Annual Report and Financial Statements of the Company and the Group for the year ended 31 December 2012

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

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
The Cyprus Development Bank Public Co Ltd
National Bank of Greece (Cyprus) Ltd

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 2012.

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

During the year, the Group 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 €3,4 million (1,71 cent per share), compared to €14,9 million (7,43 cent per share) in 2011. The Company's net asset value per share has decreased from 73,99 cents on 31 December 2011 to 72,27 cents on 31 December 2012, a decrease of 2,32%.

The Group's dividend receivable, which amounted to €638 thousand, significantly decreased by 43% compared to 2011. The decrease was due to the dividend policy of the public companies and also due to the significant decrease of the investment portfolio in securities. Interest receivable amounted to €5,1 million, representing an increase of 12%. This increase was mainly due to the increase of the interest receivable from deposits as a result of the increase in deposits and interest rates.

The Group's financial assets showed a loss of €1,7 million compared to a loss of €14,7 million in 2011. The loss resulted 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 €5 million resulting 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 a significant decrease of 24%, from €1,8 million to €1,3 million. Financial expenses of €321 thousand have also shown a decrease of 34%.

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 2012, the Group's assets were made up of investments of 62,2% in Securities Portfolio Management Investments, 34,6% in Land and Immovable Property Development and 3,2% in other assets.

The ongoing global economic crisis has significantly negatively affected the stock markets, and land and immovable property development sector, and also all other sectors of the economy both in Cyprus and abroad. The recent developments in Cyprus, with the uncertainties prevailing in the banking system and the economy in general, are expected to affect the future financial results and financial position of the Group, in an extent that cannot be determined. The depth and timing of this economic crisis cannot be predicted. Therefore, the Board of Directors under these specific conditions is not in a position to make an accurate estimate of the Group's results for the financial year 2013.

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 and capital management risk. Additionally, the uncertain current economic situation in Cyprus, the limited availability of liquidity for lending, coupled with the negative growth rate of the economy, could adversely affect the results of the Company and the Group. These risks and the risk management policy adopted by the Company and the Group are explained in notes 3 and 41 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 (2011: € 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 ran from 16 September 2010 to 15 September 2011, while on 7 September 2011 the Buyback Program was renewed for an additional year.
On 5 September 2012 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

There were no changes in the Group's structure during the year ended 31 December 2012.

Board of directors

The members of the Board of Directors as at 31 December 2012 and on the date of this report are shown on page 1. All of them were members of the Board throughout 2012. 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 5 September 2012.

Board of Directors Remuneration

During the year, the Board Members received the amount of €50.450 (2011: €64.400) as remuneration for their services as Members of the Board of Directors of the Company. Additionally, during 2012 an amount of €73.846 (2011: €73.846) 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 2012 an amount of €27.855 (2011: €28.696) 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 2012 and 24 April 2013 by the members of the Board of Directors, directly or indirectly, under the 2012 Directive 0D190-2007-04 are as follows:

	31 December 2012 %	24 April 2013 %
Demetrios Stavrou	0,008	0,008
Dr. Nearchos Ioannou	0,000	0,000
Lefteris Christoforou	0,001	0,001
Kriton Georgiades	0,003	0,003
Evangelos Georgiou	0,005	0,005
Fotis Demetriades	0,004	0,004
Maria Ioannou Theodorou	0,000	0,000

Major shareholders

On 31 December 2012 and 24 April 2013, the shareholders listed below owned more than 5% of the issued share capital of the Company with the following shareholding percentages:

	31 December 2012 %	24 April 2013 %
Limassol Co-operative Limited	7,49	7,49
Strovolos Co-operative	6,61	6,61
Logicom Services Holdings Ltd	5,30	5,41

Report of the Board of Directors (continued)

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, 29 April 2013

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, subparagraph (3)(c) and (7) on Transparency Requirements (in relation to an issuer whose securities are listed for trading on a regulated market) of Law 2007, 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 2012, 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

…………………………….. Dr. Nicos Michaelas

Nicosia, 29 April 2013

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 2012 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 2012 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 prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 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 29 2013

Demetra Investment Public Limited

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2012

	Note	2012 €	2011 €
Revenue			
Dividends receivable	6	**638.024**	1.115.918
Interest receivable and other financial income	6	**5.051.451**	4.513.122
Loss from disposal, revaluation and development of land and immovable property	10	**(5.007.673)**	(3.506.199)
Loss from financial assets and liabilities	5	**(1.687.962)**	(14.653.658)
		(1.006.160)	(12.530.817)
Administrative expenses	9	**(1.339.880)**	(1.769.415)
(Increase) / decrease in provisions	11	**(750.000)**	112.428
Financial expenses	12	**(321.089)**	(486.991)
Write off of negative goodwill	16	**-**	171
Share of profit / (loss) from associated companies	20	**19.240**	(56.171)
Loss before taxation		**(3.397.889)**	(14.730.795)
Taxation	13	**(25.447)**	(122.596)
Net loss for the year		**(3.423.336)**	(14.853.391)
Other comprehensive (expense) / income			
Exchange (loss) / gain arising on the translation of balances with foreign subsidiaries		**(4.002)**	260.791
Loss on revaluation of financial assets available-for-sale		**-**	(149.275)
Loss on revaluation of tangible assets		**-**	(15.584)
Deferred tax due to reassessment		**-**	1.558
Total comprehensive expenses for the year		**(3.427.338)**	(14.755.901)
Net loss attributable to:			
Company Shareholders		**(3.423.336)**	(14.853.391)
Loss per share – cents	14	**(1,71)**	(7,43)

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

Consolidated Statement of Financial Position
as at 31 December 2012

	Note	**2012** €	2011 €
ASSETS			
Non-current assets			
Property, plant and equipment	17	**1.417.773**	1.715.723
Investment property	18	**37.592.658**	42.042.222
Financial assets available-for-sale	21	**150.725**	150.725
Loans and other receivables	23	**1.410.064**	2.127.677
Deferred taxation	29	**859.452**	515.330
Total non-current assets		**41.430.672**	46.551.677
Current Assets			
Inventory	22	**10.106.000**	11.546.761
Loans and other receivables	23	**4.322.413**	3.906.878
Receivables from associated companies	24	**4.110.773**	3.376.722
Financial assets at fair value through profit and loss	26	**12.495.011**	15.236.082
Bank deposits	27	**70.415.113**	60.491.630
Cash and cash equivalents	27	**7.631.111**	13.955.651
Total current assets		**109.080.421**	108.513.724
Total assets		**150.511.093**	155.065.401
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	28	**170.000.000**	170.000.000
Reserves		**(25.459.307)**	(22.033.452)
Total equity		**144.540.693**	147.966.548
Non-current liabilities			
Deferred taxation	29	**104.045**	204.325
Loans – non-current portion	30	**3.869.215**	4.787.442
Total non-current liabilities		**3.973.260**	4.991.767
Current liabilities			
Loans – current portion	30	**918.031**	871.124
Financial liabilities at fair value through profit and loss	31	**-**	32.423
Trade and other payables	32	**655.176**	803.331
Current tax liabilities	33	**423.933**	400.208
Total current liabilities		**1.997.140**	2.107.086
Total equity and liabilities		**150.511.093**	155.065.401
Net assets per share - cents	14	**72,27**	73,99

On 29 April 2013 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 2012

	Share capital €	Accumulated 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 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 after tax	-	(14.853.391)	-	-	-	-	-	(14.853.391)
Other comprehensive (loss) / income for the year after tax	-	-	(14.026)	-	-	260.791	(149.275)	97.490
Balance 31 December 2011 / 1 January 2012	170.000.000	(23.065.473)	-	(2.492)	860.144	323.644	(149.275)	147.966.548
Net loss for the year after tax	-	(3.423.336)			-	-	-	(3.423.336)
Other comprehensive loss for the year after tax	-	-	-	-	-	(4.002)	-	(4.002)
Sale of own shares	-	(1.009)	-	2.492	-	-	-	1.483
Balance 31 December 2012	**170.000.000**	**(26.489.818)**	**-**	**-**	**860.144**	**319.642**	**(149.275)**	**144.540.693**

Companies 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 (the percentage was 15% until 31 August 2011 and increased to 17% for the period up to 31 December 2011) 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 dividend distribution is reduced by any actual dividends paid out of the profits of the relevant year. The Special Defence Contribution is paid by the Company on behalf of the shareholders.

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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 2012

	Note	**2012** **€**	2011 €
Cash flow from operating activities			
Loss for the year before taxation		**(3.397.889)**	(14.730.795)
Adjustments for:			
Depreciation of property, plant and equipment	9	**79.899**	83.437
Loss on disposal and revaluation of property, plant and equipment	9,10	**237.541**	214.764
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	**1.681.558**	14.687.416
Loss on disposal of subsidiary companies	5	**6.404**	-
Gain from write off of negative goodwill	16	**-**	(171)
Loss on revaluation and disposal of investment property	10	**4.518.357**	3.687.883
Interest on loans payable		**272.280**	246.621
Share of (profit) / loss from associated companies	20	**(19.240)**	56.171
Exchange difference arising on the re-translation of balances in foreign currency		**(4.002)**	260.791
Net cash flow before working capital changes		**3.374.908**	4.472.359
Decrease in inventories		**1.440.761**	888.241
Decrease / (increase) in trade and other receivables		**295.545**	(377.900)
Increase in receivables from associated companies		**(714.811)**	(976.871)
Net sales of financial assets and liabilities at fair value through profit and loss		**1.027.090**	16.796.180
Decrease in trade and other payables		**(148.026)**	(1.109.821)
Increase in bank deposits		**(9.923.483)**	(5.884.186)
Cash flow (to) / from operations		**(4.648.016)**	13.808.002
Taxation paid		**(446.124)**	(430.032)
Net cash flow (to) / from operations		**(5.094.140)**	13.377.970
Cash flow from investing activities			
Purchase of property, plant and equipment	17	**(19.565)**	(364.020)
Proceeds from sale of property, plant and equipment		**75**	1.207.183
Investments in subsidiaries	19	**-**	(2.732.964)
Purchase of investment property	18	**(68.793)**	(5.243.847)
Sale of financial assets available-for-sale	21	**-**	700.000
Purchase of bonds	23	**-**	(1.000.000)
Net cash flow for investing activities		**(88.283)**	(7.433.648)
Cash flow from financing activities			
Proceeds from sale of own shares		**1.483**	-
Repayment of loans		**(1.143.600)**	(1.143.600)
Net cash flow for financing activities		**(1.142.117)**	(1.143.600)
Net (decrease) / increase in cash and cash equivalents		**(6.324.540)**	4.800.722
Cash and cash equivalents at the beginning of the year		**13.955.651**	9.154.929
Cash and cash equivalents at the end of the year	27	**7.631.111**	13.955.651

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 2012

	Note	**2012** **€**	2011 €
Revenue			
Dividends receivable	6	**703.024**	1.115.918
Interest receivable and other financial income	6	**5.423.015**	4.922.403
Loss from disposal, revaluation and development of land and immovable property	10	**(446.868)**	(726.850)
Loss from financial assets and liabilities	5	**(1.681.558)**	(10.953.658)
		3.997.613	(5.642.187)
Administrative expenses	9	**(1.168.656)**	(1.500.863)
Impairment of investments in subsidiaries	19	**(2.300.000)**	(5.615.952)
Decrease in provisions	11	**1.450.000**	-
Financial expenses	12	**(303.798)**	(501.230)
Profit / (loss) before taxation		**1.675.159**	(13.260.232)
Taxation	13	**(359.971)**	(304.695)
Net profit / (loss) for the year		**1.315.188**	(13.564.927)
Other comprehensive expense			
Loss on revaluation of investments available-for-sale		**-**	(149.275)
Total comprehensive income / (loss) for the year		**1.315.188**	(13.714.202)
Net profit / (loss) attributable to:			
Company shareholders		**1.315.188**	(13.564.927)
Profit / (loss) per share – cent	14	**0,66**	(6,78)

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 2012

	Note	**2012 €**	2011 €
ASSETS			
Non-current assets			
Property, plant and equipment	17	**120.253**	141.234
Investment property	18	**3.174.000**	3.615.000
Investments in subsidiaries	19	**17.671.872**	19.971.872
Investments in associates	20	**828**	828
Financial assets held-for-sale	21	**150.725**	150.725
Loans and other receivables	23	**1.410.064**	2.127.677
Deferred taxation	29	**54.959**	30.272
Total non-current assets		**22.582.701**	26.037.608
Current assets			
Loans and other receivables	23	**4.118.238**	3.529.308
Receivables from subsidiaries and associated companies	25	**40.774.498**	38.806.115
Financial assets at fair value through profit and loss	26	**12.495.011**	15.236.082
Bank deposits	27	**70.198.911**	60.491.630
Cash and cash equivalents	27	**7.093.838**	12.815.659
Total current assets		**134.680.496**	130.878.794
Total assets		**157.263.197**	156.916.402
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	28	**170.000.000**	170.000.000
Reserves		**(18.351.703)**	(19.668.374)
Total equity		**151.648.297**	150.331.626
Non-current liabilities			
Deferred taxation	29	**16.976**	37.576
Loans – non-current portion	30	**3.869.215**	4.787.442
Total non-current liabilities		**3.886.191**	4.825.018
Current liabilities			
Loans – current portion	30	**918.031**	871.124
Financial liabilities at fair value through profit and loss	31	**-**	32.423
Trade and other payables	32	**399.965**	480.633
Current tax liabilities	33	**410.713**	375.578
Total current liabilities		**1.728.709**	1.759.758
Total equity and liabilities		**157.263.197**	156.916.402
Net assets per share (cents)	14	**75,82**	75,17

On 29 April 2013 the Board of Directors of Demetra Investment Public Limited authorised these 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.

Holding Company Statement of Changes in Equity
for the year ended 31 December 2012

	Share Capital €	Accumulated losses €	Own shares reserve €	Share Capital Conversion Reserve €	Revaluation reserve for financial assets available-for-sale €	Total equity €
Balance 1 January 2011	170.000.000	(6.811.824)	(2.492)	860.144	-	164.045.828
Net loss for the year after tax	-	(13.564.927)	-	-	-	(13.564.927)
Other comprehensive loss for the year after tax	-	-	-	-	(149.275)	(149.275)
Balance 31 December 2011 / 1 January 2012	170.000.000	(20.376.751)	(2.492)	860.144	(149.275)	150.331.626
Net profit for the year after tax	-	1.315.188	-	-	-	1.315.188
Sale of own shares	-	(1.009)	2.492	-	-	1.483
Balance 31 December 2012	**170.000.000**	**(19.062.572)**	**-**	**860.144**	**(149.275)**	**151.648.297**

Companies 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 (the percentage was 15% until 31 August 2011 and increased to 17% for the period up to 31 December 2011) 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 dividend distribution is reduced by any actual dividends paid out of the profits of the relevant year. The Special Defence Contribution is paid by the Company on behalf of the shareholders.

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 2012

	Note	**2012** €	2011 €
Cash flow from operating activities			
Profit / (loss) for the year before taxation		**1.675.159**	(13.260.232)
Adjustments for:			
Depreciation of property, plant and equipment	9	**37.726**	37.076
Loss from sale of property, plant and equipment	9	**26**	-
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	**1.681.558**	10.987.416
Impairment of investments in subsidiaries	19	**2.300.000**	5.615.952
Loss on revaluation and sale of investment properties	10	**452.864**	723.400
Interest on loans payable		**272.280**	246.621
Net cash flow before working capital changes		**6.419.613**	4.316.475
Decrease / (increase) in trade and other receivables		**128.683**	(271.389)
Increase in amounts receivable from subsidiary and associated companies		**(1.968.383)**	(5.355.531)
Net sales of financial assets and liabilities at fair value through profit and loss		**1.027.090**	16.796.180
Decrease in trade and other payables		**(80.668)**	(434.634)
Increase in bank deposits		**(9.707.281)**	(5.884.186)
Cash flow (to) / from operations		**(4.180.946)**	9.166.915
Taxation paid		**(370.123)**	(392.478)
Net Cash flow (to) / from operations		**(4.551.069)**	8.774.437
Cash flow from investing activities			
Purchase of property, plant and equipment	17	**(16.846)**	(35.622)
Proceeds from sale of property, plant and equipment		**75**	-
Purchase of investment property	18	**(11.864)**	(92.400)
Sale of financial assets available-for-sale	21	**-**	700.000
Purchase of bonds	23	**-**	(1.000.000)
Purchase of subsidiaries	19	**-**	(2.750.000)
Net cash flow used in investing activities		**(28.635)**	(3.178.022)
Cash flow from financing activities			
Receipts from sale of own shares		**1.483**	-
Repayment of loans		**(1.143.600)**	(1.143.600)
Net cash flow used in financing activities		**(1.142.117)**	(1.143.600)
Net (decrease) / increase in cash and cash equivalents		**(5.721.821)**	4.452.815
Cash and cash equivalents at the beginning of the year		**12.815.659**	8.362.844
Cash and cash equivalents at the end of the year	27	**7.093.838**	12.815.659

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 20 February 2012, 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. 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.

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 financial statements have been prepared in accordance with the going concern concept. They are presented in Euro and 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 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 Laws and Regulations.

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.

2. Summary of significant accounting policies (continued)

Basis of preparation (continued)

Adoption of new and revised International Financial Reporting Standards
In the current year, the Company and the Group have adopted all new and revised International Financial Reporting Standards (IFRSs) which relate to their work and are effective for accounting periods beginning on January 1, 2012:

- IAS 12 'Income Tax' for the deferred taxation regarding the recovery of underlying assets (Amended)
- IAS 1 'Presentation of Financial Statements' for the presentation of Other Comprehensive Income (Amended)
- IFRS 7 'Financial Instruments: Disclosures' regarding transfers of financial assets (Amended)

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

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:**
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
IFRIC Interpretation 20 'Stripping Costs in the Production Phase of a Surface Mine"	1 January 2013
Amendments to 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
Improvements in IFRS 2009-2011	1 January 2013
Transitional directives for IFRS 10, 11 and 12	1 January 2013

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
Investment Entities (Amendments to IFRS 10, IFRS 12 και IFRS 27) (issued 31 October 2012)	1 January 2014

The last date on which the Company and the Group can adopt the amended standards IAS27 and IAS28 and the new standards IFRS 10, IFRS11 and IFRS 12 is the annual period beginning on or after 1 January 2014.

The Company and the Group are 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 31 December 2012, 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 2012 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 for the following:

- 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.

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.

2. Summary of significant accounting policies (continued)

Business combinations (continued)

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 shareholding 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, are 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 is 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 are recognised 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 2012 were accounted for under the previous version of IFRS 3.

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 has been recognized in the income statement and included in equity, amounts previously recognized in the income statement and included in equity are accounted for in the same manner as if the Company has sold them (e.g. reclassification in the income statement or transfer to reserve results). The fair value of an investment that remains in the former subsidiary at the date the Group ceases to have control is recognized at fair value under the provisions of IAS 39 "Financial Instruments: recognition and measurement".

2. Summary of significant accounting policies (continued)

Investments in associated companies
Associated companies are entities in which the Group owns between 20% and 50% of the voting rights or over and which the Group exerts significant influence but does not control them. Investments in associated companies are initially recognized at cost 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 is recognized after their acquisition in the consolidated statement of comprehensive income and the share of the Group in the reserves movement is recognized after the acquisition in the reserves. The accumulated movements, after the acquisition, are adjusted against the accounting value of the investment. When the share of the Group of the loss of the associated company equals or exceeds the interest in the associated company including other unsecured receivables, the Group does not recognize any further losses, except if it has undertaken any liabilities or has made payments on behalf of the associated company.

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

The financial statements of the associated companies 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 right of the Company and the Group to receive a 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 traded.

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

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 2012 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.

2. Summary of significant accounting policies (continued)

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 recognised in the year to which they relate and are included in the staff costs.

Receivables 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 receivables 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.

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 the exchange rates fluctuate 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.

2. Summary of significant accounting policies (continued)

Taxation (continued)

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 the 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.

Depreciation is calculated using the straight-line method in order to allocate the cost minus any 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.

2. Summary of significant accounting policies (continued)

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 in the statement of financial position, 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 the year end.

The fair value of the investment property is based on valuations performed by independent professional valuers 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.

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 the tangible and intangible assets to determine whether there is 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 the 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.

When, subsequently, an impairment loss is reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss of the asset (or cash-generating unit) had been recognized in prior years. A reversal of an impairment loss is recognized immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

2. Summary of significant accounting policies (continued)

Impairment of assets (continued)

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 immediately recognised as an expense in the statement of comprehensive income, 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 classify their 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 available 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.

(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 of 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 or 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 that were recognized in equity, will be included in the income statement. Impairment losses 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 registered as available for sale and recognized in the results can be subsequently reversed if an increase in the fair value of investment can be objectively related to an event occurring after the impairment loss was recognised.

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 have transferred substantially all risks and rewards of ownership.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)
(i) Investments (continued)

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 establish the 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 assess 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, then the impairment in their value is recognised in the statement of comprehensive income in the period in which it occurs.

(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 and the Group'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 currently an 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.

2. Summary of significant accounting policies (continued)

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.

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 with the changes in the 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 the bank loans and the trade and other payables.

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

31 December 2012
Financial assets

	THE GROUP		THE COMPANY	
	At fair value	Loans and receivables	At fair value	Loans and receivables
	€	€	€	€
Loans and other receivables	-	5.732.477	-	5.528.302
Cash and cash equivalents	-	7.631.111	-	7.093.838
Bank deposits	-	70.415.113	-	70.198.911
Receivables from subsidiaries and associates	-	4.110.773	-	40.774.498
Financial assets held- for-sale	150.725	-	150.725	-
Financial assets at fair value through profit and loss	12.495.011	-	12.495.011	-
	12.645.736	87.889.474	12.645.736	123.595.549

Financial liabilities

	THE GROUP		THE COMPANY	
	At fair value	Loans and other liabilities	At fair value	Loans and other liabilities
	€	€	€	€
Trade and other payables	-	529.771	-	306.263
Bank borrowings	-	4.787.246	-	4.787.246
	-	5.317.017	-	5.093.509

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

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

31 December 2011
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

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 2012 would have as a result an increase in the results for the year of the Company and the Group of €1.874.252 (2011: €2.285.413). 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 of €22.609 (2011: €22.609). 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.

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

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

(ii) Interest rate risk (continued)

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Financial instruments bearing fixed interest rate				
Financial assets	**76.653.470**	66.387.661	**76.024.871**	66.387.661
Financial instruments bearing variable interest rate				
Financial assets	**8.297.487**	18.845.362	**44.328.804**	52.876.912
Financial liabilities	**(4.787.246)**	(5.658.566)	**(4.787.246)**	(5.658.566)
	80.163.711	79.574.457	**115.566.429**	113.606.007

Sensitivity analysis
An increase of 50 basis points in interest rates at 31 December 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	
	2012	2011	**2012**	2011
	€	€	**€**	€
Financial instruments bearing variable interest rate	**17.551**	65.934	**197.708**	236.092

(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	
	2012	2011	**2012**	2011
	€	€	**€**	€
Loans and other receivables	**5.732.477**	6.034.555	**5.528.302**	5.656.985
Cash and cash equivalents	**7.631.111**	13.955.651	**7.093.838**	12.815.659
Bank deposits	**70.415.113**	60.491.630	**70.198.911**	60.491.630
Corporate securities listed in CSE	**652.714**	4.086.362	**652.714**	4.086.362
Securities listed in foreign stock exchanges	**25.440**	25.440	**25.440**	25.440
Financial assets available-for-sale	**150.725**	150.725	**150.725**	150.725
Receivables from subsidiaries and associates	**4.110.773**	3.376.722	**40.774.498**	38.806.115
	88.718.353	88.121.085	**124.424.428**	122.032.916

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 2012

	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	**4.787.246**	**5.401.440**	**285.900**	**857.700**	**1.143.600**	**3.114.240**	**-**
Trade and other payables	**529.771**	**529.771**	**529.771**	**-**	**-**	**-**	**-**
	5.317.017	**5.931.211**	**815.671**	**857.700**	**1.143.600**	**3.114.240**	**-**

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	-

THE COMPANY

31 December 2012

	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	**4.787.246**	**5.401.440**	**285.900**	**857.700**	**1.143.600**	**3.114.240**	**-**
Trade and other payables	**306.263**	**306.263**	**306.263**	**-**	**-**	**-**	**-**
	5.093.509	**5.707.703**	**592.163**	**857.700**	**1.143.600**	**3.114.240**	-

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	-

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 Assets		**THE COMPANY Assets**	
	2012	2011	**2012**	2011
	€	€	**€**	€
United States Dollars	**155.966**	2.490.437	**155.966**	3.050.016
English Sterling	**-**	32.250	**-**	32.250
Swiss Franc	**-**	61.004	**-**	61.004
Japanese Yen	**-**	2.245	**-**	2.245
Romanian Lei	**82.604**	33.726	**-**	-
Bulgarian Leva	**539**	4.027	**-**	-
Moldavian Lei	**-**	39.430	**-**	-
	239.109	2.663.119	**155.966**	3.145.515

<u>Sensitivity analysis</u>

A 5% strengthening of the Euro against the following currencies at 31 December 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 Results		**THE COMPANY Results**	
	2012	2011	**2012**	2011
	€	€	**€**	€
United States Dollars	**7.427**	118.592	**7.427**	145.239
English Sterling	**-**	1.536	**-**	1.536
Swiss Franc	**-**	2.905	**-**	2.905
Japanese Yen	**-**	107	**-**	107
Romanian Lei	**3.934**	1.606	**-**	-
Bulgarian Leva	**26**	192	**-**	-
Moldavian Lei	**-**	1.878	**-**	-
	11.387	126.816	**7.427**	149.787

(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, at 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 and the selected placements and liquidation when deemed necessary.

(xi) Operating Environment of the Company and the Group in Cyprus

During the last few years, the Cypriot economy has been adversely affected by the international financial crisis and the volatility in financial markets. During 2012 there was a significant reduction in the liquidity available from the Cyprus financial institutions, mainly due to the financial instability in relation to the crisis of the Greek debt, including the impairment of Greek government bonds, and its impact on the Cyprus economy. Moreover, the ability of the Republic to raise borrowing from the international financial markets has diminished significantly due to the credit assessment downgrade. The Cyprus Government entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund for financial support.

The uncertainty of the economic situation in Cyprus, the limited availability of liquidity for lending, the impairment loss on bank deposits and the imposition of restrictive measures in conjunction with the current instability in the banking system and projected economic downturn could affect the ability of trade and other receivables of the Company and the Group to repay the amounts due to the Company and the Group, and the ability of the Company and the Group to have adequate turnover, dispose of existing stocks of immovable property and enter into contracts of lease of investment property.

The deterioration in the operating conditions could also impact on the forecasts and estimates made by the Management of the Company in relation to cash flows, impairment of financial and non-financial assets and values of investment property.

The Management of the Company and the Group believes that all the necessary measures are taken to maintain the viability of the Company and the Group and retain the expansion of its business activities in the current business and economic environment.

3. Financial risk management (continued)

(b) Fair value estimation

The fair value of the 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 make assumptions that are based on market conditions existing at the balance sheet date i.e. 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.

(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 2012
THE GROUP AND THE COMPANY

	Level 1	Level 2	Level 3	Total
Financial assets	**€**	**€**	**€**	**€**
Financial assets at fair value through profit and loss	**7.773.072**	**3.877.939**	**844.000**	**12.495.011**
Financial assets available-for-sale	**-**	**-**	**150.725**	**150.725**
	7.773.072	**3.877.939**	**994.725**	**12.645.736**

31 December 2011
THE GROUP AND THE COMPANY

	Level 1	Level 2	Level 3	Total
Financial assets	€	€	€	€
Financial assets at fair value through profit and loss	13.206.208	1.329.874	700.000	15.236.082
Financial assets available-for-sale	-	-	150.725	150.725
	13.206.208	1.329.874	850.725	15.386.807
Financial liabilities				
Financial liabilities at fair value through profit and loss	32.423	-	-	32.423

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 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 1 January 2012	850.725
Additions	**144.000**
Balance at 31 December 2012	**994.725**

THE COMPANY

	Financial assets **€**
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 1 January 2012	850.725
Additions	**144.000**
Balance at 31 December 2012	**994.725**

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.

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.

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

Judgements (continued)

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.

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

	2012	2011
	€	€
Loss from disposal of financial assets and liabilities at fair value through profit and loss	**(10.081.334)**	(13.152.082)
Profit from disposal of financial assets available-for-sale	**-**	33.758
Loss on disposal of subsidiary companies (Note 19)	**(6.404)**	-
Profit / (loss) from revaluation of financial assets and liabilities at fair value through profit and loss (Notes 26 and 31)	**8.399.776**	(1.535.334)
	(1.687.962)	(14.653.658)

THE COMPANY

	2012	2011
	€	€
Loss from disposal of financial assets and liabilities at fair value through profit and loss	**(10.081.334)**	(13.152.082)
Profit from disposal of financial assets available-for-sale	**-**	33.758
Profit / (loss) from revaluation of financial assets and liabilities at fair value through profit and loss (Notes 26 and 31)	**8.399.776**	2.164.666
	(1.681.558)	(10.953.658)

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

THE GROUP

	2012	2011
	€	€
Loans and other receivables (including bank deposits and cash and cash equivalents)		
- Interest receivable and other financial income	**4.809.980**	3.902.853
Financial instruments at fair value through profit and loss		
- Interest receivable	**233.364**	595.060
Financial instruments available-for-sale		
- Interest receivable	**8.107**	15.209
	5.051.451	4.513.122
Financial instruments at fair value through profit and loss		
- Dividends receivable	**638.024**	1.115.918
	5.689.475	5.629.040

THE COMPANY

	2012	2011
	€	€
Loans and other receivables (including bank deposits and cash and cash equivalents)		
- Interest receivable and other financial income	**5.181.544**	4.312.134
Financial instruments at fair value through profit and loss		
- Interest receivable	**233.364**	595.060
Financial instruments available-for-sale		
- Interest receivable	**8.107**	15.209
	5.423.015	4.922.403
Financial instruments at fair value through profit and loss		
- Dividends receivable	**638.024**	1.115.918
Dividends receivable from subsidiary and associated companies	**65.000**	-
	6.126.039	6.038.321

7. Segmental Analysis

THE GROUP
31 December 2012

	Investments	Land and immovable property development field	Other Segments	Total
	€	€	€	€
Dividends receivable	**638.024**	**-**	**-**	**638.024**
Interest receivable	**4.426.565**	**624.886**	**-**	**5.051.451**
Loss from sale or revaluation of investments	**(1.687.962)**	**-**	**-**	**(1.687.962)**
Loss from sale, revaluation and development of land and real estate	**-**	**(5.007.673)**	**-**	**(5.007.673)**
Net total income / (loss)	**3.376.627**	**(4.382.787)**	**-**	**(1.006.160)**
Provisions	**(750.000)**	**-**	**-**	**(750.000)**
Financial expenses	**(12.711)**	**(307.957)**	**(421)**	**(321.089)**
Share of loss from associated companies	**-**	**-**	**19.240**	**19.240**
Administrative expenses	**(308.250)**	**(913.674)**	**(117.956)**	**(1.339.880)**
Loss before tax - as in statement of comprehensive income	**2.305.666**	**(5.604.418)**	**(99.137)**	**(3.397.889)**
Total Assets	**93.600.900**	**52.019.720**	**4.890.473**	**150.511.093**
Additions to non-current assets	**9.712**	**78.646**	**293**	**88.651**

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	(579.518)	(974.375)	(215.522)	(1.769.415)
Loss before tax - as in statement of comprehensive income	(10.678.204)	(3.890.122)	(162.469)	(14.730.795)
Total Assets	93.505.821	57.424.452	4.135.128	155.065.401
Additions to non-current assets	29.786	8.031.266	296.918	8.357.970

8. Geographical Analysis

THE GROUP
2012

	Cyprus	Euro-zone	Romania	Bulgaria	Other countries	Total
	€	€	€	€	€	€
Income / (losses)	**3.214.733**	**(2.565.212)**	**(1.990.666)**	**328.895**	**6.090**	**(1.006.160)**
Non-current assets	**33.689.226**	**-**	**959.000**	**4.362.205**	**-**	**39.010.431**

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

9. Administrative expenses

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Fund management fees	**36.900**	87.961	**36.900**	87.961
Custodian fees	**1.329**	11.392	**1.329**	11.392
Auditor's remuneration - audit services	**54.200**	55.820	**30.680**	33.120
Auditor's remuneration - taxation services	**10.413**	8.624	**10.413**	7.648
Auditor's remuneration - other services	**6.612**	14.433	**6.612**	14.433
Internal auditor fees	**21.034**	19.504	**21.034**	19.504
Auditor's remuneration – prior year	**(3.775)**	(1.495)	**(2.645)**	(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	**25.950**	39.900	**25.950**	39.900
Costs of attendance of the Board of Directors	**73.846**	73.846	**73.846**	73.846
Other expenses of the Members of the Board of Directors	**27.855**	28.696	**27.855**	28.696
Insurance	**54.440**	52.203	**17.552**	18.541
Printing and dispatch of Annual Report and Annual General Meeting expenses	**20.000**	65.000	**20.000**	65.000
Adjustment of Welfare costs of General Assembly	**(52.540)**	(1.878)	**(52.540)**	(1.878)
Cyprus Stock Exchange Annual Fee and other expenses	**5.532**	6.167	**5.532**	6.167
Cyprus Stock Exchange depository fees	**43.569**	43.569	**43.569**	43.569
Legal expenses	**51.252**	197.280	**40.338**	196.300
Other professional expenses	**21.729**	48.796	**3.938**	13.801
Valuation expenses	**45.578**	23.975	**2.574**	1.515
Salaries and staff expenses (Note 15)	**460.330**	466.994	**460.330**	466.994
Rents	**4.168**	4.828	**66.428**	63.820
Contributions and donations	**45.381**	25.053	**42.231**	22.953
Travelling abroad	**38.542**	50.697	**38.542**	50.697
Expenses for press announcements	**68.554**	69.183	**68.554**	69.183
Electricity and water	**21.594**	17.607	**19.591**	14.819
Loss from sale of furniture and equipment	**26**	-	**26**	-
Travelling inland	**6.010**	4.990	**6.010**	4.990
Telephone and postages	**16.548**	10.510	**16.548**	10.510
Printing and stationary	**6.647**	5.865	**6.647**	5.865
Hospitality Expenses	**20.632**	28.772	**20.632**	28.772
Repairs and maintenance	**65.332**	25.607	**15.247**	15.683
Depreciation of property, plant and equipment (Note 17)	**79.899**	83.437	**37.726**	37.076
(Increase) / decrease of impairment of receivables	**(51.511)**	84.000	**1.399**	-
Other administrative expenses	**89.304**	93.579	**31.308**	26.981
	1.339.880	1.769.415	**1.168.656**	1.500.863

10. Loss from sale, revaluation and development of land and immovable property

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Loss from revaluation of investment property (Note 18)	**(4.518.357)**	(3.687.883)	**(452.864)**	(723.400)
Decrease in the inventory value (Note 22)	**(1.557.361)**	(682.911)	**-**	-
Gain / (loss) from sale of properties included in inventory (Note 22)	**6.522**	(86.304)	**-**	-
Loss from revaluation of property, plant and equipment (Note 17)	**(237.515)**	(214.764)	**-**	-
Commissions from sale and rental of investment property	**(11.541)**	(16.497)	**-**	(3.450)
Rent receivable (Note 18)	**1.310.579**	1.182.160	**5.996**	-
	(5.007.673)	(3.506.199)	**(446.868)**	(726.850)

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

11. Provisions

In 2011 part of the provision recognized by the Group in 2010 as a result of the acquisition of Crystal Sea Maritime Limited was reversed amounting to €112.428.

In 2012 a provision of €750.000 for loans and other receivables owed to the Company was made due to substantial doubt as to the recovery of these amounts (Note 23). Moreover, during 2012 there was a reduction of the Company's provision of €2.200.000 for loans receivable from subsidiaries and associated companies (Note 25).

12. Financial expenses

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Interest on tax	**421**	3.204	**55**	-
Bank interest and charges	**293.067**	254.777	**291.032**	253.788
Foreign exchange loss	**27.601**	229.010	**12.711**	247.442
	321.089	486.991	**303.798**	501.230

13. Taxation

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

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Corporation tax	**438.267**	408.308	**405.116**	377.025
Defence contribution	**31.582**	27.987	**142**	10
Deferred taxation (Note 29)	**(444.402)**	(313.699)	**(45.287)**	(72.340)
	25.447	122.596	**359.971**	304.695

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:

13. Taxation (continued)

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
(Loss) / profit before tax	**(3.397.889)**	(14.730.795)	**1.675.159**	(13.260.232)
Tax calculated at the applicable corporation tax rate of 10%	**(366.813)**	(4.814.484)	**167.516**	(1.326.023)
Tax effect of expenses not deductible for tax purposes	**1.836.287**	5.256.404	**1.387.919**	2.008.897
Tax effect of allowances and income not subject to tax	**(1.463.667)**	(380.137)	**(1.179.825)**	(404.235)
Special contribution for defence	**31.582**	27.987	**142**	10
Other effects	**(11.942)**	32.826	**(15.781)**	26.046
Tax charge	**25.447**	122.596	**359.971**	304.695

Tax Rates

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 their taxable profits at the rate of 10%. Having effect from 1 January 2013 the rate of corporation tax increased from 10% to 12,5%. In case of losses, the Group's companies will be able to transfer tax losses only over the next five years from the end of the tax year in which the losses occurred, so as to offset them against their taxable profits.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% (10% up to 30 August 2011). By amendment of the relevant legislation on 18 April 2013, the rate of the special contribution for defense has increased to 30%. 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 20% for the years 2012 and 2013 and 17% for 2014 onwards (the rate was 15% up to 31 August 2011 and increased to 17% for the period following 31 December 2011).

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 of companies which are part of the same Group. 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. Profit / (loss) per share and net assets per share

The profit / (loss) per share is calculated by dividing the profit / (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	
	2012	2011	**2012**	2011
	€	€	**€**	€
Profit / (loss) for the year	**(3.423.336)**	(14.853.391)	**1.315.188**	(13.564.927)
Weighted average number of shares in issue during the year	**199.996.892**	199.993.462	**199.996.892**	199.993.462
Profit / (loss) per share (cents)	**(1,71)**	(7,43)	**0,66**	(6,78)

14. Profit / (loss) per share and net assets per share (continued)

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	
	2012	2011	**2012**	2011
	€	€	**€**	€
Net assets at 31 December	**144.540.693**	147.966.548	**151.648.297**	150.331.626
Number of shares in issue at 31 December	**200.000.000**	199.993.462	**200.000.000**	199.993.462
Net assets per share (cents)	**72,27**	73,99	**75,82**	75,17

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

15. Staff expenses

THE GROUP AND THE COMPANY

	2012	2011
	€	€
Salaries	**361.013**	368.984
Provident fund contribution	**36.101**	36.661
Other employer's contributions	**63.216**	61.349
	460.330	466.994

The total number of employees of the Group and the Company as at 31 December 2012 was 8 (2011: 8).

16. Negative goodwill

THE GROUP

	2012	2011
	€	€
Balance 1 January	**-**	-
Additions (Note 19)	**-**	171
Write-off (Note 19)	**-**	(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 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 1 January 2012	**1.473.016**	**240.830**	**175.117**	**15.377**	**-**	**1.904.340**
Additions	**2.285**	**3.323**	**13.957**	-	**-**	**19.565**
Sales	**-**	-	**(1.513)**	-	**-**	**(1.513)**
Fair value adjustment	**(267.920)**	-	**-**	-	**-**	**(267.920)**
Balance 31 December 2012	**1.207.381**	**244.153**	**187.561**	**15.377**	**-**	**1.654.472**
Accumulated depreciation						
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 1 January 2012	**-**	**55.523**	**117.717**	**15.377**	**-**	**188.617**
Charge for the year	**30.405**	**24.303**	**25.191**	**-**	**-**	**79.899**
Sales	**-**	**-**	**(1.412)**	**-**	**-**	**(1.412)**
Fair value adjustment	**(30.405)**	**-**	**-**	**-**	**-**	**(30.405)**
Balance 31 December 2012	**-**	**79.826**	**141.496**	**15.377**	**-**	**236.699**
Net book value						
31 December 2012	**1.207.381**	**164.327**	**46.065**	**-**	**-**	**1.417.773**
31 December 2011	1.473.016	185.307	57.400	-	-	1.715.723

THE COMPANY	Furniture and office equipment	Computer hardware	Motor vehicles	Total
	€	€	€	€
Cost				
Balance 1 January 2011	118.890	144.905	15.377	279.172
Additions	7.753	27.869	-	35.622
Balance 1 January 2012	**126.643**	**172.774**	**15.377**	**314.794**
Additions	**3.181**	**13.665**	**-**	**16.846**
Sales	**-**	**(1.513)**	**-**	**(1.513)**
Balance 31 December 2012	**129.824**	**184.926**	**15.377**	**330.127**
Accumulated depreciation				
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 1 January 2012	**42.298**	**115.885**	**15.377**	**173.560**
Charge for the year	**12.872**	**24.854**	**-**	**37.726**
Sales	**-**	**(1.412)**	**-**	**(1.412)**
Balance 31 December 2012	**55.170**	**139.327**	**15.377**	**209.874**
Net book value				
31 December 2012	**74.654**	**45.599**	**-**	**120.253**
31 December 2011	84.345	56.889	-	141.234

As at 31 December 2012, land and buildings were mortgaged for the benefit of bank institution (Note 18).

17. Property, plant and equipment (continued)

The land and buildings of the Group were revalued on 31 December 2012 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:

	2012	2011
	€	€
Cost	**1.744.257**	1.741.972
Accumulated depreciation	**(84.597)**	(54.192)
	1.659.660	1.687.780

18. Investment property

	THE GROUP		**THE COMPANY**	
	2012	2011	**2012**	2011
	€	€	**€**	€
Balance 1 January	**42.042.222**	37.736.259	**3.615.000**	4.246.000
Additions	**68.793**	5.243.846	**11.864**	92.400
From purchase of subsidiaries	**-**	2.750.000	**-**	-
Fair value adjustment (Note 10)	**(4.518.357)**	(3.687.883)	**(452.864)**	(723.400)
Balance 31 December	**37.592.658**	42.042.222	**3.174.000**	3.615.000

The property included in investment property was revalued on 31 December 2012 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 €6.409.835 (2011: €7.896.000) was not transferred to the Group, as the title deeds were not issued yet, but all necessary acquisition documents have been filed with the Land Registry Department.

Investment property of €7.792.619 on 31 December 2012 and property, plant and equipment of €1.207.381, owned by the subsidiary company Demetra Tower Ltd, are mortgaged for the benefit of a banking institution for an amount of €7.000.000 (Note 30) for a loan provided to the Company. This loan was fully repaid in the beginning of 2013, and therefore the Company is in the process of cancellation of the mortgage on the property of Demetra Tower Ltd.

Rental income received by the Group from investment property, which is currently under operating leases, amount to €1.310.579 (2011: €1.182.160). Rental income received by the Company amount to €5.996 (2011: € Nil) (Note 10).

19. Investments in subsidiary companies

THE COMPANY

	2012	2011
	€	€
Balance 1 January	**19.971.872**	22.837.824
Additions	**-**	2.750.000
Impairment	**(2.300.000)**	(5.615.952)
Balance 31 December	**17.671.872**	19.971.872

There were no additions for the year ended 31 December 2012. 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.

During 2012, the Board of Directors decided to make an impairment adjustment for the investments in subsidiary companies for a value of €2.300.000 (2011: €5.615.952) due to the losses resulted from the sector of land and property development during the last few years and the significant reduction of the net assets of the subsidiary companies.
The total amount of impairment on 31 December 2012 amounts to €31.915.952 (2011: €29.615.952).

During 2012, the subsidiary Demetra Residency Developments SRL, which was dormant, was sold without any proceeds creating a loss of €6.404 (Note 5). Moreover, the subsidiary Demetra Investment Public SRL, registered in Moldova is in the process of voluntary liquidation.

The subsidiary companies as at 31 December 2012 are as follows:

	Principal Activity	**Country of incorporation**	**Ownership percentage and voting rights**	
			Direct	**Indirect**
Demetra Overseas Investments Limited	Investments 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 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	Investments 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%	-

19. Investments in subsidiary companies (continued)

During 2012 there were not any acquisitions of subsidiary companies. The details relating to the acquisition of the subsidiary companies during 2011 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 subsidiary until the end of the financial year 2011 amounts to €286.072.

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)

20. Investments in associated companies

A profit from associated undertakings of €19.240 (2011: loss €56.171) 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 is €36.931 (2011: €56.171) (Note 24).

THE COMPANY

	2012	2011
	€	€
Balance 1 January/31 December	**828**	828

The associated companies at 31 December are:

	Principal Activity	**Country of incorporation**	**2012 Ownership percentage and voting rights**		**2011 Ownership percentage and voting rights**	
			Direct	**Indirect**	**Direct**	**Indirect**
Verendrya Ventures Limited	Development and construction of desalination units	Cyprus	40%	-	40%	-
Flightcare Cyprus 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.

Moreover in 2012, through the company Netcom Limited and a joint venture of 50% with the Israeli company Mekorot Development and Enterprise Ltd, an agreement was signed with the Department of Water Development for the renovation and operation of the existing desalination unit in Larnaca.

For its participation in the above projects the Company guaranteed through a freeze of its bank accounts an amount of €7.400.000 (2011: €7.167.622).

Significant total amounts for the associated companies of the Group:

THE GROUP

	2012	2011
	€	€
Total Assets	**9.857.804**	8.464.062
Total Liabilities	**9.950.131**	8.604.490
Total income	**-**	-
Total net income (total net loss)	**48.101**	(140.428)

21. Financial assets available-for-sale

THE GROUP AND THE COMPANY

	2012	2011
	€	€
Corporate bonds listed in the Cyprus Stock Exchange	**150.725**	150.725
Balance 31 December	**150.725**	150.725

The corporate bonds earn interest equal to the 3 months Euribor plus 1.8% (2011: 3 months Euribor plus 1,8%). These bonds 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. Generally accepted pricing models based on discounted cash flow analysis using publicly observable current market transactions and prices for similar instruments were used for the valuation of the bonds. The assumption that these bonds will be paid on 30 May 2018 was also taken into account.

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

THE GROUP AND THE COMPANY

	2012	2011
	€	€
Balance at 1 January	**150.725**	966.242
Unrealised exchange loss recognised through statement of comprehensive income	**-**	(149.275)
Disposals	**-**	(666.242)
Balance 31 December	**150.725**	150.725

During the year 2011, from the disposal of the government bonds listed in the foreign stock exchanges, the Company received the amount of €700.000. As a result, in 2011, gains of €33.758 were recognised as income in the statement of comprehensive income.

22. Inventories

	THE GROUP		**THE COMPANY**	
	2012	2011	**2012**	2011
	€	€	**€**	€
Land and buildings under development and for sale	**10.106.000**	11.546.761	**-**	-

Legal ownership of inventory valued at €534.000 (2011: €811.000) 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 2012 the Group recognised loss from impairment of inventories amounting to €1.557.361 (2011: €682.911) (Note 10).

During 2012 the Group sold inventory with a carrying value of €150.000 for the amount of €156.522 plus V.A.T., realising a profit of €6.522 (2011: loss €86.304) (Note 10).

23. Loans and other receivables

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Interest receivable	**1.608.981**	1.386.287	**1.608.981**	1.386.287
Corporate bonds receivable	**3.819.830**	3.476.153	**3.819.830**	3.476.153
Dividends receivable	**41.999**	23.959	**41.999**	23.959
Amounts receivable from cash refunds in relation to investments in new share issues	**16.390**	15.460	**16.390**	15.460
Other receivables and prepayments	**245.277**	1.132.696	**41.102**	755.126
	5.732.477	6.034.555	**5.528.302**	5.656.985

Loans and other receivables are analysed as follows:

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Receivable within one year	**4.322.413**	3.906.878	**4.118.238**	3.529.308
Receivable over one year	**1.410.064**	2.127.677	**1.410.064**	2.127.677
	5.732.477	6.034.555	**5.528.302**	5.656.985

The above amounts are net of provisions for doubtful debts.

Corporate bonds comprise of bonds from financial institutions of €1.000.000 (2011: €1.000.000), with fixed annual interest rate of 6,5% and expiry date on 31 October 2021 and of bonds of €410.064 (2011: €410.064) with variable annual interest rate of basic plus 1,875% and expiry date on 8 December 2015. The corporate bonds of €410.064 and €1.000.000 were classified as non-current assets. All other amounts included in corporate bonds are receivable within one year. The corporate bond worth €1.000.000 was redeemed on 23 January 2013 and the proceeds were deposited in promissory note of the same financial organization with an annual fixed interest rate of 6.5%, maturing on 23 January 2017.

Loan of €750.391 (2011: €717.613) is due from a non-related company in accordance with a loan agreement which was signed on 31 December 2011 with an annual fixed interest rate of 6%. The loan is repayable on 48 quarterly instalments up to 31 December 2023. For the first two years the loan agreement provides only for the repayment of interest. As a result, this receivable was classified as a non-current asset. The loan is secured with floating charge over the assets of the non-related company, with the right of conversion to a fixed charge under certain circumstances.

During 2012, the Company and the Group recognised a provision of €750.000 (2011: € Nil) for the other receivable balances due to considerable uncertainty regarding their collection or recoverability (Note 11).

Amounts receivable from cash refunds in relation to investments in new share issues bear annual interest of 6% (2011: 6%). The fair values of the Company's trade and other receivables approximate their carrying amounts at the date of the statement of financial position.

24. Receivables from associated companies
THE GROUP

	2012	2011
	€	€
Receivables from associated companies within one year (Note 34)	**4.147.704**	3.432.893
Provision for losses of associated companies above investment cost (Note 20)	**(36.931)**	(56.171)
	4.110.773	3.376.722

The balance on 31 December 2012 relates to a loan facility granted to the related company Verendrya Ventures Limited. During 2012 interest charged on this loan amounted to €194.811 (2011: €216.871). The loan is repayable on first demand and bears annual interest of 5,5%.

The total balance on 31 December 2012 includes provision for losses of €36.931 from the Group's participation in Verendrya Ventures Limited.

25. Receivables from subsidiary and associated companies
THE COMPANY

	2012	2011
	€	€
Receivable from subsidiary and associated companies within one year (Note 34)	**40.774.498**	38.806.115
	40.774.498	38.806.115

The amounts receivable from subsidiary and associated companies bear annual interest at the rate of 1% - 5,5% (2011: 1% - 5,5%) per annum. All amounts are presented net of provision for doubtful amounts of €545.547 (2011: €2.800.000).

In 2012 the provision for the non-receipt of receivable amounts due from subsidiary and associated companies decreased by € 2.200.000 (Note 11).

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

	€
Balance at 1 January 2011	4.950.000
Write off receivable from subsidiary as non-recoverable	(2.150.000)
Balance at 31 December 2011	**2.800.000**
Write off receivable from subsidiary as non-recoverable	**(54.453)**
Decrease in provision	**(2.200.000)**
Balance at 31 December 2012	**545.547**

26. Financial assets at fair value through profit and loss

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
At 1 January	**15.236.082**	46.793.480	**15.236.082**	43.093.480
Addition	**3.155.140**	15.103.846	**3.155.140**	15.103.846
Disposals	**(14.263.564)**	(45.052.108)	**(14.263.564)**	(45.052.108)
Changes in fair value (Note 5)	**8.367.353**	(1.609.136)	**8.367.353**	2.090.864
At 31 December	**12.495.011**	15.236.082	**12.495.011**	15.236.082

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

THE GROUP AND THE COMPANY

Shares listed on the Cyprus Stock Exchange by sector:	**Market Value 2012 €**	Market Value 2011 €
Financial	**484.635**	979.648
Customer retail services	**865.612**	1.090.463
Consumption goods	**2.963.015**	3.338.530
Technology	**1.903.985**	1.926.832
Corporate bonds	**652.714**	4.086.362
	6.869.961	11.421.835
Non-listed shares	**844.000**	700.000
Total investments in Cyprus	**7.713.961**	12.121.835
Foreign investments		
Structured and other products	**3.877.939**	1.329.874
Securities in foreign stock exchanges	**877.671**	1.542.923
Stock repos	**-**	216.010
Derivatives listed in foreign stock exchanges	**25.440**	25.440
Total foreign investments	**4.781.050**	3.114.247
Total investments	**12.495.011**	15.236.082

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 directors.

As at 31 December 2012, the Company had invested a total amount of €744.000 (2011: €600.000) in a non-listed company. The Board of Directors decided that the fair value of the investment as at 31 December 2012 did not illustrate a significant change compared to the acquisition cost.

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

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

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

THE GROUP AND THE COMPANY

	2012	2011
	€	€
Financial assets that have been designated at fair value through profit and loss during the initial recognition	**12.495.011**	15.236.082

27. Cash and other bank balances

	THE GROUP		**THE COMPANY**	
	2012	2011	**2012**	2011
	€	€	**€**	€
Balances with Co-Operative Financial Institutions, Savings Companies and Commercial Banks	**6.540.006**	7.625.051	**6.002.733**	6.485.059
Cash under Investment managers	**1.091.105**	6.330.600	**1.091.105**	6.330.600
Total cash and cash equivalents	**7.631.111**	13.955.651	**7.093.838**	12.815.659
Bank deposits – more than 3 months	**70.415.113**	60.491.630	**70.198.911**	60.491.630
At 31 December	**78.046.224**	74.447.281	**77.292.749**	73.307.289

The cash and cash equivalents that are included in the statement of cash flows, comprise the above balance sheet amounts and bear annual interest of 0,10%-5,00% (2011: 0,30%-4,50%).

Bank deposits represent savings accounts of period of more than three months and bear annual interest of 3,05%-5,25% (2011: 2,95%-5,25%).

Bank deposits of the Company of €7.400.000 (2011: €7.167.622) were secured as collateral for the participation of the Group in the desalination projects in which the associated company Verendrya Ventures Limited participates (Note 35).

As at 31 December 2012, the Company and the Group had balances and bank deposits with the following banking institutions:

	THE GROUP		**THE COMPANY**	
	2012	2011	**2012**	2011
	€	€	**€**	€
Bank of Cyprus Public Company Limited	**138.373**	134.889	**138.373**	134.830
Laiki Bank Public Company Limited	**1.794.784**	1.498.750	**1.794.784**	1.498.750
Cooperative Credit Companies and Savings Banks	**75.336.123**	65.434.606	**75.295.129**	65.390.255
Other banking institutions in Cyprus	**249.474**	585.508	**39.420**	96.197
Foreign Banks	**527.470**	6.793.528	**25.043**	6.187.257
As at 31 December	**78.046.224**	74.447.281	**77.292.749**	73.307.289

As explained in Note 41 of the financial statements, on 22 March 2013 restrictions on the movement of capital of the banking institutions in Cyprus were imposed, which have affected the above bank balances of the Company and the Group.

28. Share capital

	2012		2011	
	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 buyback or 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 share repurchase scheme which was active from 16 September 2010 to 15 September 2011, while on 7 September 2011 they renewed the scheme for an additional year. On 27 March 2012 the Company sold all the above shares for the amount of €1.483. On 5 September 2012, the buyback share scheme was renewed for another year.

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**	
	2012	2011	**2012**	2011
	€	€	**€**	€
At 1 January	**204.325**	258.254	**37.576**	79.644
Credit in the Income Statement (Note 13)	**(100.280)**	(53.929)	**(20.600)**	(42.068)
At 31 December	**104.045**	204.325	**16.976**	37.576

Deferred Tax Assets

	THE GROUP		**THE COMPANY**	
	2012	2011	**2012**	2011
	€	€	**€**	€
At 1 January	**515.330**	254.002	**30.272**	-
Credit / (charge) in/to other comprehensive income	**-**	1.558	**-**	-
Credit in the Income Statement (Note 13)	**344.122**	259.770	**24.687**	30.272
At 31 December	**859.452**	515.330	**54.959**	30.272

Deferred tax liabilities arise from the revaluation of investment property, whilst deferred tax assets arise from revaluation of investment property and property, plant and equipment.

30. Borrowings

THE GROUP AND THE COMPANY
Bank Loan

	2012	2011
	€	€
Payable within one year	**918.031**	871.124
Payable over one year	**3.869.215**	4.787.442
Total amount	**4.787.246**	5.658.566

The bank loan that was 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 initially bore interest equal to 6 months Euribor plus 2.5% margin and it was then gradually increased into 6 months Euribor plus 4,22% margin per annum. The loan, including interest, was fully repaid in 2013. The early repayment was permitted under the loan agreement according to which Demetra Investments Public Ltd had the right to repay the loan prematurely partially or wholly without additional charges. 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 2012 amounts to €9.000.000 (2011: €10.000.000) (Note 17 and 18). Due to the early repayment of the loan, the Company is in the process of cancellation of the mortgage on the property of Demetra Tower Ltd.

31. Financial liabilities at fair value through profit and loss

	THE GROUP		**THE COMPANY**	
Derivatives listed in foreign stock exchanges	**Αγοραία αξία 2012**	Αγοραία αξία 2011	**Αγοραία αξία 2012**	Αγοραία αξία 2011
	€	€	**€**	€
At 31 December	**-**	32.423	**-**	32.423

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.

The changes in the fair value of financial liabilities at fair value through profit and loss resulted in a gain of €32.423 (2011: gain €73.802) and are included in the statement of comprehensive income (Note 5).

32. Trade and other payables

	THE GROUP		**THE COMPANY**	
	2012	2011	**2012**	2011
	€	€	**€**	€
Trade payables	**161.303**	161.302	**-**	-
Other payables and accrued expenses	**493.873**	642.029	**399.965**	480.633
	655.176	803.331	**399.965**	480.633

The fair value of other payables approximates their carrying amount as per the date of the statement of financial position.

33. Current tax liabilities

	THE GROUP		THE COMPANY	
	2012	2011	**2012**	2011
	€	€	**€**	€
Corporation tax	**423.322**	385.421	**410.578**	375.578
Special contribution for defence	**611**	15.617	**135**	-
Corporation tax of foreign subsidiaries	**-**	(830)	**-**	-
	423.933	400.208	**410.713**	375.578

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	**2012**	2011
	€	€
Annual fees of the Members of the Board of Directors	**24.500**	24.500
Board members rights for their participation in committees	**25.950**	39.900
Allowance for entertaining	**73.846**	73.846
Other expenses of the Members of the Board of Directors	**27.855**	28.696
	152.151	166.942

The remuneration of the Board of Directors during 2012 is analysed as follows: Dimitrakis Stavrou: annual fee €3.500 (2011: €3.500) and reward for participation in committees: €3.000 (2011: €4.350), Lefteris Christoforou: annual fee €3.500 (2011: €3.500) and reward for participation in committees: €5.100 (2011: €6.750), Dr. Nearchos Ioannou: annual fee €3.500 (2011: €3.500) and reward for participation in committees: €3.900 (2011: €6.600), Kriton Georgiades: annual fee €3.500 (2011: €3.500) and reward for participation in committees: €3.150 (2011: €4.500), Evangelos Georgiou: annual fee €3.500 (2011: €3.500) and reward for participation in committees: €2.250 (2011: €4.200), Fotis Dimitriades: annual fee €3.500 (2011: €3.500) and reward for participation in committees: €4.350 (2011: €7.200), Maria Ioannou Theodorou: annual fee €3.500 (2011: €3.500) and reward for participation in committees: €4.200 (2011: €6.300).

Additionally, during 2012 an amount of €36.922 (2011: €36.922) was paid to the Chairman of the Board and €18.462 (2011: €18.462) to each Vice Chairman for entertainment expenses. The total amount paid in 2012 was €73.846 (2011: €73.846).

(ii) Remuneration of other key management personnel

	2012	2011
	€	€
Salaries	**194.773**	189.013
Provident fund contributions	**19.477**	18.901
Other employer’s contributions	**27.899**	21.780
	242.149	229.694

Two members of the management team of the Company are included in other key management personnel.

34. Related parties transactions (continued)

(iii) Receivable balances from direct and indirect ownership of subsidiary and associated companies net of provision

THE COMPANY

	2012	2011
	€	€
Amounts due from subsidiary companies	**36.626.794**	35.373.222
Amounts due from associated companies	**4.147.704**	3.432.893
	40.774.498	38.806.115

The above amounts are presented net of provision of €545.547 (2011: €2.800.000).

The above amounts are repayable as follows:

	2012	2011
	€	€
Repayable within one year:		
- Due from subsidiary companies	**36.626.794**	35.373.222
- Due from associated companies	**4.147.704**	3.432.893
	40.774.498	38.806.115

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

	2012	2011
	€	€
Interest charged to subsidiary companies	**392.195**	419.865
Interest charged to associated companies	**194.811**	216.871
	587.006	636.736

(v) Receivable balances from associated companies
THE GROUP

	2012	2011
	€	€
Repayable within one year	**4.110.773**	3.376.722

During 2012 interest charged to the associated companies was €194.811 (2011: €216.871). Moreover, the amount of €19.240, which constitutes part of the loss of €56.171 that was recognised in 2011 for the non-collection of receivables, was reversed.

35. Contingent liabilities

The Group has given guarantees amounting to €7.400.000 (2011: €7.167.622) for its participation in the desalination project in Episkopi and Larnaca through its subsidiary Verendrya Ventrures Limited (Note 20). Additionally, the Company has committed to provide financial support towards the above related company based on its shareholding, if that becomes necessary in the future. Similar commitments have been given by the Company in a number of subsidiary companies of the Group. 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	
	2012	2011	**2012**	2011
	€	€	**€**	€
Within one year	**-**	-	**66.174**	65.360
Between two to five years	**-**	-	**93.526**	164.008
More than five years	**-**	-	**-**	-
	-	-	**159.700**	229.368

The obligations of the Company include an amount of €159.700 (2011: €229.368) for rental commitments to the subsidiary Demetra Tower Ltd.

37. Leasing of property

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

THE GROUP

	2012	2011
	€	€
Within one year	**1.289.429**	1.590.005
Between two to five years	**3.593.718**	4.307.875
More than five years	**1.001.983**	1.744.027
	5.885.130	7.641.907

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 2012 were €36.101 (2011: €36.661).

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

On 25 March 2013, Cyprus and the Eurogroup (together with the International Monetary Fund) have come to an agreement regarding the key elements necessary for a future program of macroeconomic adjustment which includes providing financial assistance of up to €10 billion towards the Republic of Cyprus. The program aims to address the exceptional challenges faced by Cyprus and restore the viability of the financial sector, with the goal of restoring sustainable growth and sound public finances in the following years. The decision of the Eurogroup for Cyprus includes plans to restructure the financial sector and safeguard the deposits under €100.000, in accordance with community legislation. Furthermore, the Cypriot authorities have confirmed their commitment to intensify their efforts in the areas of fiscal consolidation, structural reforms and privatization. The Eurogroup has requested from the Cypriot authorities and the European Commission, in liaison with the European Central Bank and the International Monetary Fund, the finalization of the Memorandum in April 2013 in order for the formal approval by the Board of the European Stability Mechanism and the completion of national procedures of Member States of the Eurozone through national parliaments or equivalent approvals to follow. On 12 April 2013, the Eurogroup welcomed the agreement reached between Cyprus and the Troika institutions on a macroeconomic adjustment program for Cyprus and stated that the essential elements have been completed in order to launch the relevant national procedures required for the formal approval of the agreement for financial support from the European Stability Mechanism.

On 22 March 2013, a legislation was enacted by the House of Representatives of the Republic of Cyprus concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and they were enforced on 28 March 2013. The Company's operations will be affected by the extent and duration of these restrictive measures.

On 29 March 2013 the Central Bank of Cyprus issued Decrees relating to Laiki Bank and the Bank of Cyprus implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013. According to the Decrees deposits in both banks of up to €100.000 are guaranteed. The amounts of more than €100.000 which were deposited as at 26 March 2013 at Laiki Bank have been frozen and are expected to experience a significant impairment, while for the deposits of more than €100.000 held at BOC the following will apply:

- Percentage of 37,5% is automatically converted into shares of Class A voting shares and dividends in the Bank of Cyprus

- Percentage of 22,5% is temporarily frozen and possibly part or the whole of it will be converted into shares of Class A voting shares and dividends in the Bank of Cyprus for purposes of the bank’s complete recapitalization

- The remaining 40% is temporarily frozen for liquidity purposes, but will not be used for recapitalization purposes. On 3 April 2013 the Central Bank of Cyprus gave instructions for unfreezing 10% of the total amount of uninsured deposits in excess of €100.000, as Resolution Authority.

The current capital of Bank of Cyprus (stocks, securities convertible into shares, bonds) is converted into new shares of Bank of Cyprus with limited rights, while the holders of shares and securities in Laiki Bank will be fully impaired.

41. Events after the balance sheet date (continued)

On 26 March 2013 the Company and the Group had the following deposits and investments in the two banks affected by the Decree:

THE GROUP AND THE COMPANY

	Deposits €	Number of Shares
Bank of Cyprus	138.991	1.961.160
Laiki Bank	1.850.792	8.581.249

The total amount of loss to the Company and the Group from the shares and deposits held in the banks above cannot be accurately determined at this stage. However, taking into account all the information available at the date of approval of the financial statements, the damage from the deposits is expected to reach the amount of approximately €1,8 million. Additionally, the value of shares in the Bank of Cyprus and Laiki Bank is expected to be fully impaired. Considering the prices of shares just before the Eurogroup of 15 March 2013, the Company and the Group is expected to record a loss of approximately €776 thousand.

There were no significant events, except for those described above, after the end of the financial year, which have a bearing on the understanding of the financial statements.

42. Variations of indicative results

The loss for the year attributable to the shareholders of the Company for the year ended 31 December 2012 as shown in the consolidated statement of comprehensive income, amounts to €3.423.336, while the loss for the year attributable to the shareholders of the Company as announced in the indication of financial results was €2.697.329. The reasons for the difference are the following:

	2012 €
Loss as per the indication of financial results	(2.697.329)
Effect from the increase in provisions	(750.000)
Other variations	23.993
Loss for the year attributable to the shareholders of the Company	(3.423.336)

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 2012

	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 issuer’s share capital	Issuer’s net profit /(loss) for the year	Issuer’s Net Assets that relate to the investment
						€	€	€	%	€		€'000	€'000
1	Bank Deposits and Cash	N/A	N/A	N/A	N/A	78.046.224	78.046.224	78.046.224	51,85%	3.789.801	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	49.559.392	36.522.601			1.935.464			
	-Romania		N/A	Other investments	N/A	30.494.385	9.401.000			-			
	-Bulgaria		N/A	Other investments	N/A	7.048.029	5.492.206	51.415.807	34,16%	-	N/A	N/A	N/A
3.	Investments in other projects	Other projects	N/A	Other investments	N/A	3.680.000	4.110.773	4.110.773	2,73%	194.811	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	2.960.000	2.960.000	1,97%	405.150	10,12%	4.060	5.157
5.	Allianz Euro High Yield Bond IT	N/A	N/A	Equity Fund	1.853	2.000.000	2.420.328	2.420.328	1,61%	N/A	N/A	N/A	N/A
6.	Logicom Public Ltd	Technology	Main market	Shares	7.615.937	7.399.002	1.903.984	1.903.984	1,27%	190.398	10,28%	2.060	5.672
7.	Allianz RCM European Equity Dividend IT	N/A	N/A	Equity Fund	672	1.000.000	1.232.386	1.232.386	0,82%	N/A	N/A	N/A	N/A
8.	Strovolos COOP	Financial	Not listed	Bond	1.000.000	1.000.000	1.000.000	1.000.000	0,66%	65.178	10,00%	N/A	N/A
9.	NIPD Genetics Limited	N/A	Not listed	Shares	744	744.000	744.000	744.000	0,49%	-	3,60%	(917)	(33)
10	Hellenic Bank Public Company Ltd	Corporate bonds	Main market	Shares	387.004	71.240	66.178				0,06%	(21.932)	289
			Bond market	Convertible bonds HBCCS	1.854.300	1.854.300	652.714	718.892	0,48%	116.211	1,31%		
	Total					**198.887.142**	**144.552.394**	**144.552.394**	**96,04%**				

Total Assets €150.511.093

Net assets per share as at 31 December 2012: €0,7227

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 2012.

Note: The issuer's net earnings and net assets relate to the investment for 2011 as there were no audited financial statements of the issuer for 2012.