

Annual Report and Financial Statements of the Company and the Group for the year ended 31 December 2015

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Board of Directors and Professional Advisors

BOARD OF DIRECTORS

Antonios-Andreas-Andis Scordis	(Non-executive Chairman)
Lefteris Christoforou	(Non-executive Vice-chairman)
Dr. Nearchos Ioannou	(Non-executive Vice-chairman)
Maria Ioannou-Theodorou	(Non-executive Director)
Varnavas Irinarchos	(Non-executive Director)
Demetrios Philippides	(Non-executive Director)
Dr. Nicos Michaela	(Managing Director)

COMPANY SECRETARY

Dr. Nicos Michaela

REGISTERED OFFICE

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

INVESTMENT MANAGERS

Argus Stockbrokers Ltd

LAWYERS

Georgiades & Pelides LLC

BANKERS

Co-operative Central Bank Ltd
Co-operative Credit Companies and Savings Companies
EFG Eurobank Ergasias A.E
Bank of Cyprus Public Company Ltd
Piraeus Bank
Alpha Bank
National Bank of Greece (Cyprus) Ltd

AUDITORS

Deloitte Limited
24 Spyrou Kyprianou,
1075 Nicosia,
Cyprus

Demetra Investment Public Limited

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 2015.

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 derivatives and forward contracts, as well as investments in the sector of development of land and immovable property.

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

During the year, the Group made a loss after tax which amounted to €14 million (7,01 cents per share), compared to the profit after tax which amounted to €13,5 million (6,75 cents per share) in 2014. The loss resulted primarily from the Group’s investment portfolio, specifically from investments in shares listed on the Cyprus Stock Exchange, and mainly from the investment in Hellenic Bank, with the unrealized loss from this investment exceeding the amount of €15 million. As a result, the Company’s net asset value per share has decreased by 10,03%, from 69,70 cents on 31 December 2014 to 62,71 cents on 31 December 2015.

Particularly, as regards to the Group’s investment portfolio, the financial assets of the Group showed a loss of €15,4 million compared to a loss of €13,7 million in 2014.

The Group’s dividend income has remained the same as in 2014 and amounted to €305 thousands, compared to €330 thousands in 2014. Interest receivable amounted to €1,4 million, representing a decrease of 38%. This decrease was mainly due to the decrease of the interest receivable from deposits as a result of the reduction in interest rates and the decrease of bank deposits.

The Group’s investment portfolio in the real estate and immovable property development sector showed a loss of €546 thousands compared to a loss of €164 thousands in 2014. Rent receivable amounted to €1,05 million, showing a small increase of 1,5% compared to 2014, but the loss from revaluation of the Group’s property, amounting to €1,6 million, offset the above rental income.

The administrative expenses amounted to €1,5 million, showed an decrease of 4%. Additionally in 2015 a provision of an amount of €2.2 million in regards to receivable balances which were already provided in prior years was reversed.

Finally, the share of loss from associated companies, amounting to €345 thousands, was recognized in the Group’s financial results.

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 2015, the Group’s assets were made up of investments of 57,0% in Securities Portfolio Management Investments, 35,0% in Land and Immovable Property Development and 8,0% in other investments and assets.

The ongoing economic crisis significantly affect the financial markets, the development of land and property and generally all economic sectors. The unfavorable economic developments in recent years in Cyprus, with the uncertainty in the banking system and the economy in general, are expected to affect the future financial results and financial position of the Group, to a degree that can not be determined. The depth and duration of this economic crisis is not foreseeable. Therefore, the Board of Directors, under the circumstances, is unable to make secure provision for the results of the Group for the year 2016, which will depend on the performance of stock indices in Cyprus and abroad, as well and the state of land markets in the countries in which the Group has invested in real estate.

Demetra Investment Public Limited

Report of the Board of Directors (continued)

Results

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

Main risks and uncertainties

The main risks which both the Company and the Group face are market price risk, interest rate risk, credit risk, liquidity risk, currency risk, operating risk, compliance risk, share ownership risk, capital management risk and litigation risk. Additionally, the uncertain current economic situation in Cyprus, the limited availability of liquidity for lending and the high levels of non-performing loans, added 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 31 and 32 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 38 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 does not suggest any dividend payment (2014: €nil).

Demetra Investment Public Limited

Report of the Board of Directors (continued)

Share capital

On 9 September 2015, the Shareholders' General Meeting approved the extension of the Buyback Program, which allows the repurchase of shares by the Company, up to the maximum number of shares allowed by the Law, for an additional year.

By special decision of the Shareholders' Extraordinary General Meeting on 9 September 2015 which was confirmed by court order on 16 November 2015, the nominal value of the Company's shares decreased from €0,85 to €0,70 per share, reducing the authorized capital of the Company from €425.000.000 divided into 500.000.000 shares to €350.000.000 divided into 500.000.000 shares and the issued capital of the Company from €170.000.000 divided into 200.000.000 shares to €140.000.000 divided into 200.000.000 shares.

Subsequently, the authorized capital of the Company was increased to €424.999.999,90 by creating 107.142.857 shares of €0,70 each, which have the same rights as the existing shares.

On 30 November 2015 the registration of the court order and the Minutes of the Extraordinary General Meeting showing the above changes in the share capital were certified by the Cyprus Registrar of Companies.

Changes in the Group's structure

There were no changes in the Group's structure during the year ended 31 December 2015.

Board of directors

The members of the Board of Directors as at 31 December 2015 and on the date of this report are shown on page 1. All of them were members of Board of Directors throughout the year ended 31 December 2015. 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 9 September 2015.

Board of Directors Remuneration

During the year, the Board Members received the amount of €42.600 (2014: €55.650) as remuneration for their services as members of the Board of Directors of the Company. Additionally, during 2015 an amount of €73.846 (2014: €73.846) was paid to the Chairman and to the two vice-chairmen of the Board for hospitality expenses. Also, Dr. Nicos Michaela's gross salary earnings and benefits, as Executive Director, for the year, amounted to €115.844 (2014: €117.601), contributions to Provident Fund amounted to €11.584 (2014: €11.760) and other employer's contributions amounted to €16.781 (2014: €18.046). Detailed analysis of the remuneration of each Director is given in note 30 of the financial statements.

Additionally, during 2015 an amount of €15.451 (2014: €31.803) was paid for other expenses and benefits of the members of the Board of Directors.

Demetra Investment Public Limited

Report of the Board of Directors (continued)

Directors' interests in the Company's capital

The percentage shareholding in the Company's share capital, as at 31 December 2015 and 8 April 2016 by the members of the Board of Directors, directly or indirectly, are as follows:

	31 December 2015	8 April 2016
	%	%
Antonios-Andreas-Andis Scordis	0,000	0,000
Dr. Nearchos Ioannou	0,000	0,000
Lefteris Christoforou	0,001	0,001
Demetrios Philippides	0,000	0,000
Varnavas Irinarchos (Note)	0,226	0,002
Dr. Nicos Michaela (Note)	0,000	0,000
Maria Ioannou-Theodorou	0,000	0,000

Note: Mr. Varnavas Irinarchos and Dr. Nicos Michaela are related parties with Logicom Services Limited which as at 31 December 2015 owns 7,42% (8 April 2016: 7,42%) of the issued share capital of the Company (page 5).

Major shareholders

On 31 December 2015 and 8 April 2016, the shareholders listed below owned more than 5% of the issued share capital of the Company with the following shareholding percentages:

	31 December 2015	8 April 2016
	%	%
Limassol Co-operative Limited	7,49	7,49
Logicom Services Limited	7,42	7,42
Strovolos Co-operative Limited	6,61	6,61

Auditors

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

By Order of the Board of Directors,

Antonios-Andreas-Andis Scordis
Chairman

Nicosia, 15 April 2016

Demetra Investment Public Limited

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

In accordance with Article 9, 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 2015, confirm that to the best of our knowledge:

- (a) the annual financial statements that are presented on pages 9 to 71
 - (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

..... Antonios-Andreas-Andis Scordis, Non-executive Chairman
..... Lefteris Christoforou, Non-executive Vice-chairman
..... Dr. Nearchos Ioannou, Non-executive Vice-chairman
..... Demetrios Philippides, Non-executive Director
..... Varnavas Irinarchos, Non-executive Director
..... Maria Ioannou-Theodorou, Non-executive Director
..... Dr. Nicos Michaela, Managing Director

Chief Financial Officer

..... Costas Paphitis

Nicosia, 15 April 2016

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 accompanying 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 71, which comprise the consolidated and Company statement of financial position as at 31 December 2015 and the consolidated and Company statement of profit or loss and other comprehensive income, the 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 information.

Board of Directors' responsibility for the consolidated and individual financial statements

The Board of Directors is responsible for the preparation of consolidated and individual financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated and individual 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 of the consolidated and individual financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the consolidated and individual 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 at 31 December 2015 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 additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- 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 is consistent with the consolidated 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 and Group's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Maria Paschalis
Chartered Accountant and Registered Auditor
for and on behalf of

Deloitte Limited
Chartered Accountants and Registered Auditors

Nicosia, 15 April 2016

Demetra Investment Public Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015

	Note	2015 €	2014 €
Revenue			
Dividends receivable	6	304.637	330.398
Interest receivable and other financial income	6	1.404.297	2.259.737
Loss from disposal, revaluation and development of land and immovable property	10	(545.723)	(163.608)
Loss from financial assets	5	(15.424.263)	(13.677.279)
		(14.261.052)	(11.250.752)
Administrative expenses	9	(1.537.251)	(1.604.012)
Decrease in provisions for doubtful debts	21, 25	2.155.224	7.206
Financial expenses	11	(7.336)	(5.755)
Share of loss from associated companies	18	(344.945)	(457.949)
Loss before taxation		(13.995.360)	(13.311.262)
Taxation	12	(31.604)	(191.809)
Net loss for the year		(14.026.964)	(13.503.071)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Gain on revaluation of financial assets available-for-sale	19	49.154	18.921
Total comprehensive expense for the year		(13.977.810)	(13.484.150)
Net loss attributable to:			
Company shareholders		(14.026.964)	(13.503.071)
Loss per share – cents	13	(7,01)	(6,75)

The notes on pages 17 to 71 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Financial Position as at 31 December 2015

	Note	2015 €	2014 €
ASSETS			
Non-current assets			
Property, plant and equipment	15	1.413.918	1.446.380
Investment property	16	31.427.940	32.146.077
Financial assets available-for-sale	19	247.775	198.621
Receivables from associated companies	22	9.550.750	-
Bank deposits	25	1.000.000	1.000.000
Deferred taxation	27	1.704.613	1.623.762
Total non-current assets		45.344.996	36.414.840
Current Assets			
Inventory	20	10.285.498	8.723.212
Loans and other receivables	21	1.031.686	1.118.332
Receivables from associated companies	22	-	8.152.615
Financial assets at fair value through profit and loss	24	41.368.958	56.690.754
Bank deposits	25	28.066.829	5.781.730
Cash and cash equivalents	25	1.237.799	24.068.729
Total current assets		81.990.770	104.535.372
Total assets		127.335.766	140.950.212
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	26	140.000.000	170.000.000
Reserves		(14.572.977)	(30.595.167)
Total equity		125.427.023	139.404.833
Non-current liabilities			
Deferred taxation	27	23.340	45.017
Total non-current liabilities		23.340	45.017
Current liabilities			
Provision for losses of associated companies	18	1.016.088	654.343
Trade and other payables	28	601.625	528.240
Current tax liabilities	29	267.690	317.779
Total current liabilities		1.885.403	1.500.362
Total equity and liabilities		127.335.766	140.950.212
Net assets per share - cents	13	62,71	69,70

On 15 April 2016 the Board of Directors of Demetra Investment Public Limited authorised these financial statements for issue.

Antonios-Andreas-Andis Scordis
Chairman

Dr. Nearchos Ioannou
Vice-chairman

Dr. Nicos Michaela
Managing Director

Costas Paphitis
Chief Financial Officer

The notes on pages 17 to 71 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2015

	Share Capital €	Share Capital Conversion Reserve €	Exchange difference reserve €	Revaluation reserve for financial assets available-for- sale €	Accumulated losses €	Total equity €
Balance 1 January 2014	170.000.000	860.144	319.767	(120.300)	(18.170.628)	152.888.983
Net loss for the year after tax	-	-	-	-	(13.503.071)	(13.503.071)
Other comprehensive income for the year after tax	-	-	-	18.921	-	18.921
Balance 31 December 2014 / 1 January 2015	170.000.000	860.144	319.767	(101.379)	(31.673.699)	139.404.833
Reduction of share capital (note 26)	(30.000.000)				30.000.000	-
Net loss for the year after tax	-	-	-	-	(14.026.964)	(14.026.964)
Other comprehensive income for the year after tax	-	-	-	49.154	-	49.154
Balance 31 December 2015	140.000.000	860.144	319.767	(52.225)	(15.700.663)	125.427.023

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, within two years after the end of the relevant tax year to which the profits refer, will be deemed to have distributed this amount as dividend. Special defence contribution at 17% will be payable on such deemed dividend distribution to the extent that the shareholders of the Company at the end of the period of two years from the end of the relevant tax year to which the profits refer are tax residents and Cyprus domiciled. The amount of deemed dividend distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. The Special Defence Contribution is paid by the Company for the account of the shareholders.

The notes on pages 17 to 71 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Cash Flows for the year ended 31 December 2015

	Note	2015 €	2014 €
Cash flow from operating activities			
Loss for the year before taxation		(13.995.360)	(13.311.262)
Adjustments for:			
Depreciation of property, plant and equipment	15	88.904	84.453
Profit on disposal and revaluation of property, plant and equipment	10,15	(21.962)	(36.602)
Loss on disposal and revaluation of financial assets and liabilities held at fair value through profit and loss	5	15.424.263	13.677.279
Loss on revaluation of investment property	10	1.305.482	603.062
Share of loss from associated companies	18	344.945	457.949
Net cash flow before working capital changes		3.146.272	1.474.879
(Increase) / decrease in inventories		(1.562.286)	627.860
Decrease in trade and other receivables		86.646	691.479
Increase in receivables from associated companies		(1.381.335)	(3.131.403)
Net purchases of financial assets and liabilities at fair value through profit and loss		(102.467)	(21.221.343)
Increase / (decrease) in trade and other payables		73.385	(4.441)
(Increase) / decrease in bank deposits		(22.285.099)	10.937.549
Cash flow to operations		(22.024.884)	(10.625.420)
Taxation paid		(184.221)	(364.573)
Net cash flow to operations		(22.209.105)	(10.989.993)
Cash flow from investing activities			
Purchase of property, plant and equipment	15	(34.480)	(104.601)
Proceeds from sale of property, plant and equipment	15	-	5.600
Purchase of investment property	16	(587.345)	(262.152)
Net cash flow used in financing activities		(621.825)	(361.153)
Net decrease in cash and cash equivalents		(22.830.930)	(11.351.146)
Cash and cash equivalents at the beginning of the year		24.068.729	35.419.875
Cash and cash equivalents at the end of the year	25	1.237.799	24.068.729

The notes on pages 17 to 71 form an integral part of these financial statements

Demetra Investment Public Limited

Holding Company Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2015

	Note	2015 €	2014 €
Revenue			
Dividends receivable	6	655.437	603.598
Interest receivable and other financial income	6	1.436.476	2.341.575
(Loss) / profit from disposal, revaluation and development of land and immovable property	10	(16.300)	137.093
Loss from financial assets and liabilities	5	(15.424.263)	(13.677.279)
		(13.348.650)	(10.595.013)
Administrative expenses	9	(1.290.446)	(1.351.552)
Impairment of investments in subsidiaries	17	(1.260.000)	(7.120.000)
Decrease / (increase) in provisions for doubtful debts	21,23,25	1.549.224	(1.292.794)
Financial expenses	11	(5.226)	(3.466)
Loss before taxation		(14.355.098)	(20.362.825)
Taxation	12	(67.203)	(169.857)
Net loss for the year		(14.422.301)	(20.532.682)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Gain on revaluation of financial assets available-for-sale	19	49.154	18.921
Total comprehensive expense for the year		(14.373.147)	(20.513.761)
Net loss attributable to:			
Company shareholders		(14.422.301)	(20.532.682)
Loss per share – cents	13	(7,21)	(10,27)

The notes on pages 17 to 71 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Financial Position as at 31 December 2015

	Note	2015 €	2014 €
ASSETS			
Non-current assets			
Property, plant and equipment	15	142.269	162.741
Investment property	16	2.852.000	2.912.000
Investments in subsidiaries	17	13.041.872	14.301.872
Investments in associates	18	400	400
Financial assets available-for-sale	19	247.775	198.621
Proceeds from associates	23	8.549.750	-
Bank deposits	25	1.000.000	1.000.000
Deferred taxation	27	120.349	117.812
Total non-current assets		25.954.415	18.693.446
Current assets			
Loans and other receivables	21	708.964	947.064
Receivables from subsidiaries and associated companies	23	29.472.606	35.227.407
Financial assets at fair value through profit and loss	24	41.368.958	56.690.754
Bank deposits	25	27.600.421	5.222.280
Cash and cash equivalents	25	982.814	23.724.492
Total current assets		100.133.763	121.811.997
Total assets		126.088.178	140.505.443
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	26	140.000.000	170.000.000
Reserves		(14.572.390)	(30.199.243)
Total equity		125.427.610	139.800.757
Non-current liabilities			
Deferred taxation	27	22.845	27.845
Total non-current liabilities		22.845	27.845
Current liabilities			
Trade and other payables	28	379.770	377.011
Current tax liabilities	29	257.953	299.830
Total current liabilities		637.723	676.841
Total equity and liabilities		126.088.178	140.505.443
Net assets per share (cents)	13	62,71	69,90

On 15 April 2016 the Board of Directors of Demetra Investment Public Limited authorised these consolidated financial statements for issue.

Antonios-Andreas-Andis Scordis
Chairman

Dr. Nearchos Ioannou
Vice-chairman

Dr. Nicos Michaela
Managing Director

Costas Paphitis
Chief Financial Officer

The notes on pages 17 to 71 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Changes in Equity for the year ended 31 December 2015

	Share Capital €	Share Capital Conversion Reserve €	Revaluation reserve for financial assets available-for- sale €	Accumulated losses €	Total equity €
Balance 1 January 2014	170.000.000	860.144	(120.300)	(10.425.326)	160.314.518
Net loss for the year after tax	-	-	-	(20.532.682)	(20.532.682)
Other comprehensive income for the year after tax	-	-	18.921	-	18.921
Balance 31 December 2014 / 1 January 2015	170.000.000	860.144	(101.379)	(30.958.008)	139.800.757
Reduction of share capital (note 26)	(30.000.000)	-	-	30.000.000	-
Net loss for the year after tax	-	-	-	(14.422.301)	(14.422.301)
Other comprehensive income for the year after tax	-	-	49.154	-	49.154
Balance 31 December 2015	140.000.000	860.144	(52.225)	(15.380.309)	125.427.610

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, within two years after the end of the relevant tax year to which the profits refer, will be deemed to have distributed this amount as dividend. Special defence contribution at 17% will be payable on such deemed dividend distribution to the extent that the shareholders of the Company at the end of the period of two years from the end of the relevant tax year to which the profits refer are tax residents and Cyprus domiciled. The amount of deemed dividend distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. The Special Defence Contribution is paid by the Company for the account of the shareholders.

The notes on pages 17 to 71 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Cash Flows for the year ended 31 December 2015

	Note	2015 €	2014 €
Cash flow from operating activities			
Loss for the year before taxation		(14.355.098)	(20.362.825)
Adjustments for:			
Depreciation of property, plant and equipment	15	49.780	42.369
Loss on disposal and revaluation of financial assets and liabilities held at fair value through profit and loss	5	15.424.263	13.677.279
Impairment of investments in subsidiaries	17	1.260.000	7.120.000
Loss / (profit) on sale of property, plant and equipment	15	3.732	(5.600)
Loss / (profit) on revaluation of investment properties	10	60.300	(113.093)
Net cash flow before working capital changes		2.442.977	358.130
Decrease in loans and other receivables		238.100	662.118
Increase in amounts receivable from subsidiary and associated companies		(2.794.949)	(1.728.014)
Net purchases of financial assets and liabilities at fair value through profit and loss		(102.467)	(21.221.343)
Increase in trade and other payables		2.759	30.097
(Increase) / decrease in bank deposits		(22.378.141)	11.199.892
Cash flow to operations		(22.591.721)	(10.699.120)
Taxation paid		(116.617)	(288.049)
Net cash flow to operations		(22.708.338)	(10.987.169)
Cash flow from investing activities			
Purchase of property, plant and equipment	15	(33.040)	(101.896)
Proceeds from sale of property, plant and equipment	15	-	5.600
Purchase of investment property	16	(300)	(77.907)
Net cash flow used in investing activities		(33.340)	(174.203)
Net decrease in cash and cash equivalents		(22.741.678)	(11.161.372)
Cash and cash equivalents at the beginning of the year		23.724.492	34.885.864
Cash and cash equivalents at the end of the year	25	982.814	23.724.492

The notes on pages 17 to 71 form an integral part of these financial statements.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

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 the sector of development of land and immovable property

Investment management

On 15 July 2014 the Company entered into an agreement with Argus Stockbrokers Ltd, governing the management of the Company's funds which are invested in the Cyprus Stock Exchange. The agreement's term is indefinite. Each one of the two involved parties has the right to terminate the agreement at any given time, by giving at least fifteen days' notice. For the services provided by the Investment Manager to the Company, based on the terms of the Management Agreement, the Company had agreed to pay him a Management Fee of 0,30% per year which would be calculated quarterly based on the Portfolio value plus VAT. The commission payable by the Company for its stock market transactions amounted to 0,30% on the total value of these transactions, excluding the stock exchange's fees and the transactions costs.

2. Adoption of new and revised IFRSs

In the current year, the Company and the Group have adopted all of the new and revised International Financial Reporting Standards (IFRS) that are relevant to their operations and are effective for accounting periods beginning on or after 1 January 2015. The adoption of these Standards, except as mentioned below, did not have a material effect on the accounting policies of the Company and the Group..

Standard / Interpretation

Applicable for annual periods beginning on or after:

IFRIC 21 "Contributions"

17 June 2014

Improvements to IFRSs 2011-2013

1 January 2015

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

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

At the date of approval of these financial statements, the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

i) Adopted by the European Union

Standard / Interpretation	Applicable for annual periods beginning on or after:
Amendment to IAS 1 Disclosures in the Financial Statements.	1 January 2016
Improvements to IFRSs 2012-2014	1 January 2016
Amendments to IAS16 and IAS38: Clarifications in relation to the Accepted Methods of Depreciation and amortization	1 January 2016
Amendments to IFRS 11: Accounting Treatment of acquiring a percentage in Jointly Controlled Activities	1 January 2016
Amendments to IAS16 and IAS41: Accounting Treatment of Certain Agricultural plantations	1 January 2016
Amendment to IAS 19 "Employee Benefits"	1 February 2015
Improvements to IFRSs 2010-2012	1 February 2015
Amendments to IAS 27: Equity method in Separate Financial Statements	1 January 2016

ii) Not adopted by the European Union

New standards	Applicable for annual periods which begin on or after:
IFRS 9 "Financial Instruments"	1 January 2018
IFRS 14 "Deferred Regulatory Accounts" 1 January 2016	1 January 2016
IFRS 15 "Revenue from Contracts with Customers"	1 January 2018
IFRS 16 "Leases"	1 January 2019
Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Application of Exemption for Consolidation	1 January 2016
Amendments to IFRS10 and IAS 28: Sale or Contribution Assets between an Investor and its affiliates or Consortium	Postponed indefinitely
Amendments to IAS 12: Recognition of deferred tax asset on unrealized losses	1 January 2017
Amendments to IAS 7: Disclosures in the Financial Statements	1 January 2017

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

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

The Company and the Group are in the process of evaluating the effect that the adoption of the above standards will have on the consolidated financial statements of the Group, and it does not intend to early adopt any of them. The Group expects that the most significant impact will result from the adoption of the following:

IFRS 9 "Financial Instruments"

IFRS 9 (as revised in 2014) will supersede IAS 39 'Financial Instruments: Recognition and Measurement' in its entirety. The completed IFRS 9 contains new requirements for a) classification and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting.

IAS 27: Equity method in Particular Financial Statements

The amendments focus on the separate financial statements and allow the application of the equity method. More specifically, with this amendment, a company will have the option to account for its investments in subsidiaries, joint ventures and associates with a) on the basis of the investment cost, b) on the basis of IAS 39 provisions (or IFRS 9), or c) under the equity method as described in IAS 28 "Investments in Associates and Joint Ventures". The same accounting treatment should be adopted for each category of investments.

The Company and the Group are in the process of evaluating the effect of the adoption of IFRS 9, which is expected to significantly influence the classification and measurement of financial assets and the impairment methodology. The exact effect of the adoption of IFRS 9 will depend on the financial assets the Company and the Group will have at the date of application of the aforementioned accounting standard.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies

The principal accounting policies applied throughout the year for the preparation of the consolidated and individual 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 or loss, available for sale financial assets and tangible non-current assets.

The historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The fair value is described as the price that an entity would receive upon the sale of an asset or the transfer of a liability in a normal transaction to principal (or most advantageous) market at the measurement date under current market conditions (i.e., exit value) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurement relates to a specific asset or a liability. Therefore, when measuring the fair value, an entity should take into account the characteristics of the asset or the liability, if market participants would take into account those characteristics in pricing the asset or the liability at the measurement date. These features include, for example, the status and location of the asset and restrictions, if any, on the sale or use of the asset.

To increase consistency and comparability in fair value measurements and related disclosures, IFRS 13 establishes a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value:

The 1st level inputs are the official quotations (without adjustment) in the markets for identical assets or liabilities to which the entity has access at the measurement date.

The 2nd level inputs are inputs other than formal quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

The 3rd level inputs are unobservable inputs for the asset or liability.

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 despite changes in the operating environment of Cyprus as described in the notes of the financial statements, is satisfied that the Company and the Group have the financial resources to continue their business activities in the foreseeable future. In addition, the management is not aware of any other relevant uncertainties related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. Accordingly, the financial statements continue to be prepared on the going concern basis.

Functional and presentation currency

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

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

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.

Basis of consolidation

The consolidated financial statements of the Group for the year ended 31 December 2015, 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 17, are the legal entities over which the Group exercises control. Control is achieved when a company a) has power over the investee, b) is exposed, or has right, to variable returns from its involvement in the investee and c) has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than 50% of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 2015 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

All business combinations are 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 recognised 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 recognised at fair value at the acquisition date, except for the following:

- Deferred tax assets or liabilities and assets relating to employee benefits arrangements are recognised and measured in accordance with IAS 12 'Income Taxes' and IAS19 'Employee Benefits', respectively,
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date and
- Assets (or disposal groups) 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 that standard.

3. Summary of significant accounting policies (continued)

Business combinations (continued)

The goodwill arising on acquisition is recognised 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 recognised of the acquired entity. If, after reassessment, the Group's participation in the net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary exceeds the sum of the consideration offered, the amount of any minority interest and the fair value of any equity interests held by the Group prior to the acquired entity, is recognised immediately in the income statement

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

The change in 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 recognised 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 a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the consideration offered by the Group in a business combination includes assets or liabilities arising from setting contingent consideration, contingent consideration is recognised 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.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

Business combinations (continued)

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 recognised 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 recognised 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 recognises 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 recognised as of that date.

The business combinations whose acquisition date was before 1 January 2010 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 recognised in the income statement and included in equity, amounts previously recognised 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 recognised at fair value under the provisions of IAS 39 "Financial Instruments: recognition and measurement".

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. Summary of significant accounting policies (continued)

Investments in associates and joint ventures (continued)

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 “Non-current Assets Held For Sale and Discontinued Operations”. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 “Impairment of Assets” as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

Investments in associates and joint ventures (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Investments in subsidiaries and associated companies

In the Holding Company financial statements, the investments in subsidiaries and associated companies are stated at cost less provision for permanent diminution in value, which is recognised as an expense in the period in which the impairment is recognised.

Revenue recognition

The revenue of the Group and Company is recognised 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 profit or loss and other 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 recognised in the statement of profit or loss and other comprehensive income.

The difference between the fair value of financial instruments at fair value through profit and loss at 31 December and the average cost price represents unrealised gain or loss and is recognised in the statement of profit or loss and other 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 recognised under the accrual basis depending on the substance of the agreements.

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.

3. Summary of significant accounting policies (continued)

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 reserves. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the reserves.

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.

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 utilized

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.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

Taxation (continued)

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

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

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

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

Investment property

Investment property, principally comprising land, shops and offices, is held for capital appreciation or for rental. Investment property is stated at fair value, representing open market value determined annually by external valuers (Note 16). Investment property is initially recognised at cost in the statement of financial position, which includes transaction costs relating to the acquisition, and is subsequently stated at fair value at the end of the year.

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.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

Investment property (continued)

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 profit or loss and other 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 profit or loss and other 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. The cost is determined using the weighted average cost method. The net realisable value is the estimated selling price during the ordinary operations of the Company and Group less any supplementary expenditures and selling 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). When 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. 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). When the asset does not generate cash flows that are independent from other assets, the Company and the Group estimate the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is defined as the higher of the asset's fair value less cost to sell and its value in use. Fair value less costs to sell is defined as the net proceeds from the disposal of an asset in a binding sale agreement in an arm's length transaction between knowledgeable, willing parties after deducting the costs of disposal, whereas value in use is the present value of the future cash flows expected to be derived from the continuous use of an asset and from its ultimate disposal at the end of its estimated useful life.

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

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. 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 profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation reduction.

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 profit or loss and other 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 recognised 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 recognised in equity, will be included in the income statement. Impairment losses previously recognised 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 recognised 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.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

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.

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 profit or loss and other comprehensive income in the period in which it occurs.

(ii) 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.

(iii) 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 profit or loss and other 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.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

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 recognised in the statement of profit or loss and other comprehensive income for the year. The share of the Company in the treasury shares which are owned by the subsidiary and associated companies at the balance sheet date is presented as a reduction in the shareholders' funds instead of being included as part of the assets in the consolidated statement of financial position.

Dividends

The distribution of dividends to the shareholders of the Company is recognised 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.

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 3, the Board of Directors exercised the following estimates and judgments that have a significant effect on the amounts recognised in the financial statements.

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

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.

The most significant uncertainty relates to the loans receivable from the associated company Verendrya Ventures Ltd, due to the significant assumptions that were made and are explained in Notes 18 and 22.

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 profit or loss and other 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.

Fair value of property

The accounting policy used by the Company and the Group, to measure property which is held for use, as well as investment property, is based on fair value. The fair value of property is determined by qualified valuers using a variety of methods and making assumptions that are mainly based on market conditions existing at each reporting date.

The uncertain economic developments in Cyprus and the minimal number of recent transactions, makes the prediction of future developments in the property market extremely difficult. For their estimates on 31 December 2015, the valuers have used largely their knowledge of the market and their professional judgment and did not rely solely on historical transactions.

Fair value of financial assets

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company and the Group use their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting 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 and the Group, 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

Investments in shares which are available-for-sale are impaired where the decrease in fair value compared to the cost price is significant or prolonged. In this case, the total loss previously recognised in equity, will be recognised in the income statement. The definition of significant or prolonged reduction in fair value requires estimates by the Board of Directors. Investments in bonds which are available-for-sale are reduced when there is objective evidence that the future cash flows of the investment will be influenced. The evaluation of the likelihood of impairment of bonds requires significant estimates and judgment from the Board of Directors of the Company and the Group,

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

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

Estimates (continued)

Impairment of financial assets available for sale (continued)

taking into account, among other factors, the financial condition of the issuer and the likelihood that the issuer will declare bankruptcy or restructure the terms of the contract that will adversely affect future cash flows. Additionally, impairment may occur when there is evidence of significant adverse changes in technology, market, economic or legal environment in which the firm that the Company and the Group, has invested in, is active.

Judgments

Classification of investments

The Company and the Group adopt the provisions of IAS39 regarding the classification of financial assets. The Company and the Group exercise judgment concerning the classification of their financial assets on the basis of the strategic management of the relevant risks associated with those investments. Within this framework, the Company and the Group have classified their financial instruments to financial instruments held-to maturity, available for sale financial assets, financial assets included at fair value through profit and loss and loans receivable.

Financial instruments held-to-maturity

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

Legal cases

The Board of Directors has examined the pending lawsuits against the Company and the Group and, after considering all the facts and receiving legal counsel, believes there will be no liability resulting from the outcome of these legal cases.

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, despite developments in the operating environment of Cyprus as disclosed in the notes of the financial statements, is satisfied that the Company and the Group have the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors of the Company 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 AND THE COMPANY

	2015 €	2014 €
Loss from disposal and revaluation of financial assets at fair value through profit and loss	(15.424.263)	(13.677.279)
	(15.424.263)	(13.677.279)

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

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

THE GROUP

	2015 €	2014 €
Loans and other receivables (including bank deposits and cash and cash equivalents) - Interest receivable and other financial income	1.395.722	2.244.992
Financial instruments at fair value through profit and loss - Interest receivable	-	5.466
Financial instruments available-for-sale - Interest receivable	8.575	9.279
	1.404.297	2.259.737
Financial instruments at fair value through profit and loss - Dividends receivable	304.637	330.398
	1.708.934	2.590.135

THE COMPANY

	2015 €	2014 €
Loans and other receivables (including bank deposits and cash and cash equivalents) - Interest receivable and other financial income	1.427.901	2.326.830
Financial instruments at fair value through profit and loss - Interest receivable	-	5.466
Financial instruments available-for-sale - Interest receivable	8.575	9.279
	1.436.476	2.341.575
Financial instruments at fair value through profit and loss - Dividends receivable	304.637	330.398
- Dividends receivable from subsidiary and associated companies	350.800	273.200
	2.091.913	2.945.173

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

7. Segmental Analysis

THE GROUP 31 December 2015

	Investments	Development of land and immovable property	Other segments	Total
	€	€	€	€
Dividends receivable	304.637	-	-	304.637
Interest receivable	1.249.713	154.584	-	1.404.297
Loss from sale or revaluation of investments	(15.424.263)	-	-	(15.424.263)
Loss from sale, revaluation and development of land and immovable property	-	(545.723)	-	(545.723)
Net total loss	(13.869.913)	(391.139)	-	(14.261.052)
(Increase) / decrease in provisions for doubtful debts	(11.145)	2.166.172	197	2.155.224
Financial expenses	(2.521)	(4.235)	(580)	(7.336)
Share of loss from associated companies	-	-	(344.945)	(344.945)
Administrative expenses	(405.106)	(976.960)	(155.185)	(1.537.251)
(Loss) / profit before tax	(14.288.685)	793.838	(500.513)	(13.995.360)
Total assets	72.614.846	44.550.915	10.170.005	127.335.766
Additions to non-current assets	16.520	605.305	-	621.825

THE GROUP 31 December 2014

	Investments	Development of land and immovable property	Other segments	Total
	€	€	€	€
Dividends receivable	330.398	-	-	330.398
Interest receivable	2.011.824	247.913	-	2.259.737
Loss from sale or revaluation of investments	(13.677.279)	-	-	(13.677.279)
Loss from sale, revaluation and development of land and immovable property	-	(163.608)	-	(163.608)
Net total income / (loss)	(11.335.057)	84.305	-	(11.250.752)
Decrease / (increase) in provisions for doubtful debts	135.594	(128.388)	-	7.206
Financial expenses	(1.647)	(3.595)	(513)	(5.755)
Share of loss from associated companies	-	-	(457.949)	(457.949)
Administrative expenses	(393.605)	(1.066.601)	(143.806)	(1.604.012)
loss before tax	(11.594.715)	(1.114.279)	(602.268)	(13.311.262)
Total assets	88.358.756	43.667.692	8.923.764	140.950.212
Additions to non-current assets	50.948	315.805	-	366.753

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

8. Geographical Analysis

THE GROUP

2015

	Cyprus €	Euro-zone €	Romania €	Bulgaria €	Other countries €	Total €
(Loss) / income	(13.931.320)	408.362	(416.438)	(321.656)	-	(14.261.052)
Non-current assets	28.611.746	-	596.500	3.633.612	-	32.841.858

2014

	Cyprus €	Euro-zone €	Romania €	Bulgaria €	Other countrie s €	Total €
(Loss) / income	(10.762.521)	448.240	(636.244)	(305.000)	4.773	(11.250.752)
Non-current assets	28.886.209	-	803.101	3.903.147	-	33.592.457

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

9. Administrative expenses

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Investment management fees	33.007	31.701	33.007	31.701
Auditor's remuneration - audit services	54.600	54.600	30.940	30.940
- taxation services	5.831	4.641	5.831	4.641
- other services	3.094	8.568	3.094	8.568
Internal auditor fees	19.040	19.040	19.040	19.040
Salaries and staff expenses including the Executive Director's expenses (Note 14)	460.350	473.893	460.350	473.893
Annual fees of the non-executive members of the Board of Directors	21.000	21.000	21.000	21.000
Committees' fees of the non-executive members of the Board of Directors	21.600	34.650	21.600	34.650
Allowance for hospitality expenses of the non-executive members of the Board of Directors	73.846	73.846	73.846	73.846
Other expenses and benefits of the members of the Board of Directors	15.451	31.803	15.451	31.803
Insurance	48.019	53.900	25.943	18.198
Printing and dispatch of Annual Report and Annual General Meeting expenses	961	11.230	961	11.230
Cyprus Stock Exchange Annual Fee and other expenses	8.595	6.764	8.595	6.764
Cyprus Stock Exchange depository fees	43.569	43.569	43.569	43.569
Legal expenses	138.870	113.395	135.868	111.889
Other professional expenses	49.513	89.888	39.709	81.926
Valuation expenses	27.053	37.589	1.428	5.236
Rents	4.797	4.797	51.927	55.456
Contributions and donations	48.008	38.074	44.858	34.924
Travelling abroad	1.885	49.972	1.885	49.972
Expenses for press announcements	74.951	53.612	74.951	53.612
Electricity and water	13.557	16.459	9.223	13.197
Travelling inland	3.082	4.907	3.082	4.907
Telephone and postages	11.482	15.302	11.482	15.302
Printing and stationary	15.203	6.029	15.203	6.029
Hospitality expenses	18.122	24.489	18.122	24.489
Repairs and maintenance	72.410	65.082	24.935	17.709
Depreciation of property, plant and equipment (Note 15)	88.903	84.453	49.780	42.369
Various taxes	110.976	89.178	8.846	7.271
Other administrative expenses	45.744	47.181	32.188	23.021
Loss / (profit) on sale of property, plant and equipment (Note 15)	3.732	(5.600)	3.732	(5.600)
	1.537.251	1.604.012	1.290.446	1.351.552

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
(Loss) / profit from revaluation of investment property (Note 16)	(1.305.482)	(603.062)	(60.300)	113.093
Decrease in the inventory value (Note 20)	(283.116)	(627.860)	-	-
Profit from sale of inventory (Note 20)	31.974	-	-	-
Gain from revaluation of property, plant and equipment (Note 15)	25.694	31.002	-	-
Commissions from sale and rent of investment property	(24.329)	(2.197)	-	-
Commissions for sale of inventory	(44.030)	-	-	-
Rent receivable (Note 16)	1.053.566	1.038.509	44.000	24.000
	(545.723)	(163.608)	(16.300)	137.093

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

11. Financial expenses

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Interest on tax	500	493	184	170
Bank interest and charges	6.836	5.262	5.042	3.296
	7.336	5.755	5.226	3.466

12. Taxation

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Corporation tax for the year	109.482	195.442	73.750	155.180
Corporation tax for prior years	(3.437)	10	-	-
Defence contribution	28.087	27.294	990	541
Deferred taxation (Note 27)	(102.528)	(30.937)	(7.537)	14.136
Tax charge	31.604	191.809	67.203	169.857

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

12. Taxation (continued)

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

	THE GROUP		THE COMPANY	
	2015 €	2014 €	2015 €	2014 €
Loss before tax	(13.995.360)	(13.311.262)	(14.355.098)	(20.362.825)
Tax calculated at the applicable corporation tax rates of 12,5%, 10% and 3% (2014: 12,5%, 16% και 10%)	(1.914.452)	(3.143.485)	(1.794.387)	(2.545.353)
Tax effect of expenses not deductible for tax purposes	2.597.328	3.612.058	2.320.100	2.849.650
Tax effect of allowances and income not subject to tax	(675.922)	(307.488)	(457.070)	(128.857)
Adjustments recognised in the current year in relation to the current tax of prior years	(3.437)	10	-	-
Special contribution for defence	28.087	27.294	990	541
Other effects	-	3.420	(2.430)	(6.124)
Tax charge	31.604	191.809	67.203	169.857

Tax rates

The Group's Cyprus tax resident companies are subject to corporation tax on their taxable profits at the rate of 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 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 17%.

The Group which consists of the Company and its Cyprus tax resident subsidiaries is entitled to transfer its tax losses between its Cyprus tax resident companies and offset them against taxable profits of other Cyprus tax resident companies which are part of the same Group. For tax purposes, members of the same Group are considered to be Cyprus tax resident companies in which the holding company owns directly or indirectly over 75% of the issued share capital.

13. Loss per share and net assets per share

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

	THE GROUP		THE COMPANY	
	2015 €	2014 €	2015 €	2014 €
Loss for the year	(14.026.964)	(13.503.071)	(14.422.301)	(20.532.682)
Weighted average number of shares in issue during the year	200.000.000	200.000.000	200.000.000	200.000.000
Loss per share (cents)	(7,01)	(6,75)	(7,21)	(10,27)

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

13. 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	
	2015	2014	2015	2014
	€	€	€	€
Net assets at 31 December	125.427.023	139.404.833	125.427.610	139.800.757
Number of shares in issue at 31 December	200.000.000	200.000.000	200.000.000	200.000.000
Net assets per share (cents)	62,71	69,70	62,71	69,90

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

14. Staff expenses including the Executive Director

THE GROUP AND THE COMPANY

	2015	2014
	€	€
Salaries	351.355	356.685
Provident fund contributions	35.136	35.668
Other employer's contributions	73.859	81.540
	460.350	473.893

The total number of employees of the Company and the Group as at 31 December 2015 was 8 (2013: 8), including the Executive Director of the Company.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

15. Property, plant and equipment

THE GROUP

	Land and buildings €	Furniture and office equipment €	Computer hardware €	Motor vehicles €	Total €
Cost					
Balance 1 January 2014	1.198.926	264.641	197.914	15.377	1.676.858
Additions	-	3.205	32.796	68.600	104.601
Disposals	-	-	-	(15.377)	(15.377)
Fair value adjustment	2.244	-	-	-	2.244
Balance 1 January 2015	1.201.170	267.846	230.710	68.600	1.768.326
Additions	-	7.348	27.132	-	34.480
Disposals	-	(6.894)	-	-	(6.894)
Balance 31 December 2015	1.201.170	268.300	257.842	68.600	1.795.912
Accumulated depreciation					
Balance 1 January 2014	-	105.491	160.760	15.377	281.628
Charge for the year	28.758	26.648	20.017	9.030	84.453
Disposals	-	-	-	(15.377)	(15.377)
Fair value adjustment	(28.758)	-	-	-	(28.758)
Balance 1 January 2015	-	132.139	180.777	9.030	321.946
Charge for the year	25.694	26.261	23.229	13.720	88.904
Disposals	-	(3.162)	-	-	(3.162)
Fair value adjustment	(25.694)	-	-	-	(25.694)
Balance 31 December 2015	-	155.238	204.006	22.750	381.994
Net book value					
31 December 2015	1.201.170	113.062	53.836	45.850	1.413.918
31 December 2014	1.201.170	135.707	49.933	59.570	1.446.380

THE COMPANY

	Furniture and office equipment €	Computer hardware €	Motor vehicles €	Total €
Cost				
Balance 1 January 2014	134.743	195.280	15.377	345.400
Additions	500	32.796	68.600	101.896
Disposals	-	-	(15.377)	(15.377)
Balance 1 January 2015	135.243	228.076	68.600	431.919
Additions	5.907	27.133	-	33.040
Disposals	(6.894)	-	-	(6.894)
Balance 1 January 2015	134.256	255.209	68.600	458.065
Accumulated depreciation				
Balance 1 January 2014	68.459	158.350	15.377	242.186
Charge for the year	13.499	19.840	9.030	42.369
Disposals	-	-	(15.377)	(15.377)
Balance 1 January 2015	81.958	178.190	9.030	269.178
Charge for the year	12.880	23.180	13.720	49.780
Disposals	(3.162)	-	-	(3.162)
Balance 31 December 2015	91.676	201.370	22.750	315.796
Net book value				
31 December 2015	42.580	53.839	45.850	142.269
31 December 2014	53.285	49.886	59.570	162.741

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

15. Property, plant and equipment (continued)

The land and buildings of the Group consist of the private offices occupied by the Company in Nicosia, which are owned by Demetra Tower Limited, and were revalued at 31 December 2015 based on valuations carried out by independent and qualified valuers, which were based on the market value for their existing use. The valuers hold recognised and relevant qualifications and have recent experience in assessing investment properties in the same regions and industry as the properties concerned, and are members of the Royal Institution of Chartered Surveyors (R.I.C.S). The valuation methods listed below are based on the International Valuation Standards issued by the Royal Institution of Chartered Surveyors (R.I.C.S).

The valuers used a combination of two methods for their valuations:

- a) Market prices (comparative method) adjusted where necessary, due to differences in the location or condition of the concerned property.
- b) Future cash flows from rents (investment method) based on the location, the type and quality of property and supported by the terms of any existing lease agreements or other external factors, such as current market rents for similar properties, using a 5% yield rate (2014: 5%).

There was no change in the methodology used since prior year.

Information on the hierarchy of fair value of land and buildings at 31 December 2015 and 31 December 2014 is as follows:

31 December 2015	Level 1	Level 2	Level 3	Total
	€	€	€	€
Assets carried at fair value				
Land and Buildings	-	-	1.201.170	1.201.170
Total	-	-	1.201.170	1.201.170

31 December 2014	Level 1	Level 2	Level 3	Total
	€	€	€	€
Assets carried at fair value				
Land and Buildings	-	-	1.201.170	1.201.170
Total	-	-	1.201.170	1.201.170

The revaluation resulted in a surplus of €25.694 (2014: €31.002) which was included in the income statement. Detailed analysis of the movement for the year is presented on the table at the beginning of this note.

The fair value measurements were categorised within Level 3 of the fair value hierarchy since the estimates were based largely on the expertise and experience of the valuers, due to the adverse economic environment prevailing in Cyprus and the significantly limited number of sales of similar properties. As a result, even though the valuations were primarily determined by reference to price data from market transactions for similar properties, they were adjusted to reflect the differences between comparative sales and the properties being examined. Due to the aforementioned, the degree of uncertainty in relation to these valuations is increased.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

15. Property, plant and equipment (continued)

There were no transfers between levels during the year.

Land and buildings based on historical cost less accumulated depreciation as at 31 December would be as follows:

THE GROUP

	2015 €	2014 €
Cost	1.744.257	1.744.257
Accumulated depreciation	(233.757)	(191.791)
	1.510.500	1.552.466

Proceeds from the sale of property, plant and equipment, as shown in the cash flow statement, are calculated as follows:

THE GROUP AND THE COMPANY

	2015 €	2014 €
Net book value	3.732	-
(Loss) / Profit on sale of property, plant and equipment (Note 9)	(3.732)	5.600
Proceeds from sale of property, plant and equipment	-	5.600

16. Investment property

	THE GROUP		THE COMPANY	
	2015 €	2014 €	2015 €	2014 €
Balance 1 January	32.146.077	32.486.987	2.912.000	2.721.000
Additions	587.345	262.152	300	77.907
Fair value adjustment (Note 10)	(1.305.482)	(603.062)	(60.300)	113.093
Balance 31 December	31.427.940	32.146.077	2.852.000	2.912.000

The deficit or surplus resulting from the revaluation of investment property is included in the income statement.

The property included in investment property was revalued on 31 December 2015 according to valuations of independent and qualified valuers, which were based on the market value for their existing use. The valuers hold recognised and relevant qualifications and have recent experience in assessing investment properties in the same regions and industry as the properties concerned, and are members of the Royal Institution of Chartered Surveyors (R.I.C.S). The valuation methods listed below are based on the International Valuation Standards issued by the Royal Institution of Chartered Surveyors (R.I.C.S).

The valuers used a combination of two methods for their valuations:

- Market prices (comparative method) adjusted where necessary, due to differences in the location or condition of the concerned property.
- Future cash flows from rents (investment method) based on the location, the type and quality of property and supported by the terms of any existing lease agreements or other external factors, such as current market rents for similar properties.

There was no change in the methodology used since prior year.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

16. Investment property (continued)

Information on the hierarchy of fair value of land and buildings as at 31 December 2015 and 31 December 2014 is as follows:

31 December 2015	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	€	€	€	€
Assets carried at fair value				
<i>Land and buildings</i>	-	-	31.427.940	31.427.940
Total			31.427.940	31.427.940

31 December 2014	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	€	€	€	€
Assets carried at fair value				
<i>Land and buildings</i>	-	-	32.146.077	32.146.077
Total	-	-	32.146.077	32.146.077

There were no transfers between levels during the year. Detailed analysis of the movement for the year is presented on the table at the beginning of this note.

The fair value measurements were categorised within Level 3 of the fair value hierarchy since the estimates were based largely on the expertise and experience of the valuers, due to the adverse economic environment prevailing in Cyprus, Romania and Bulgaria and the significantly limited number of sales of similar properties. As a result, even though the valuations were primarily determined by reference to price data from market transactions for similar properties, they were adjusted to reflect the differences between comparative sales and the properties being examined. Due to the aforementioned, the degree of uncertainty in relation to these valuations is increased.

Additional information and disclosures about the fair value of investment property are listed below:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Offices and other commercial properties in Cyprus	21.910.828	22.136.829	1.680.000	1.700.000
Land in:				
-Cyprus	5.287.000	5.303.000	1.172.000	1.212.000
-Bulgaria	3.633.612	3.903.147	-	-
-Romania	596.500	803.101	-	-
Balance 31 December	31.427.940	32.146.077	2.852.000	2.912.000

For the revaluation of the fair value of the land, the comparative method was used, always taking into account the limitations explained above. Both the comparative method, as well as the method of investment (capitalization), based on the expected rent receivable, were used for the estimation of the fair value of offices and other commercial properties.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

16. Investment property (continued)

For the measurement of fair value, using the method of investment, the rental income as at 31 December 2015 was used, and a rate of return (yield) 4,5% - 7,5% (2014: 5% - 7,5%). In cases where such offices and commercial properties were not rented out as at 31 December 2015, the amount of rent that could have been earned by the Group was used, based on the rental paid for similar properties. In addition, the annual rental compared to the reasonable rental was taken into account (so as to determine the property's evacuation risk), together with the quality of the tenant and the attractiveness of the area.

Sensitivity Analysis

Any increase/decrease in the revalued amounts per square meter (for properties which were revalued using the comparative method) or any increases/decreases in leases or in its expected return (for properties which were revalued based on future cash flows from the rent receivable) would change the fair value of the properties.

Investment property as at 31 December 2015 of €1.486.000 (2014: €4.741.000) 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.

Rental income received by the Group from investment property, which is currently under operating leases, amounts to €1.053.566 (2014: €1.038.509). Rental income received by the Company, amounts to €44.000 (2014: € 24.000) (Note 10)

17. Investments in subsidiary companies

THE COMPANY

	2015 €	2014 €
Balance 1 January	14.301.872	13.421.872
Additions (Note 23)	-	8.000.000
Impairment	(1.260.000)	(7.120.000)
Balance 31 December	13.041.872	14.301.872

Additions for the year ended 31 December 2014 consist of the issue of 2 new shares in the subsidiary company Demetra Real Estate Investments Ltd to the Company as follows:

- (a) One share issued at a premium in exchange for the assignment of the Company's loan receivable balance of €4.000.000 due by Demetra Tower Ltd to Demetra Real Estate Investments Ltd and
- (b) One share issued at a premium in exchange for the repayment of loans amounting to €4.000.000 payable by Demetra Real Estate Investments Ltd to the Company.

During 2015, the Board of Directors decided to make an impairment adjustment for the investments in subsidiary companies for a value of €1.260.000 (2014: €7.120.000) due to the losses derived 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 2015 amounts to €44.545.952 (2014: €43.285.952).

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

17. Investments in subsidiary companies (continued)

The subsidiary companies as at 31 December 2014 and 2015 were as follows:

	Principal Activity	Country of Incorporation	Ownership percentage and voting rights	
			Άμεσο	Έμμεσο
Demetra Overseas Investments Limited	Investments in foreign subsidiary companies	Cyprus	100%	-
Demetra Real Estate Investments Limited	Investments in the field of land and immovable property development in Cyprus	Cyprus	100%	-
Demetra Energy 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 Golf Investments Limited	Investments in the development of golf resorts	Cyprus	-	100%
Demetra Tower Limited	Investments in the field of immovable property development in Cyprus	Cyprus	-	100%
Demetra Tower (Limassol) Limited	Investments in the field of immovable property development in Cyprus	Cyprus	-	100%
Demetra Iphigenias Tower Limited	Investments in the field of immovable property development in Cyprus	Cyprus	-	100%
Aniben Enterprises Limited	Investments in the field of immovable property development in Cyprus	Cyprus	-	100%
Crystal Sea Maritime Ltd	Dormant	Cyprus	-	100%
Demetra Investment Public SRL	Dormant	Moldavia	-	100%
Cooper Security Services Public Limited	Dormant	Cyprus	50,72%	-

The subsidiary companies Demetra Investment Public SRL, registered in Moldavia, and Cooper Security Services Public Limited (Note 3), registered in Cyprus, are in the process of voluntary liquidation. The two subsidiary companies are dormant, without any activities, and had no material assets or liabilities as at 31 December 2015.

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activity	Country of incorporation	Number of wholly-owned subsidiaries	
		31/12/2015	31/12/2014
Investments in the field of land and immovable property development	Romania	2	2
Investments in the field of land and immovable property development	Bulgaria	1	1
Investments and exploitation of immovable property	Cyprus	5	5
Investments in foreign subsidiary companies	Cyprus	1	1
Investments in the development of golf resorts	Cyprus	1	1
Dormant	Cyprus	2	2
Dormant	Moldavia	1	1
		13	13

Principal activity	Country of incorporation	Number of non-wholly-owned subsidiaries	
		31/12/2015	31/12/2014
Dormant	Cyprus	1	1

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

18. Investments in associated companies

A loss from associated undertakings of €344.945 (2014: €457.949) was recognised in the statement of profit or loss and other comprehensive income. The total loss which comprises of the provision over and above the initial investment from the participation in Verendrya Ventures Limited is €1.016.088 (2014: €654.343) and is included in the current liabilities of the Group. This amount includes a dividend of €16.800 (2014: €9.200) which was distributed from the associated company during the year.

THE COMPANY

	2015 €	2014 €
Balance 1 January	400	400
Balance 31 December	400	400

The associated companies at 31 December are:

	Principal activity	Country of incorporation	2015 Ownership percentage and voting rights		2014 Ownership percentage and voting rights	
			Direct	Indirect	Direct	Indirect
Verendrya Ventures Limited	Development and construction of desalination units	Cyprus	40%	-	40%	-

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 (which owns 60% of Verendrya Ventures Ltd) 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 participation 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% shareholding in a joint venture with the Israeli company Mekorot Development and Enterprise Ltd for the construction and maintenance of the desalination unit at Episkopi area, based on an agreement with the Department of Water Development of Cyprus. The desalination unit in Episkopi was completed in June 2012, but it was on a standby mode from 1 July 2012 to 27 April 2014. The unit started production on April 2014.

An additional agreement was signed in 2012 with the Department of Water Development for the renovation and operation of the existing desalination unit in Larnaca. The unit started its operations in July 2015. Some claims (in favour and against) exist with regards to the investment in the desalination unit in Larnaca, between the Company and the Department of Water Development. The management of the abovementioned unit has prepared its financial statements for the year ended 31 December 2015, in accordance with the legal advice which is related to the validity of claims on and against the company, and in accordance with the opinion of expert advisors on the amount of compensation that the company expects to receive. Determining the amount of compensation requires management to exercise judgment and includes the formulation of important assumptions.

The Board of Directors believes that the associated company and consequently the Group will not suffer any damages from the final outcome of the claims referred to above.

For its participation in the above projects the Company provided guarantees by pledging bank deposits of an amount of €7.200.000 (2014: €7.200.000), as well as other commitments by the Company (Note 33).

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

18. Investments in associated companies (continued)

Summarised financial information in respect of the associated company Verendrya Ventures Limited, which are material for the Group, is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs (adjusted by the Group for equity accounting purposes):

Verendrya Ventures Limited

	2015 €	2014 €
Current assets	19.490	23.717
Non-current assets	<u>21.295.645</u>	18.668.146
Total assets	<u>21.315.135</u>	18.691.863
Current liabilities	(7.747)	(20.327.721)
Non-current liabilities	<u>(23.847.609)</u>	-
Total liabilities	<u>(23.855.356)</u>	(20.327.721)
Net liabilities	<u>(2.540.221)</u>	(1.635.858)
	2015 €	2014 €
Revenue	-	-
Net loss for the year	<u>(862.363)</u>	(1.144.872)
Other comprehensive income / (expense)	-	-
Total comprehensive expense for the year	<u>(862.363)</u>	(1.144.872)
Dividends received from the associate during the year	<u>16.800</u>	9.200

Reconciliation of the above summarised financial information to the carrying amount of the interest in Verendrya Ventures Limited recognised in the consolidated financial statements:

	2015 €	2014 €
Net liabilities of the associate	<u>(2.540.221)</u>	(1.635.858)
Proportion of the Group's ownership in Verendrya Ventures Limited	<u>40%</u>	40%
Provision for losses of the associate	<u>(1.016.088)</u>	(654.343)
	2015 €	2014 €
Total comprehensive expense for the year	<u>(862.363)</u>	(1.144.872)
Proportion of the Group's ownership in Verendrya Ventures Limited	<u>40%</u>	40%
Provision for losses of the associate	<u>(344.945)</u>	(457.949)

The total loss attributable to the Group from its participation in the associated company Verendrya Ventures Limited amounting to €1.016.088 (2014: €654.343) has been recognised as a provision and is included in the Group's current liabilities.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

19. Financial assets available-for-sale

THE GROUP AND THE COMPANY

	2015 €	2014 €
Corporate bonds listed in the Cyprus Stock Exchange	247.775	198.621
Balance 31 December	247.775	198.621

The corporate bonds earn interest equal to the 3 months Euribor plus 2,8% (2014: 3 months Euribor plus 2,8%). 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

	2015 €	2014 €
Balance at 1 January	198.621	179.700
Unrealised profit recognised through other comprehensive income	49.154	18.921
Balance 31 December	247.775	198.621

20. Inventories

THE GROUP

	2015 €	Ote 2014 €
Land and buildings under development and for sale	10.285.498	8.723.212

During 2015 the group acquired immovable property at a value of €2.364.428 (at cost) and made a profit of €31.974 through a disposal of 2 immovable properties sold at a current book value of €519.026 (Note 10).

The immovable property in Cyprus, which is included in inventory, valued at €2.380.224 (2014: €551.400), 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 realisable value (NRV). During 2015, the Group recognised loss from impairment of inventories amounting to €283.116 (2014: €627.860) (Note 10).

Additional information and disclosures about the inventories are listed below:

	2015 €	2014 €
Immovable property in Cyprus	2.380.224	551.400
Land in:		
-Bulgaria	984.274	1.037.200
-Romania	6.921.000	7.134.612
Balance 31 December	10.285.498	8.723.212

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

21. Loans and other receivables

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Interest receivable	650.777	140.075	650.777	140.075
Corporate bonds receivable	-	564.308	-	564.308
Other receivables and prepayments	380.909	413.949	58.187	242.681
	1.031.686	1.118.332	708.964	947.064

Loans and other receivables are analysed as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Receivables within one year	1.031.686	1.118.332	708.964	947.064
	1.031.686	1.118.332	708.964	947.064

The above amounts are presented net of provisions for doubtful debts.

Corporate bonds at 31 December 2014 comprised of a bond from a financial institution of €410.064 (2014: €410.064) with variable basic annual interest rate of 2,35% plus 1,875% until 8 June 2015 and 2,35% plus 0,725% until expiry date on 8 December 2015 when it was repaid.

During 2015, a provision made in prior years in regards to corporate bonds receivable for an amount of €2.166.172, was reversed as a result of an agreement made with the debtor for its repayment by a way of cash and immovable property to the company and the group.

A loan of €844.572 was 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% and was repayable on 48 quarterly installments up to 31 December 2023. For the first two years the loan agreement provided only for the repayment of interest. A provision was recognized for the whole loan balance on 31 December 2013 due to considerable uncertainty regarding the recoverability of the loan. In addition, a provision of €48.481 was recognised during 2014. On 26 January 2015 an amount of €175.000 was received from the non-related company. As a result, part of the provision amounting to €175.000 was reversed in 2014 and recognized in the results of 2014. The balance of the provision amounting to €669.572 was reversed on 2015 and as a result the receivable balance was written off.

Additionally in 2015, the Company and the Group recognized a total net provision of €11.172 (2014: €1.869) for the other receivables. Also, part of the receivable balances which were previously written off amounting to €197 was recovered and recognised as a profit in the results of 2015.

The fair values of the Company's trade and other receivables approximate their carrying amounts at the date of the statement of financial position.

Movement of the provision for bad & doubtful debts:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Balance at 1 January	4.611.840	4.592.001	4.579.235	4.559.396
Provision for bad & doubtful debts	11.172	176.869	11.172	176.869
Reversal of provision for bad & doubtful debts	(2.835.744)	(175.000)	(2.835.744)	(175.000)
Exchange differences	16.995	17.970	16.995	17.970
	1.804.263	4.611.840	1.771.658	4.579.235

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

22. Receivables from associated companies

THE GROUP

	2015	2014
	€	€
Receivables from associated companies within one year (Note 30)	-	8.152.615
Receivables from associated companies over one year (Note 30)	9.550.750	-
	9.550.750	8.152.615

The balance on 31 December 2015 relates to loan facilities granted to the related company Verendrya Ventures Limited. During 2015, interest charged on these loans amounted to €341.336 (2014: €322.670). The loan is repayable on demand and bears annual interest of 4% (2014: 4% - 5,5%). On 31 December 2015, the company confirmed the related company that it will not request a repayment of the loans for the next 12 months. As a result the loans were reclassified from current to non-current assets.

The repayment of the aforementioned loans depends on the ability of the Cyprus Government to meet its obligations to its associated company Verendrya Ventures Ltd, with respect to the desalination projects in Episkopi and in Larnaca (Note 18). The Company's Board of Directors believes that the Cyprus economy is in a positive process of recovery and implementation of the support program with Troika and therefore the Cyprus Government will be able to meet its obligations arising from the above projects.

23. Receivables from subsidiary and associated companies

THE COMPANY

	2015	2014
	€	€
Receivables from subsidiary and associated companies within one year (Note 30)	29.472.606	35.227.407
Receivables from subsidiary and associated companies over one year (Note 30)	8.549.750	-
	38.022.356	35.227.407

The amounts receivable from subsidiary and associated companies bear annual interest at the rate of 0,05% - 4% (2014: 0,15% - 5,5%) per annum. All amounts are presented net of provision for doubtful amounts of €2.592.224 (2014: €1.958.096).

During the year ended 31 December 2014, receivables from subsidiary companies of €4.000.000 were capitalised and receivables from subsidiary companies of €4.000.000 were assigned to another Group company in exchange for the issue of 2 new shares to the Company (Note 17).

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

	€
Balance at 1 January 2014	638.029
Increase in provision for consolidated subsidiary companies	646.000
Increase in provision for associated companies	654.000
Increase in provision for non-consolidated subsidiary companies	27.067
Reversal of provision due to receipt from non-consolidated subsidiary companies	(7.000)
Balance at 1 January 2015	1.958.096
Increase in provision for consolidated subsidiary companies	259.000
Increase in provision for associated companies	347.000
Increase in provision for non-consolidated subsidiary companies	28.128
Balance at 31 December 2015	2.592.224

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

24. Financial assets at fair value through profit and loss

THE GROUP AND THE COMPANY

	2015	2014
	€	€
At 1 January	56.690.754	49.146.690
Additions	113.250	21.621.543
Disposals	(865.601)	(382.022)
Changes in fair value	(14.569.445)	(13.695.457)
At 31 December	41.368.958	56.690.754

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

THE GROUP AND THE COMPANY

	Market Value 2015	Market Value 2014
	€	€
Investments listed on the Cyprus Stock Exchange by sector:		
Financial services	25.920.975	41.119.770
Customer retail services	805.470	1.203.120
Consumption goods	1.964.015	2.284.545
Technology	4.805.656	4.417.243
Corporate bonds	7.056	8.204
	33.503.172	49.032.882
Non-listed shares	693.848	883.348
Total investments in Cyprus	34.197.020	49.916.230
Foreign investments		
Structured and other products	7.166.180	6.766.102
Shares in foreign stock exchanges	5.758	8.422
Total foreign investments	7.171.938	6.774.524
Total investments	41.368.958	56.690.754

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 profit or loss and other 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 is provided internally on a fair value basis to the Group's key management personnel.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

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

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

THE GROUP AND THE COMPANY

	2015	2014
	€	€
Financial assets that have been designated at fair value through profit and loss during the initial recognition	41.368.958	56.690.754

25. Cash and bank balances

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
<u>Cash and cash equivalents</u>				
Balances with Co-Operative Financial Institutions and Savings Companies	941.934	23.577.564	919.420	23.560.183
Balances with Commercial Banks	258.525	370.360	26.054	43.504
Cash under management	37.340	120.805	37.340	120.805
Total cash and cash equivalents	1.237.799	24.068.729	982.814	23.724.492
<u>Bank deposits</u>				
Balances with Co-Operative Financial Institutions and Savings Companies	28.588.153	5.865.242	28.238.153	5.865.242
Balances with Commercial Banks	478.676	916.488	362.268	357.038
Total bank deposits	29.066.829	6.781.730	28.600.421	6.222.280
Total cash and bank balances	30.304.628	30.850.459	29.583.235	29.946.772

The cash and cash equivalents that are included in the statement of cash flows, comprise of highly liquid deposits of less than 3 months and bear annual interest of 0,01%-3,20% (2014: 0,01%-3,25%).

During 2015, the Company and the Group recognised a reduction in the provision of €27 (2014: €2.075) in relation with an irrecoverable bank balance for which a provision was recognised during the previous years and recovered during the year.

Bank deposits represent savings and notice accounts of period of more than three months and bear annual interest of 1,10%-6,50% (2014: 1,95%-6,50%). The bank deposits comprise of a deposit amounting to €1.000.000 with a maturity date 23 January 2017, which bears interest of 6,50% and is included in the balance sheet as non-current asset.

Bank balances of the Company of €7.200.000 (2014: €7.200.000) were pledged as collateral for the participation of the Group in the desalination projects in which the associated company Verendrya Ventures Limited participates (Note 33).

As at 31 December, the Company and the Group had a high concentration risk (deposits in excess of 5% of the total assets of the Company and the Group) with the following financial institutions:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Limassol Co-operative Limited	12.587.231	12.338.094	12.587.231	12.338.094
Strovolos Co-operative Limited	7.094.164	7.191.852	7.094.164	7.191.852

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

26. Share capital

	2015		2014	
	Number of shares	€	Number of shares	€
Authorised				
Ordinary Shares of €0,70 each (2014: €0,85)	607.142.857	425.000.000	500.000.000	425.000.000
Issued and fully paid				
Ordinary Shares of €0,70 each (2014: €0,85)	200.000.000	140.000.000	200.000.000	170.000.000

By special decision of the Shareholders' Extraordinary General Meeting on 9 September 2015 which was confirmed by court order on 16 November, 2015, the nominal value of the Company's shares decreased from €0,85 to €0,70 per share, reducing the authorized capital of the Company from €425.000.000 divided into 500.000.000 shares to €350.000.000 divided into 500.000.000 shares and the issued capital of the Company from €170.000.000 divided into 200.000.000 shares to €140.000.000 divided into 200.000.000 shares..

Subsequently, the authorized capital of the Company was increased to €424.999.999,90 by creating 107.142.857 shares of €0,70 each, which have the same rights as the existing shares.

On 30 November 2015 the registration of the court order and the Minutes of the Extraordinary General Meeting showing the above changes in the share capital were certified by the Registrar of Companies.

All the issued ordinary shares have the same rights.

On 9 September 2015, the General Meeting approved the extension of the Buyback Program authorizing the repurchase by the Company up to the maximum number of shares allowed by law, for another year.

27. 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	
	2015	2014	2015	2014
	€	€	€	€
At 1 January	45.017	27.728	27.845	3.970
Charge / (credit) in the Income Statement (Note 12)	(21.677)	17.289	(5.000)	23.875
At 31 December	23.340	45.017	22.845	27.845

Deferred Tax Assets

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
At 1 January	1.623.762	1.575.536	117.812	108.073
Credit in the Income Statement (Note 12)	80.851	48.226	2.537	9.739
At 31 December	1.704.613	1.623.762	120.349	117.812

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

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

28. Trade and other payables

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Trade payables	63.802	63.802	-	-
Other payables and accrued expenses	537.823	464.438	379.770	377.011
	601.625	528.240	379.770	377.011

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

29. Current tax liabilities

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Corporation tax	267.346	317.624	257.953	299.830
Special contribution for defence	344	155	-	-
	267.690	317.779	257.953	299.830

30. Related parties transactions

(i) Remuneration of the Members of the Board of Directors

The remuneration and other benefits of the members of the Board of Directors were as follows:

Remuneration and benefits of non-Executive Directors THE GROUP AND THE COMPANY

	2015	2014
	€	€
Annual fees of the members of the Board of Directors	21.000	21.000
Board members fees for their participation in committees	21.600	34.650
Allowance for hospitality expenses	73.846	73.846
	116.446	129.496

Remuneration and benefits of the Executive Director THE GROUP AND THE COMPANY

	2015	2014
	€	€
Salaries	115.844	117.601
Provident fund contributions	11.584	11.760
Other employer's contributions	16.781	18.046
	144.209	147.407

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

30. Related parties transactions (continue)

(i) Remuneration of the Members of the Board of Directors (continue)

The remuneration of the Board of Directors during 2015 is analysed as follows: Antonios-Andreas-Andis Scordis: annual fee €3.500 (2014: €1.167) and fee for participation in committees €3.150 (2014: €2.250), Demetrakis Stavrou-Tseriotis: annual fee €nill (2014: €2.333) and fee for participation in committees €nill (2014: €3.150), Lefteris Christoforou: annual fee €3.500 (2014: €3.500) and fee for participation in committees €2.700 (2014: €5.700), Dr. Nearchos Ioannou: annual fee €3.500 (2014: €3.500) and fee for participation in committees €3.750 (2014: €5.100), Kriton Georgiades: annual fee €nill (2014: €2.333) and fee for participation in committees €nill (2014: €3.150), Maria Ioannou-Theodorou: annual fee €3.500 (2014: €3.500) and fee for participation in committees €4.050 (2014: €6.000), Varnavas Irinarchos: annual fee €3.500 (2014: €3.500) and fee for participation in committees €3.600 (2014: €6.600), Demetrios Philippides: annual fee €3.500 (2014: €1.167) and fee for participation in committees €4.350 (2014: €2.700).

Additionally, during 2015, an amount of €36.922 (2014: €12.308) was paid to Mr. Antonios-Andreas-Andis Scordis, as Chairman of the Board of Directors, an amount of €nill (2014: €24.614) to Mr. Demetrakis Stavrou-Tseriotis, as former Chairman of the Board, and an amount of €18.462 (2013: €18.462) to each Vice Chairman, namely Mr. Lefteris Christoforou and Dr. Nearchos Ioannou, as an allowance for hospitality expenses. The total amount paid in 2015 was €73.846 (2014: €73.846)

Dr. Nikos Michaela, as Executive Director, had during the year gross salary earnings of €115.844 (2014: €117.601), plus contributions to the Provident Fund amounting to €11.584 (2014: €11.760) and other employer contributions of €16.781 (2014: €18.046).

In addition to the above amounts, during 2015, an amount of €15.451 (2014: €31.803) was paid with regards to other costs and benefits of the members of the Board of Directors.

(ii) Remuneration of other key management personnel THE GROUP AND THE COMPANY

	2015	2014
	€	€
Salaries	73.719	74.837
Provident fund contributions	7.372	7.484
Other employer's contributions	12.715	13.293
	93.806	95.614

Other key management personnel is comprised of one member of the Company's management team.

(iii) Receivable balances from direct and indirect subsidiary and associated companies, net of provisions

THE COMPANY

	2015	2014
	€	€
Amounts due from subsidiary companies within one year (Note 23)	29.472.606	27.728.792
Amounts due from associated companies within one year (Note 23)	-	7.498.615
Amounts due from associated companies over one year (Note 23)	8.549.750	-
	38.022.356	35.227.407

The above amounts are presented net of provision for the amounts due from subsidiary companies amounting to €1.591.224 (2014: €1.304.096) and from associated companies amounting to €1.001.000 (2014: €654.000). During the year the following interest was charged:

THE COMPANY

	2015	2014
	€	€
Interest charged to subsidiary companies	47.734	102.218
Interest charged to associated companies	341.336	322.670
	389.070	424.888

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

30. Related parties transactions (continued)

(iv) Amounts due from associated companies THE GROUP

	2015	2014
	€	€
Repayable within one year (Note 22)	-	8.152.615
Repayable over one year (Note 22)	9.550.750	-

During 2015, interest charged to the associated company Verendrya Ventures Ltd amounted to €341.336 (2014: €322.670). Moreover, in 2015, a loss of €344.945 (2014: €457.949) was recognised from the participation in the associated company Verendrya Ventures Ltd. In the amount of the total provision of €1.016.088 (2014: €654.343) presented in the current liabilities of the Group, apart from the loss for the year, is also included a dividend of €16.800 (2014: €9.200) which was distributed by the associated company during the year.

(v) Contracts with directors and related parties

Mr. Varnavas Irinarchos and Dr. Nikos Michaela, members of the Board of Directors of the Company, are related parties with Logicom Public Limited which owns 60% of the associated company Verendrya Ventures Ltd (Note 18).

Additionally, on 31 December 2015, the Company held 7.615.937 (2014: 7.615.937) shares in Logicom Public Ltd with fair value of €4.805.656 (2014: €4.417.243). This investment is included in the financial assets at fair value through profit or loss.

During the year ended 31 December 2015, the Company purchased from Logicom Public Ltd property, plant and equipment and services of €26.698 (2014: €10.674).

Logicom Public Ltd participates, through its subsidiary Logicom Services Ltd, in the share capital of the Company as at 31 December 2015 with a percentage of 7,42% (2014: 7,28%).

31. Financial risk management

(a) Financial risk factors

The main financial assets of the Company and the Group are the bank balances, 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 2015

Financial assets

	THE GROUP		THE COMPANY	
	At fair value	Loans and Receivables	At fair value	Loans and receivables
	€	€	€	€
Loans and other receivables	-	1.007.224	-	684.503
Cash and cash equivalents	-	1.237.799	-	982.814
Bank deposits	-	29.066.829	-	28.600.421
Receivables from subsidiaries and associates	-	9.550.750	-	38.022.356
Financial assets available for sale	247.775	-	247.775	-
Financial assets at fair value through profit and loss	41.368.958	-	41.368.958	-
	41.616.733	40.862.602	41.616.733	68.290.094

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. Financial risk management (continued)

(a) Financial risk factors (continued)

Financial liabilities

	THE GROUP		THE COMPANY	
	At fair value	Loans and other liabilities	At fair value	Loans and other liabilities
	€	€	€	€
Trade and other payables	-	436.870	-	273.046
	-	436.870	-	273.046

31 December 2014

Financial assets

	THE GROUP		THE COMPANY	
	At fair value	Loans and Receivables	At fair value	Loans and receivables
	€	€	€	€
Loans and other receivables	-	1.098.136	-	926.868
Cash and cash equivalents	-	24.068.729	-	23.724.492
Bank deposits	-	6.781.730	-	6.222.280
Receivables from subsidiaries and associates	-	8.152.615	-	35.227.407
Financial assets available for sale	198.621	-	198.621	-
Financial assets at fair value through profit and loss	56.690.754	-	56.690.754	-
	56.889.375	40.101.210	56.889.375	66.101.047

Financial liabilities

	THE GROUP		THE COMPANY	
	At fair value	Loans and other liabilities	At fair value	Loans and other liabilities
	€	€	€	€
Trade and other payables	-	380.886	-	267.311
	-	380.886	-	267.311

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.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Market price risk (continued)

Sensitivity analysis

An increase in prices of investments at fair value through profit and loss by 15% on 31 December 2015 would have as a result an increase in the results for the year of the Company and the Group of €6.205.344 (2014: €8.503.613). An increase in prices of investments available-for-sale by 15% on 31 December 2015 would have as a result an increase in other comprehensive income for the year of the Company and the Group of €37.166 (2014: €29.793). For a decrease of 15% there would be an equal but opposite impact in other comprehensive income 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:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Financial instruments bearing fixed interest rate				
Financial assets	38.688.885	35.973.765	38.008.177	35.180.080
Financial instruments bearing variable interest rate				
Financial assets	1.341.080	3.912.847	29.765.148	30.427.952
	40.029.965	39.886.612	67.773.325	65.608.032

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		THE COMPANY	
	2015	2014	2015	2014
	€	€	€	€
Financial instruments bearing variable interest rate	6.705	19.564	148.826	152.140

(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.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. Financial risk management (continued)

(a) Financial risk factors (continued)

(iii) Credit risk (continued)

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	
	2015	2014	2015	2014
	€	€	€	€
Loans and other receivables	1.007.224	1.098.136	684.503	926.868
Cash and cash equivalents	1.237.799	24.068.729	982.814	23.724.492
Bank deposits	29.066.829	6.781.730	28.600.421	6.222.280
Corporate bonds listed in the CSE	254.831	206.825	254.831	206.825
Receivables from subsidiaries and associates	9.550.750	8.152.615	38.022.356	35.227.407
	41.117.433	40.308.035	68.544.925	66.307.872

In connection with the above cash and bank balances, there is an increased concentration risk (deposits exceeding 5% of the total assets of the Company and the Group) with two financial institutions as disclosed in Note 25.

(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 obliged to pay:

THE GROUP 31 December 2015

	Net Book Value €	Contractual cash flows €	Within 3 months €	Between 3	1-2 years €	2-5 years €	More than 5 years €
				and 12 months €			
Trade and other Payables	436.870	436.870	436.870	-	-	-	-
	436.870	436.870	436.870	-	-	-	-

31 December 2014

	Net Book Value €	Contractual cash flows €	Within 3 months €	Between 3	1-2 years €	2-5 years €	More than 5 years €
				and 12 months €			
Trade and other Payables	380.886	380.886	380.886	-	-	-	-
	380.886	380.886	380.886	-	-	-	-

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. Financial risk management (continued)

(a) Financial risk factors (continued)

(iv) Liquidity risk (continued)

THE GROUP 31 December 2015

	Net Book Value	Contractual cash flows	Within 3 months	Between 3 and 12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Trade and other Payables	273.046	273.046	273.046	-	-	-	-
	273.046	273.046	273.046	-	-	-	-

31 December 2014

	Net Book Value	Contractual cash flows	Within 3 months	Between 3 and 12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Trade and other Payables	267.311	267.311	267.311	-	-	-	-
	267.311	267.311	267.311	-	-	-	-

(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 recognised 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	
	2015 €	2014 €	2015 €	2014 €
United States Dollars	88.241	69.563	88.241	69.563
Romanian Lei	97.872	107.124	-	-
Bulgarian Lev	968	2.363	-	-
	187.081	179.050	88.241	69.563

Sensitivity analysis

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 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	
	2015 €	2014 €	2015 €	2014 €
United States Dollars	4.202	3.313	4.202	3.313
Romanian Lei	4.661	5.101	-	-
Bulgarian Lev	46	113	-	-
	8.909	8.527	4.202	3.313

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. Financial risk management (continued)

(a) Financial risk factors (continued)

(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.

(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) Litigation risk

Litigation risk is the risk of financial loss or any other undesirable situation that arises from the possibility of not applying or violating legal contracts and consequentially the lawsuits. The risk is restricted through the contracts used by the company and the group to perform their operations.

(xi) 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.

(xii) Other risks

The general economic environment prevailing in Cyprus and internationally may affect the Company's and Group's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product (GDP) are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company and the Group.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. 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's Management uses a variety of methods, such as the estimated discounted cash flow method, and make assumptions that are based on market conditions existing at the measurement 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).

THE GROUP AND THE COMPANY 31 December 2015

	Level 1	Level 2	Level 3	Total
Financial assets	€	€	€	€
Financial assets at fair value through profit and loss	33.508.930	7.166.180	693.848	41.368.958
Financial assets available-for-sale	-	-	247.775	247.775
	33.508.930	7.166.180	941.623	41.616.733

31 December 2014

	Level 1	Level 2	Level 3	Total
Financial assets	€	€	€	€
Financial assets at fair value through profit and loss	49.041.304	6.766.102	883.348	56.690.754
Financial assets available-for-sale	-	-	198.621	198.621
	49.041.304	6.766.102	1.081.969	56.889.375

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. Financial risk management (continued)

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

The financial assets of the Company are measured at fair value at the end of each reporting period. The following table gives information on how to determine the fair value of the main assets (specifically the valuation techniques and parameters used):

Financial assets	Fair Value as at 31 December		Fair value hierarchy	Valuation Technique and Important Valuation Inputs
	2015/€	2014/€		
Securities listed in the Cyprus Stock Exchange and in foreign stock exchanges	33.508.930	49.041.304	Level 1	Bid prices from active market
Structured and other products	7.166.180	6.766.102	Level 2	The valuation of structured products is determined based on the fair values of investments included in the specific funds at the measurement date.
Shares in private companies	693.848	883.348	Level 3	For the valuation of these shares, recent issue prices from the companies to third parties were used.
Corporate bond of financial institution included in available-for-sale financial assets	247.775	198.621	Level 3	The valuation technique is that of the discounted cash flows. To determine the interest receivable which is equal to the 3 month Euribor + 2,8%, the coupon rate as at the measurement date was used. For determining its performance, the performance of the Cyprus government bond was used, which is traded in foreign markets and was adjusted for additional performance due to the credit risk of corporate bonds, due to the non-liquid market and due to the bank's call option for the acquisition of the bond before its maturity date.

Sensitivity Analysis for the investments classified in Level 3:

If recent issue prices of shares in private companies was 20% lower, and so would their valuation price, then the profit for the year would have been €138.770 (2014: €176.670 lower. Conversely, if they were 20% higher, then the profit for the year would have been € 138.770 (2014: € 176.670) higher.

If the discount rate used to discount the cash flows of the corporate bond on 31 December 2015 was 20% higher than the Company's estimates, the carrying value of these bonds would have been €12 thousand (2014: €17 thousand) lower. Conversely, if the discount rate was 20% lower than Company's estimates, the carrying value of these bonds would have been €12 thousand (2014: €20 thousand) higher. Any variation in the value of the bonds would be recognised in other comprehensive income for the year.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. 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 AND THE COMPANY

	Financial assets at fair value through profit or loss €	Available-for-sale financial assets €	Total financial assets €
Balance at 1 January 2014	901.959	179.700	1.081.659
Additions	48.348	-	48.348
Transfer from Level 1	(1.959)	-	(1.959)
Unrealised profit that has been recognised through other comprehensive income	-	18.921	18.921
Unrealised loss that has been recognised through profit and loss	(65.000)	-	(65.000)
Balance at 1 January 2015	883.348	198.621	1.081.969
Additions	113.250	-	113.250
Disposals	(857.246)	-	(857.246)
Unrealised profit that has been recognised through other comprehensive income	-	49.154	49.154
Unrealised loss that has been recognised through profit and loss	554.496	-	554.496
Balance at 31 December 2015	693.848	247.775	941.623

The transfer from Level 3 to Level 1 during 2014, represents the shares held by the Company and the Group in Bank of Cyprus on 31 December 2013 of €1.959, due to the listing of the Bank of Cyprus shares on the Cyprus and Greek Stock Exchanges.

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Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

31. Financial risk management (continued)

(d) Fair value of financial assets and liabilities not measured at fair value on a recurring basis (but for which a disclosure of the fair value is required)

The fair values of the financial assets and liabilities of the Company and the Group, are approximately the same as the amounts presented in the statement of financial position, except for the following bank bonds:

THE GROUP AND THE COMPANY 31 December 2015

	Book Value	Fair Value
Loans and other receivables	€	€
-Bank bonds	-	-

31 Δεκεμβρίου 2014

	Book Value	Fair Value
Loans and other receivables	€	€
-Bank bonds	410.064	371.796

THE GROUP AND THE COMPANY 31 December 2015

Fair Value Hierarchy

	Level 1	Level 2	Level 3
Loans and other receivables	€	€	€
-Bank bonds	-	-	-

31 December 2014

Fair Value Hierarchy

	Level 1	Level 2	Level 3
Loans and other receivables	€	€	€
-Bank bonds	-	-	371.796

The fair value of the bank bonds that are included in Level 3, are calculated based on the discounted cash flow method. The most important valuation input used was the discount rate of the cash flows.

32. Operating Environment of the Company and the Group in Cyprus

In 2015, after four years of recession, the Cyprus economy returned to positive economic growth. A key factor in the return of economic growth, is primarily the emphasis given on the implementation of the Economic Adjustment Programme. Since March 2013, Troika performed several reviews of the Cyprus' economic program with very positive outcomes which resulted in the disbursement of all scheduled tranches of financial assistance to Cyprus.

Despite the adverse external economic environment in several European and international economies, the Cyprus economy shows signs of stabilization, evident by the upgrade of the credit rating and the future prospects of the Republic of Cyprus by all major international credit rating agencies. This assisted largely the efforts of the Republic of Cyprus to raise significant capital from international financial markets in the past few months.

During March 2016, the decision of the Cyprus Government to exit the Programme, prior to the expiration of the original timeframe, was endorsed by the Eurogroup and has been accepted by the International Monetary Fund.

However, the uncertain economic conditions in Cyprus, the unavailability of high percentage of non-performing bank loans, together with the high unemployment rates, have affected:

- 1) The ability of the Company's and the Group's trade and other debtors to repay the amounts due to the Company and the Group,
- 2) The ability of the Company and the Group to sell or rent existing property or enter into contracts for the development of new property units, and
- 3) The cash flow forecasts of the Company's and the Group's management in relation to the impairment assessment for financial and non-financial assets.

A major uncertainty for the Group in connection with the above developments, is attributed to the ability of the Republic of Cyprus to meet its obligations towards the associate, Verendrya Ventures Ltd, in accordance with their agreements (Note 18). Complying with what was agreed will allow Verendrya Ventures Ltd to repay its obligations to the Company amounting to €9.550.750, and not cause any further obligations to the Group from guarantees and collaterals granted in connection with this investment (Note 33). The Board of Directors believes that the Program for the macroeconomic adjustment of Cyprus is on track, and expects that the Cyprus Government will fulfill its obligations towards Verendrya Ventures Ltd.

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

On the basis of the evaluation performed, the Company's and Group's management has concluded that no further provisions or impairment charges are necessary other than those recognised in the financial statements. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the Group and the smooth conduct of its business in the current business and economic environment.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements for the year ended 31 December 2015

33. Contingent Liabilities

Bank balances amounting to €7.200.000 (2014: €7.200.000) have been pledged as guarantee for the participation in the desalination projects in Episkopi and Larnaca through the associated company, Verendrya Ventures Limited (Note 18). Additionally, the Company has committed, if this becomes necessary in the future, to provide financial support towards the above related company, which will allow the company to continue as a going concern, based on its shareholding percentage. Similar commitments have been given by the Company to 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 significant lawsuits pending against the Company and the Group that require disclosure, as the Board of Directors considers that the outcome of the pending lawsuits against the Company and the Group will not result in any financial loss. In addition, the claims of the Department of Water Development of Cyprus regarding the desalination unit in Larnaca, which are described in Note 18, have been taken into account in determining the compensation claimed by the associated company. There were no other contingent liabilities against the Company or the Group that need to be reported.

34. Commitments

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

	THE GROUP		THE COMPANY	
	2015 €	2014 €	2015 €	2014 €
Within one year	337.138	-	47.645	17.646
Between two to five years	-	-	259.788	-
	337.138	-	307.433	17.646

The obligations of the Group relate to commitments for repairs and renovation of the investment property of the subsidiaries Demetra Tower (Limassol) Ltd and Demetra Real Estate Investments Ltd. The obligations of the Company relate to commitments for rent to the subsidiary Demetra Tower Ltd.

35. 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		THE COMPANY	
	2015 €	2014 €	2015 €	2014 €
Within one year	1.040.554	929.029	60.000	36.000
Between two to five years	3.410.232	2.399.862	20.000	48.000
More than five years	3.801.966	1.163.353	-	-
	8.252.752	4.492.244	80.000	84.000

36. 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 employer's 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 2015 were €35.136 (2013: €35.668).

37. Dividends

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

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements *for the year ended 31 December 2015*

38. Events after the balance sheet date

There were no other significant events after the end of the financial year, which have a bearing on the understanding of the financial statements.

Demetra Investment Public Limited

Investments exceeding 5% of the Group's Assets, and the 10 most significant investments of the Group as at 31 December 2015

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 (loss)/ profit for the year €'000	Issuer's Net Assets that relate to the Investment €'000
1. Investments in the field of land and property development -Cyprus -Romania -Bulgaria	Development of land and property	N/A N/A N/A	Other investments Other investments Other investments	N/A N/A N/A	51.784.694 30.602.885 7.048.029	30.849.224 7.517.500 4.617.885	42.984.609	33,76	1.208.151 - -	N/A	N/A	N/A
2. Bank Deposits and Cash	N/A	N/A	N/A	N/A	30.304.628	30.304.628	30.304.628	23,80	876.214	N/A	N/A	N/A
3. Hellenic Bank Public Company Ltd	Financial	Main market	Shares	19.879.615	43.475.294	25.445.907			-	10,02	12.995	64.088
	Corporate bonds	Bond market	Convertible bonds - HBCS1	23.441	23.441	7.056	25.452.963	19,99	-	1,47		
4. Investments in other projects	Other projects	N/A	Other investments	N/A	9.321.983	9.110.162	9.110.162	7,15	341.336	N/A	N/A	N/A
5. Logicom Public Ltd	Technology	Main market	Shares	7.615.937	7.399.002	4.805.656	4.805.656	3,77	304.637	10,28	10.482	7.465
6. Allianz Euro High Yield Bond IT	N/A	N/A	Equity Fund	1.853	2.000.000	2.750.746	2.750.746	2,16	N/A	N/A	N/A	N/A
7. A&P (Andreou & Paraskevaides) Ent. Plc Co Ltd (Note)	Consumer goods	Alternative market	Shares	18.500.000	15.990.570	1.961.000	1.961.000	1,54	-	10,12	(1.132)	4.096
8. Allianz RCM European Equity Dividend IT	N/A	N/A	Equity Fund	672	1.000.000	1.787.679	1.787.679	1,40	N/A	N/A	N/A	N/A
9. Allianz Europe Equity Growth AT	N/A	N/A	Equity Fund	6.270	1.000.000	1.483.885	1.483.885	1,17	N/A	N/A	N/A	N/A
10. Allianz Flexible Bond Strategy IT	N/A	N/A	Equity Fund	941	1.000.000	1.033.100	1.033.100	0,81	N/A	N/A	N/A	N/A
ΟΛΙΚΟ					200.950.526	121.674.428	121.674.428	95,55				

Total Assets: €127.335.766

Net assets per share as at 31 December 2015: €0,6271

The fully diluted net asset value does not apply.

The market value of listed investments was based on the bid price on 31 December 2015.

Note: The issuer's net losses and net assets relate to the investment for 2014 as there were no audited financial statements of the issuer for 2015