this agreement represents the implementation of the Company's plans to expand its activities in other sectors, other than investments in securities and real estate.

There were no other significant events after the date of the statement of financial position that relate to understanding the financial statements.

Demetra Investment Public Limited

Investments exceeding 5% of the Group's Assets, and the 10 most significant investments of the Group as at 31 December 2011

	Issuer / Asset	Industry	Market	Title Category	Number of titles	Purchase cost	Market Value	Total Market Value	Percentage of total assets	Dividend, rent and interest received	Participation in issuers share capital	Issuer's net profit /(loss) for the year	Issuer's Net Assets that relate to the investment
		N/A				€	€	€	%	€		€'000	€'000
1	Bank Deposits and Cash	N/A	N/A	N/A	N/A	74.447.281	74.447.281	74.447.281	48,01%	2.836.365	N/A	N/A	N/A
2	Investments in the field of land and property development	Development of land and property											
	-Cyprus		N/A	Other investments	N/A	50.282.021	39.811.185			2.008.785			
	-Romania		N/A	Other investments	N/A	30.479.226	11.125.000			-			
	-Bulgaria		N/A	Other investments	N/A	7.048.029	5.173.000	56.109.185	36,18%	-	N/A	N/A	N/A
3	Investments in other projects	Other projects	N/A	Other investments	N/A	3.160.000	3.432.893	3.432.893	2,21%	216.871	N/A	N/A	N/A
4	A&P (Andreou & Paraskevaides) Ent. Plc Co Ltd (Note)	Consumer goods	Parallel market	Shares	18.500.000	15.990.570	3.052.500	3.052.500	1,97%	414.400	10,12%	4.108	5.145
5	Marfin Popular Bank Public Company Ltd (Note)	Financial	Main market	CSE Shares	565.355	565.355	166.780			51.396	0,04%	89.228	1.414
		Financial	Big capitalization	ASE Shares	3.318.385	3.189.997	982.242			253.217	0,21%		7.425
		Corporate bonds	Bond market	Capital bond-CPBCB	500	500.000	250.000			35.486	0,21%		-
		Corporate bonds	Bond market	Capital bond-CPBCC	3.000	3.000.000	1.200.000	2.599.022	1,68%	212.917	1,02%		-
6	Bank of Cyprus Public Company Ltd (Note)	Financial Market	Big Capitalization	ASE Shares	790.691	1.711.803	482.322			16.830	0,09%	302.525	2.463
		Corporate bonds	Bond market	Capital bonds –BCOCO	2.123.852	2.123.852	1.486.696	1.969.018	1,27%	89.087	0,26%		-
7	Logicom Public Ltd	Technology	Main market	Shares	7.615.937	7.399.002	1.926.832	1.926.832	1,24%	152.319	10,28%	3.615	5.681
8	Hellenic Bank Public Company Ltd	Corporate bonds	Bond market	Convertible bonds HBCCS	1.854.300	1.854.300	1.149.666	1.149.666	0,74%	115.894	1,31%	(99.545)	-
9	Allianz RCM European Equity Dividend IT	N/A	N/A	Equity Fund	672	1.000.000	1.090.366	1.090.366	0,70%	N/A	N/A	N/A	N/A
10	Strovolos COOP	Financial	Not listed	Bond	1.000.000	1.000.000	1.000.000	1.000.000	0,65%	N/A	10,00%	4.788	N/A
	Total					**203.751.436**	**146.776.763**	**146.776.763**	**94,65%**				

Total Assets € 155.065.401

Net assets per share as at 31 December 2011: €0,7399

The fully diluted net asset value does not apply.

The market value of listed investments was based on the bidding price (bid price) on 31 December 2011.

Note: The issuer's net earnings and net assets of the issuer representing in investment for 2010 as there were no audited financial statements of the issuer for 2011.