Demetra Investment Public Limited

Annual Report and Consolidated Financial Statements
For the year ended 31 December 2010

Demetra Investment Public Limited

Board of Directors and Professional Advisors

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Nicos Michaelas

REGISTERED OFFICE

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

INVESTMENTS MANAGERS

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

LAWYERS

Georgiades & Pelides
Antis Triantafyllides & Sons
Christofi & Associates
LicaLaw Partners Orphanides
Dinos Mastoroudes
Panayiotis A. Christofi
Patrikios Pavlou & Associates
Chrysis Demetriades and Mousioutta & Co

BANKERS

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

AUDITORS

Deloitte Limited
24 Spyrou Kyprianou,
1075 Nicosia,
Cyprus

Report of the Board of Directors

The Board of Directors of Demetra Investment Public Limited (the “Company”) presents its report together with the audited consolidated financial statements of the Company and its subsidiaries (“the Group”) and the individual financial statements of the Company for the year ended 31 December 2010.

Principal activities

The principal activities of the Group comprise 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 real estate and immovable property development.

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

The Group, during the year, presented losses as a result of the continuing global economic crisis, that has negatively affected the Group’s investment portfolio. After tax loss for the period was €15,6 million (7,79 cent per share) compared to €9,2 million after tax loss in 2009 (4,58 cent per share). The net asset value per share has fallen from 88,53 cents on December 2009 to 81,36 cents at 31 December 2010, a decrease of 8,1%.

The Group’s dividend receivable showed an increase of 20% compared to the respective period of 2009 which amounted to €2,7 million. This increase was due to the dividend policy of the public companies in which the Group had invested in. On the other hand, interest receivable amounted to €4,9 million, representing a fall of 14%. This decrease was due to the fall of the interest rates.

The Group’s financial assets presented a loss of €11,8 million in contrast to €3,6 million profit in 2009. This loss resulted from the decrease of the Company’s portfolio value which is invested in the stock markets of Cyprus and Greece, because of the decrease of the securities value, in those stock markets.

The Group’s investment portfolio in the real estate and immovable property development sector has shown a loss of €5,6 million, which resulted from the global financial downturn and its effect on global real estate markets. This loss is unrealised and is a result of the revaluation of the Group’s property.

Administrative expenses have shown no significant change compared with 2009, and amounted to € 1,7 million. Financial expenses have increased from € 111 thousand in 2009 to € 133 thousand in 2010.

During the year ended 31 December 2010, a provision of €2,4 million was recognised in respect of the investment in the associated company Sheerwater Holdings Ltd, which resulted from the termination of the cooperation with the other partners of the above company.

The activities of the group, for management purposes, fall within two main sectors: a) Securities Porfolio Management and b) Land and immovable Property Development. On 31 December 2010 the Group assets were 65.1% for Securities Portfolio Management Investments, 32.9% for Land and Immovable Property Development and for the other assets 2%.

The ongoing global economic crisis significantly affects negatively the stock markets and the sector of land immovable property development, and also all other sectors of the economy both in Cyprus and abroad. The depth and timing of this economic crisis can not be predicted. The Board of Directors under these conditions is not in position to make an accurate estimate on the Group’s results in 2011.

Results

The Company's and the Group's results for the year are presented on pages 14 and 10 respectively.

Main risks and uncertainties

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

Future development of the Group

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

Events after the balance sheet date

Any significant events that occurred after the balance sheet date are described in note 43 of the financial statements.

Existence of branches

The Company and the Group did not maintain any branches during the year.

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 applies fully the provisions of the Code.

Dividends

The Board of Directors of the Company does not suggest the payment of a dividend and the net loss will be transferred to the Reserves (2009: € NIL).

Share capital

There were no changes in the share capital of the Company during the year.

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

Changes in Group's structure

During the year ended 31 December 2010 the Group expanded its activities and reorganized through the incorporation, acquisition or sale of the following subsidiary and associated companies:

- The Company, through its associated company Verendrya Ventures Limited, has proceeded with the sign off of an agreement of cooperation with Logicom Public Limited for the construction of the desalination unit at Episkopi area and the management of the unit for the next 20 years. The Company's indirect involvement in this project is 20% through Verendrya Ventures Limited. The above named company has acquired 100% of the share capital of Netcom Limited, which participates with a 50% in a joint venture with the Israeli company Mekorot Development and Enterprise Ltd for construction and maintenance of the desalination unit at Episkopi area.

- During 2009, the Company, through its 100% subsidiary Demetra Oil & Gas Investments Limited, acquired 25% shareholdings of Sheerwater Holdings Limited, a company established in Cyprus as a limited liability company, with activities in the oil and gas sector. During 2010, the Company has terminated its cooperation with the other partners and began the liquidation process of Sheerwater Holdings Limited. Simultaneously, under the termination agreement, the Group proceeded to acquire with the acquisition of the entire share capital of Crystal Sea Maritime Limited for €1, which has in possession a ship. This company was previously a 100% subsidiary of Sheerwater Holdings Limited. As a result of the above agreement, the Group recognized a loss for 2010 of € 2.383.679.

- On 27 February 2009, the Company established a new associate with the participation of 30%, named ICTS (Cyprus) Limited. The new associated company was incorporated in Cyprus with the purpose of engaging in the provision of security services. During the year, the Company proceded with the sale of ICTS (Cyprus) Limited for the amount of € 5.500.

- During 2009, the Company acquired the 50% of the share capital of Solarmason Limited. The new associated company was incorporated in Cyprus for the purpose of engaging the provision of electricity in Greece through its subsidiary company Tresen A.E. During the year, the Company, proceeded with the sale of Solarmason Limited for the amount of €50.

- During the year, the Company proceeded with the disposal of its of Demetra Investments & Arshiotis Developments Limited where it had a holding of 50% for the amount of € 9.371

- During the year the Company has disposed its 50% shareholding in Thoosa Energy Limited for the amount of € 854.

Board of directors

The members of the Board of Directors at 31 December 2010 and on the date of this report are shown on page 1. All of them were members of the Board throughout 2010. During the forthcoming Annual General Meeting one third of the directors will resign from office, but they 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 year, according to the resolution lution of the Annual General Meeting dated 15 September 2010.

Board of Directors Remuneration

During the year, the Board Members received the amount of €71.450 (2009: €60.830) as remuneration for their services as Members of the Board of Directors of the Company.

During 2010 the directors remuneration were the following:

Dimitrakis Stavrou: annual fee € 3.500 (2009: € 1.167) and reward for participation in committees: € 5.550 (2009: € 2.700); Lefteris Christoforou: annual fee € 3.500 (2009: € 3.500) and reward for participation in committee : € 8.400 (2009: € 5.550); Dr. Ioannou Nearchos: annual fee € 3.500 (2009: € 1.167) and reward for participation in committees: € 7.800 (2009: € 3.600); Kriton Georgiades: annual fee € 3.500 (2009: € 3.500) and reward for participation in committee : € 5.100 (2009: € 4.320); Evangelos Georgiou: annual fee € 3.500 (2009: € 3.500) and reward for participation in committees: € 4.350 (2009: € 4.470); Fotis Dimitriadis: annual fee € 3.500 (2009 : € 3.500) and reward for participation in committees: € 7.950 (2009: € 5.970); Maria Theodorou: annual fee € 3.500 (2009: € 3.500) and reward for participation in committees: € 7.800 (2009: € 5.640); Stavros Evagorou: an annual remuneration consultants € Nil (2009: € 2.333) and reward for participation in committees: € Nil (2009: € 2.040); Michalakis Serafidis: an annual remuneration consultants € Nil (2009: € 2.333) and reward for participation in committee : € Nil (2009: € 2.040).

Additionally, during 2010 an amount of € 24.000 was paid to the Chairman of the Board and € 12.000 to each vice president for entertainment expenses. The total amount paid in 2010 amounted to € 48.000 (2009: € 25.600).

Directors’ interests in the Company’s capital

The percentage shareholding in the Company’s share capital, at 31 December 2010 and 21 April 2011 by the members of the Board of Directors, their spouses and their infant children, together with companies in which they hold directly or indirectly at least 20% of the voting rights in a general meeting, are as follows:

	31 December 2010	**21 April 2011**
	%	**%**
Demetrios Stavrou	0,004	0,004
Dr. Nearchos Ioannou	0,000	0,000
Lefteris Christoforou	0,000	0,000
Kriton Georgiades	0,003	0,003
Evangelos Georgiou	0,003	0,003
Fotis Demetriades	0,001	0,001
Maria Theodorou	0,000	0,000

Major shareholders

On 31 December 2010 and during the period from 1 January 2011 to 21 April 2011, the shareholders listed below owned more than 5% of the issued share capital of the Company without any variation to their percentage.

	Percentage of participation
Limassol Co-operative Limited	7,21%
Strovolos Co-operative	6,56%

Report of the Board of Directors (continued)

Auditors

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

By Order of the Board of Directors

Demetrios Stavrou
Chairman

Nicosia, 28 April 2011

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

In accordance with Article 9(7) of Law 190(I)/2007 on Transparency Requirements in relation to an issuer whose securities are listed for trading on a regulated market, we the Members of the Board of Directors and all other persons responsible for the financial statements of Demetra Investment Public Limited for the year ended 31 December 2009, confirm that to the best of our knowledge:

(a) the annual financial statements that are presented on pages 10 to 65.

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

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

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

Members of the Board of Directors

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

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

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

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

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

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

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

Financial Controller

…………………………….. Costas Paphitis

Company Secretary

…………………………….. Nicos Michaelas

Nicosia, 28 April 2011

Independent Auditors' Report

To the Members of Demetra Investment Public Limited

Report on the Consolidated and Individual Financial Statements of the Company

We have audited the consolidated financial statements of ***Demetra Investment Public Limited*** (the "Company") and its subsidiaries ("the Group") and the individual financial statements of the Company on pages 10 to 65 which comprise the consolidated and Company statement of financial possition as at 31 December 2010 and the consolidated and Company statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated and individual financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113 and those internal safeguards which the Board determines are necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated and individual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report

To the Members of Demetra Investment Public Limited (continued)

Opinion

In our opinion, the consolidated and individual financial statements give a true and fair view of the financial position of the Group as of 31 December 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other legal and regulatory requirements

Pursuant to the requirement of the Law of 2009 on Statutory Audit of Annual and Consolidated Accounts, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The consolidated and individual financial statements of the Company are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 6 is consistent with the consolidated and individual financial statements.

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

Other Matter

This report, including the opinion, has been for and only for prepared for the Company's members as a body in accordance with Article 34 of the Law of 2009 on Statutory audit of Annual and Consolidated Accounts and for no other purpose. we do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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

Deloitte Limited
Chartered Accountants and Registered Auditors

Nicosia, April 28, 2011

Demetra Investment Public Limited

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2010

	Σημ.	**2010** **€**	2009 €
Revenue			
Dividends Receivable	6	**2.710.317**	2.264.975
Interest receivable and other financial income	6	**4.919.843**	5.750.825
Loss from disposal, revaluation and development of land and immovable property	10	**(5.610.893)**	(10.661.095)
(Loss)/Gain from financial assets and liabilities	5	**(11.792.451)**	3.612.766
		(9.773.184)	967.471
Administrative expenses	9	**(1.722.833)**	(1.702.883)
Provisions	11	**(2.383.679)**	(450.000)
Financial expenses	12	**(133.389)**	(111.348)
Loss from Goodwill impairment	16	**-**	(3.816.288)
Share of loss from associated companies	20	**(549.817)**	(3.822.122)
Loss before taxation		**(14.562.902)**	(8.935.170)
Taxation	13	**(1.018.403)**	(225.672)
Net loss for the year		**(15.581.305)**	(9.160.842)
Other comprehensive income / (expenses)			
Exchange gain arising on the translation of balances with foreign subsidiaries		**16.584**	7.264
Gain on revaluation of tangible assets		**15.584**	-
Deferred tax due to reassessment		**(1.558)**	-
Total comprehensive expenses for the year		**(15.550.695)**	(9.153.578)
Net loss attributable to:			
Company Shareholders		**(15.581.305)**	(9.190.942)
Loss per share – cents	14	**(7,79)**	(4,58)

The notes on pages 18 to 65 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Financial Position
as at 31 December 2010

	Note	2010 €	2009 €
ASSETS			
Non Current assets			
Property, plant and equipment	17	**2.872.671**	121.415
Investment property	18	**37.736.259**	31.201.464
Investments in Associates	20	**-**	16.449
Receivables from associated companies	26	**-**	3.607.694
Deferred taxation	31	**254.002**	329.682
Held-to-maturity financial assets	21	**-**	8.653.383
Available for sale financial assets	22	**966.242**	-
Total non-current assets		**41.829.174**	43.930.087
Current Assets			
Corporate bonds and venture capital	23	**1.357.250**	1.357.250
Inventory	24	**12.435.002**	17.140.484
Trade and other receivables	25	**3.299.405**	3.257.966
Receivables from associated companies	26	**2.456.022**	217.940
Financial assets at fair value through profit and loss	28	**46.793.480**	56.238.622
Bank Deposits	29	**54.607.444**	55.930.169
Cash and cash equivalents	29	**9.154.929**	12.346.426
Total current assets		**130.103.532**	146.488.857
Total assets		**171.932.706**	190.418.944
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	30	**170.000.000**	170.000.000
Reserves		**(7.277.551)**	7.056.423
Total equity		**162.722.449**	177.056.423
Non Current liabilities			
Deferred taxation	31	**258.254**	246.095
Loans	32	**5.411.946**	-
Total non current liabilities		**5.670.200**	246.095
Current liabilities			
Loans	32	**1.143.600**	8.873.304
Financial liabilities at fair value through profit and loss	33	**106.225**	28.349
Trade and other payables	34	**1.996.303**	3.824.689
Taxation	35	**293.929**	390.084
Total current liabilities		**3.540.057**	13.116.426
Total equity and liabilities		**171.932.706**	190.418.944
Net assets per share - cents	14	**81,36**	88,53

On 28 April 2011 the Board of Directors of Demetra Investment Public Limited authorised these consolidated financial statements for issue.

Demetrios Stavrou, Chairman

Dr. Nearchos Ioannou , Vice-chairman

The notes on pages 18 to 65 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Changes in Equity
for the year ended 31 December 2010

	Share Capital €	Accumulated profits €	Land and Buildings revaluation reserve €	Own shares reserve €	Share Capital Conversion Reserve €	Exchange difference reserve €	Total Equity €
Balance at 31 December 2008 / 1 January 2009	**170.000.000**	**15.717.682**	-	-	**860.144**	**39.005**	**186.616.831**
Own shares repurchase	-	-	-	(2.492)	-	-	(2.492)
Net loss for the year	-	(9.160.842)	-	-	-	-	(9.160.842)
Other comprehensive income for the year	-	-	-	-	-	7.264	7.264
Defence payable on deemed distribution of dividends	-	(404.338)	-	-	-	-	(404.338)
Balance at 31 December 2009 / 1 January 2010	**170.000.000**	**6.152.502**	**-**	**(2.492)**	**860.144**	**46.269**	**177.056.423**
Net loss for the year	-	(15.581.305)	-	-	-	-	(15.581.305)
Other comprehensive income for the year	-	-	14.026	-	-	16.584	30.610
Defence payable on deemed distribution of dividends	-	1.216.721	**-**	-	-	-	1.216.721
Balance at 31 December 2010	**170.000.000**	**(8.212.082)**	**14.026**	**(2.492)**	**860.144**	**62.853**	**162.722.449**

From the tax year commencing 1 January 2003 onwards, companies which do not distribute 70% of their profits after tax, as defined in the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence will be payable on such deemed dividends. Any special defence contribution will be payable by the shareholders considering the deemed dividend distribution amount payable initially by the Company and then subsequently charged to shareholders.

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

The notes on pages 18 to 65 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Cash Flows
for the year ended 31 December 2010

	Note	**2010** **€**	2009 €
Cash flow from operating activities			
Loss for the year before taxation		**(14.562.902)**	(8.935.170)
Adjustments for:			
Depreciation of property, plant and equipment	17	**64.152**	29.095
Loss on disposal of tangible fixed assets	17	**10.705**	-
Loss/(profit) on disposal and revaluation of financial assets and liabilities held at fair value through profit and loss	5	**11.792.451**	(3.612.766)
Loss from Goodwill impairment		**-**	3.816.288
Loss on revaluation of investment property		**306.161**	5.435.068
Interest on loans payable		**127.345**	-
Share of loss from associated companies		**549.817**	3.822.122
Exchange difference arising on the re-translation of balances in foreign currency		**16.584**	7.246
Net cash flow before working capital changes		**(1.695.687)**	561.883
Decrease in corporate bonds granted		**-**	1.344.830
Decrease in inventories		**4.725.653**	5.132.426
(Increase)/ decrease in trade and other receivables		**684.744**	(474.781)
Increase in receivables from associated companies		**(20.783)**	(4.759.406)
Net sales of financial assets and liabilities at fair value through profit and loss		**(2.132.746)**	8.574.554
(Decrease)/increase in trade and other payables		**(823.701)**	355.896
Decrease/(increase) in bank deposits		**1.322.725**	(17.438.911)
Cash flow from/(to) operations		**2.060.205**	(6.703.509)
Taxation paid		**(1.028.325)**	(600.275)
Net Cash flow from/(to) operations		**1.031.880**	(7.303.784)
Cash flow from investing activities			
Purchase of property, plant and equipment	17	**(184.138)**	(45.873)
Proceeds from sale of property, plant and equipment	17	**2.000**	-
Sale/(purchases) of shares in associated companies	20	**16.225**	(11.501)
Investments in subsidiaries	19	**113.878**	377.088
Purchase of investment property	18	**(8.559.082)**	(4.293.457)
Purchase of financial assets held-to-maturity		**(1.565)**	(13.120)
Sale of financial assets held-to-maturity		**6.834.406**	1.247.250
Net cash flow for investing activities		**(1.778.276)**	(2.739.613)
Cash flow from financing activities			
Purchase of treasury shares		**-**	(2.492)
Proceeds from receivable loans		**7.000.000**	-
Repayment of loans		**(9.445.101)**	-
Net cash flow for financing activities		**(2.445.101)**	(2.492)
Net decrease in cash and cash equivalents		**(3.191.497)**	(10.045.889)
Cash and cash equivalents at the beginning of the year		**12.346.426**	22.392.315
Cash and cash equivalents at the end of the year	29	**9.154.929**	12.346.426

The notes on pages 18 to 65 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Comprehensive Income
for the year ended 31 December 2010

	Note	**2010** €	2009 €
Revenue			
Dividends receivable	6	**2.710.317**	2.264.975
Interest receivable and other financial income	6	**5.802.294**	6.546.326
Gainn/(Loss) from disposal, revaluation and development of land and immovable property	10	**261.861**	(322.754)
(Loss)/Gain from financial instruments	5	**(11.797.080)**	5.038.070
		(3.022.608)	13.526.617
Administrative expenses	9	**(1.579.696)**	(1.485.054)
Impairment of investments in subsidiaries	19	**(24.000.000)**	-
Provisions	11	**100.029**	(5.450.000)
Financial expenses	12	**(130.250)**	(108.761)
(Loss) / Profit before taxation		**(28.632.525)**	6.482.802
Taxation	13	**(932.551)**	(626.124)
(Net loss) / Net profit for the year		**(29.565.076)**	5.856.678
Other comprehensive (expenses) / income		**-**	-
Comprehensive (expenses) / income for the year		**(29.565.076)**	5.856.678
(Loss / net profit attributable to:			
Company shareholders		**(29.565.076)**	5.856.678
(Loss) / profit per share – cent	14	**(14,78)**	2,93

The notes on pages 18 to 65 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding Company Statement of Financial Position
as at 31 December 2010

	Note	2010 €	2009 €
ASSETS			
Non Current assets			
Investments in subsidiaries	19	**22.837.824**	45.460
Investments in associates	20	**828**	21.681
Property, plant and equipment	17	**142.688**	121.227
Investment property	18	**4.246.000**	2.679.000
Receivables from subsidiaries and associated companies	27	**3.358.382**	11.753.279
Held-to-maturity financial assets	21	**-**	8.653.383
Financial assets held for sale	22	**966.242**	
Total non-current assets		**31.551.964**	23.274.030
Current assets			
Corporate bonds and venture capital	23	**1.357.250**	1.357.250
Trade and other receivables	25	**3.028.346**	2.545.347
Receivables from subsidiaries and associated companies	27	**29.986.047**	50.613.917
Financial assets at fair value through profit and loss	28	**43.093.480**	52.538.622
Bank deposits	29	**54.607.444**	55.654.337
Cash and cash equivalents	29	**8.362.844**	9.934.129
Total current assets		**140.435.411**	172.643.602
Total assets		**171.987.375**	195.917.632
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	30	**170.000.000**	170.000.000
Reserves		**(5.954.172)**	22.394.183
Total equity		**164.045.828**	192.394.183
Non Current liabilities			
Deferred taxation	31	**79.644**	53.458
Loans	32	**5.411.946**	-
Total non current liabilities		**5.491.590**	53.458
Current liabilities			
Loans	32	**1.143.600**	-
Financial liabilities at fair value through profit and loss	33	**106.225**	28.349
Trade and other payables	34	**915.267**	3.073.542
Taxation	35	**284.865**	368.100
Total current liabilities		**2.449.957**	3.469.991
Total equity and liabilities		**171.987.375**	195.917.632
Net assets per share (cents)	14	**82,03**	96,20

On 28 April 2011 the Board of Directors of Demetra Investment Public Limited authorised these financial statements for issue.

Demetrios Stavrou, Chairman

Dr. Nearchos Ioannou , Vice-chairman

The notes on pages 18 to 65 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 2010

	Share Capital €	Accumulated profits €	Own shares reserve €	Share Capital Conversion Reserve €	Total Equity €
Balance at 31 December 2008 / 1 January 2009	**170.000.000**	**16.083.731**	**-**	**860.144**	**186.943.875**
Purchase of own shares	-	-	(2.492)	-	(2.492)
Net profit for the year	-	5.856.678	-	-	5.856.678
Defence payable on deemed distribution of dividends	-	(403.878)	-	-	(403.878)
Balance at 31 December 2009 / 1 January 2010	**170.000.000**	**21.536.531**	**(2.492)**	**860.144**	**192.394.183**
Net profit for the year	-	(29.565.076)	-	-	**(29.565.076)**
Defence payable on deemed distribution of dividends - adjustment for previous years	-	1.216.721	-	-	**1.216.721**
Balance at 31 December 2010	**170.000.000**	**(6.811.824)**	**(2.492)**	**860.144**	**164.045.828**

From the tax year commencing 1 January 2003 onwards, companies which do not distribute 70% of their profits after tax, as defined in the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence will be payable on such deemed dividends. Any special defence contribution will be payable by the shareholders considering the deemed dividend distribution amount payable initially by the Company and then subsequently charged to shareholders.

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

The notes on pages 18 to 65 form an integral part of these financial statements.

Demetra Investment Public Limited

Holding CompanyStatement of Cash Flows
for the year ended 31 December 2010

	Note	**2010**	2009
		€	€
Cash flow from operating activities			
(Loss) / profit for the year before taxation		**(28.632.525)**	6.482.802
Adjustments for:			
Interest as loans payable		**127.345**	-
Depreciation of property, plant and equipment	17	**42.555**	28.615
Loss from sale of property, plant and equipment	17	**10.705**	-
(Loss) / profit on disposal and revaluation of financial assets and liabilities held at fair value through profit and loss		**11.797.080**	(5.038.070)
Impairment of investments in associates and subsidiaries		**24.000.000**	-
(Profit) / loss on revaluation and sale of investment properties		**(261.861)**	322.754
Net cash flow before working capital changes		**7.083.299**	1.796.101
Decrease in corporate bonds granted		**-**	1.344.830
Decrease / (increase) in trade and other receivables		**234.615**	(359.245)
Increase in amounts receivable from subsidiary and associated companies		**(17.769.597)**	(2.366.291)
Net sales of financial assets and liabilities at fair value through profit and loss		**(2.132.746)**	8.574.554
(Decrease) / increase in trade and other payables		**(941.554)**	527.802
Decrease / (increase) in bank deposits		**1.046.893**	(17.163.079)
Cash flow (to)/from operations		**(12.479.090)**	(7.645.328)
Taxation paid		**(989.600)**	(580.273)
Net Cash flow (to)/from operations		**(13.468.690)**	(8.225.601)
Cash flow from investing activities			
Purchase of property, plant and equipment	17	**(76.721)**	(45.873)
Proceeds from sale of property, plant and equipment	17	**2.000**	-
Purchase of investment property	18	**(1.305.139)**	(5.127)
Purchase or increase in financial assets held-to-maturity			
Sale of financial assets held-to-maturity		**6.834.406**	1.247.250
Purchase of subsidiaries	19	**-**	(1.000)
Purchase/ (sale) of subsidiaries	20	**16.225**	(8.000)
Net cash flow for investing activities		**5.469.206**	1.174.130
Cash flow from financing activities			
Purchase of own shares		**-**	(2.492)
Receipts from loans		**7.000.000**	-
Repayments of loans		**(571.801)**	-
Net cash flow for (paid in) financing activities		**6.428.199**	(2.492)
Net decrease in cash and cash equivalents		**(1.571.285)**	(7.053.963)
Cash and cash equivalents at the beginning of the year		**9.934.129**	16.988.092
Cash and cash equivalents at the end of the year	29	**8.362.844**	9.934.129

The notes on pages 18 to 65 form an integral part of these financial statements.

1. General Information

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

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

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

Investment management
On 27 February 2010, the agreement with the Central Cooperative Bank Limited governing the management of the Company's funds which are invested in the Cyprus Stock Exchange with the Central Cooperative Bank Limited was renewed for a period of one additional year. The Company reserves the right to terminate the agreement at any given time by giving at least one month's notice. For the services provided by the Investment Manager to the Company, based on the terms of the Management Agreement, the Company has agreed to pay him a Management Fee of 0,33% per year which will be calculated quarterly based on Portfolio value plus VAT. Furthermore, the commission payable by the Company for its stock market transactions amounts to 0,25% on the total value of these transactions, excluding the Stock Exchange's fees and the transactions costs.

During the year ending 31 December 2010, the Company proceeded with the renewal of the agreements with EFG Eurobank Asset Management Ltd, Marfin CLR (Financial Services) Ltd and Argus Financial Services Ltd which relate to its fund management interested in invested in foreign Stock Exchanges. Additionally, during the year ended 31 December 2010, the Company renewed the agreements it had signed with Goldman Sachs International and Credit Suisse relating to the management of its funds which are invested in securities and bonds. Finally, during the year, the Company terminated the agreements it had with Piraeus Bank (Cyprus) Ltd and Credit Suisse Ltd relating to the management of its funds. For their services, the Company pays a Management Fee of 0,1%-0,4% per year on the net value of the portfolio, plus VAT. Furthermore, a commission on the stock market transactions is payable, as well as other fees which fluctuate according to the Stock Exchange in which the transactions are carried out and also with the agreement which has signed with each Investment Manager

2. Summary of significant accounting policies

The principal accounting policies applied throughout the year for the preparation of these, Company and Group, 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.

2. Summary of significant accounting policies (continued)

Basis of preparation

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

Compliance Statement

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

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

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

Adoption of new and revised International Financial Reporting Standards

This year, the Company and the Group has adopted all new and revised International Financial Reporting Standards (IFRS) which relate to their work and are effective for accounting periods beginning on January 1, 2010. The adoption did not result in significant changes in accounting policies of the Company and the Group.

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

Standard/Interpretation	**Effective for annual periods beginning on or after:**
i) Adopted by the European Union	
IFRS1 : "First Time Adoption of International Financial Reporting Standards" (Revised)	1 July 2010
IFRS3 : "Business Combinations" (Revised)	1 July 2010
IAS27 : "Consolidated and Separate Financial Statements" (Amended)	1 July 2010
Amendments to IFRS 1 "Limited Exemption from Presentation Comparative amounts for disclosures of IFRS 7 for companies applying IFRS for the First Time "	1 July 2010
Revised IAS 24 "Related parties disclosures"	1 January 2011
Amendment to IAS 32 "Financial Instruments: Presentation, Classification Office Rights issue in shares	1 February 2010
Change in interpreting. 14 "Advances minimum capital requirements'	1 January 2011
Interpreting. 19 "Settlement of Financial Obligations to equity"	1 July 2010
"Improvements to IFRS (issued in May 2010)	1 July 2010
IFRS 7 "Financial Instruments: Disclosures"	1 January 2011
IAS 1 "Presentation of Financial Statements	1 July 2011
IAS 34 "Interim Financial Statements	1 January 2011
IFRIC 13 'Customer Loyalty Programmes "	1 January 2011

2. Summary of significant accounting policies (continued)

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

Standard/Interpretation	Effective for annual periods beginning on or after:
ii) Not Adopted by the European Union	
IFRS 9 "Financial Instruments: Classification and Measurement"	1 January 2011
Amendments to IFRS 7 "Financial Instruments: Disclosures"	1 July 2011
Amendments to IAS 12 'Deferred Tax - Recovery of Assets	1 January 2012
Amendments to IFRS 1 "Mypey-inflation and Elimination of fixed dates for First Time Adoption of IRS"	1 July 2011
IFRS 9 "Financial Instruments"	1 January 2013

The Board of Directors expects that the adoption of these Standards and Interpretations in future periods will not have a material effect on the financial statements of the Group and the Company except for the application of IAS 9 which is expected to result in significant changes in the classification and measurement of financial instruments.

IFRS 9 provides that upon initial recognition, all financial assets (including contracts and hybrid instruments in the main financial asset) are measured at fair value. In subsequent measurements, financial assets that are debt securities are classified at amortized cost or fair value based on both the business entity model for the management of financial assets and the characteristics of contractual cash flows of a financial asset. Debt securities may be subsequently measured at amortized cost if the asset is held in a business model whose purpose is to hold the asset to receive the cash flows and the contractual terms of the asset have fixed dates of cash flows that represent only principal and interest payments. All other debt securities are measured subsequently at fair value through profit or loss.

All financial assets that represent equity instruments are measured at fair value through profit or statement of comprehensive income or the income statement. This option is an irreversible decision to be taken by the entity for each asset, unless the equity securities are held for trading, where, it should be mandatory to be measured at fair value through profit or loss.

The Company and the Group is in the process of assessing the impact of IFRS 9, which is expected to affect significantly the classification and measurement of financial assets of the Group. The effect of the adoption of IFRS 9 depends on the assets and liabilities of the Group during the implementation date, and is therefore not possible to measure the effect now.

Basis of consolidation

The consolidated financial statements of the Group for the year ended in 31 December 2010, 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.

Revenues, profits and balances which arise from transactions among the Group Companies are reversed during the consolidation process.

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

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

2. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

The consolidated financial statements do not include Cooper Security Services Public Ltd. Cooper Security Services Public Ltd 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 Ltd. The net assets of Cooper Security Services Public Ltd on 31 December 2010 and the net profit of the company for the year ended based on the unaudited financial statements of the Company are not considered material for consolidation purposes. Operations of the company were terminated during the year 2008 and the Board of Directors has already commenced the procedures for its liquidation.

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

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

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

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

2. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

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

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

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

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

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

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

The business combinations whose acquisition date was before 1 January 2010 accounted for under the previous version of IFRS 3.

2. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

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

Investments in associated companies

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

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

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

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

Revenue recognition

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

Dividend income is recognised when the Company’s and the Group’s right to receive payment is established.

Dividends from investments in shares of public companies are considered payable on the date of recording in the Register of the Shareholders for the purpose of dividend payment or the “ex-dividend” date of shares trade.

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

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

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

The difference between the fair value of financial instruments at fair value through profit and loss at 31 December 2009 and the average cost price represents unrealised gain or loss and is recognised in the statement of comprehensive income as deficit / surplus from revaluation of investments.

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

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

Functional and presentation currency

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

Employees' benefits

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

Debtors and provisions for bad debts

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

Foreign currencies

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

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

2. Summary of significant accounting policies (continued)

Foreign currencies (continued)

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

Taxation

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

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

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

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

The carrying value of the deferred tax assets is reviewed at each financial possition 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 is shown at historical cost less accumulated depreciation and impairment losses. The historical cost includes any expenditure that is directly attributable to the acquisition of the property, plant and equipment.

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

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

2. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

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

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

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

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

Investment property

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

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

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

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

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

2. Summary of significant accounting policies (continued)

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

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

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

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

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

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

Financial instruments

(i) Investments
The Company and the Group classifies its investments in the following categories:

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

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

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

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

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

(b) Corporate bonds
Corporate bonds are non-derivative financial assets with fixed or determinable payments which are not traded in active markets and for which no intention for trading exists.

The corporate bonds are recognised initially at their purchase cost and are subsequently shown at their amortised cost.

(c) 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.

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

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

2. Summary of significant accounting policies (continued)
Financial instruments (continued)

(i) Investments (continued)

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

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

(ii) Bank borrowings

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

(iii) Cash and cash equivalents

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

(iv) Trade receivables

Trade 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 trade receivables is established when there is objective evidence that the Company and the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Offsetting financial Instruments

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

Share capital

Ordinary shares are classified as equity.

Purchase of treasury shares

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

2. Summary of significant accounting policies (continued)

(iv) Trade receivables (continued)

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

Analysis by activity sector
For management purposes, the activities of the Group are divided into two main sectors:
a) Investment Management Portfolio and b) Investments in Land and Immovable Property Development. The sectors are divided based on the reporting of information to the Board of Directors which is the responsible body for all decision making.

Income and expenses by sector
The income and expenses that directly relate with 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 being used in a sector. In case that an asset is used in more than one sector then it is being 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 economical 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 changes in presentation in the current year.

3. Financial risk management

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

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

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

31 December 2010
Financial Assets

	THE GROUP		THE COMPANY	
	At fair value through profit and loss	Loans and receivables	At fair value through profit and loss	Loans and receivables
	€	€	€	€
Trade and other receivables	-	3.299.405	-	3.028.346
Cash and cash equivalents	-	9.154.929	-	8.362.844
Bank deposits	-	54.607.444	-	54.607.444
Receivables from subsidiaries and associates	-	2.456.022	-	33.344.429
Corporate bonds and venture capital	-	1.357.250	-	1.357.250
Financial assets held- for- sale	966.242	-	966.242	-
Financial assets at fair value through profit and loss	46.793.480	-	43.093.480	-
	47.759.722	70.875.050	44.059.722	100.700.313

Financial Liabilities

	THE GROUP		THE COMPANY	
	At fair value through profit and loss	Loans and receivables	At fair value through profit and loss	Loans and receivables
	€	€	€	€
Trade and other payables	-	1.996.303	-	915.267
Bank borrowings	-	6.555.546	-	6.555.546
Financial liabilities at fair value through profit and loss	106.225	-	106.225	-
	106.225	8.551.849	106.225	7.470.813

31 December 2009

Financial assets

	THE GROUP		THE COMPANY	
	At fair value through profit and loss	Loans and receivables	At fair value through profit and loss	Loans and receivables
	€	€	€	€
Trade and other receivables	-	3.257.966	-	2.545.347
Cash and cash equivalents	-	12.346.426	-	9.934.129
Bank deposits	-	55.930.169	-	55.654.337
Financial assets held to maturity	-	8.653.383	-	8.653.383
Receivables from subsidiaries and associates	-	3.825.634	-	62.367.196
Corporate bonds and venture capital	-	1.357.250	-	1.357.250
Financial assets at fair value through profit an loss	56.238.622	-	52.538.622	-
	56.238.622	85.370.828	52.538.622	140.511.642

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

Financial Liabilities

	THE GROUP		THE COMPANY	
	At fair value through profit and loss	Loans and other liabilities	At fair value through profit and loss	Loans and other liabilities
	€	€	€	€
Trade and other payables	-	3.824.689	-	3.073.542
Bank borrowings	-	8.873.304	-	-
Financial liabilities at fair value through profit and loss	28.349	-	28.349	-
	28.349	12.697.993	28.349	3.073.542

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 holds and their general activities.

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

(i) Market price risk

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

Sensitivity analysis

An increase in investment prices by 15% at 31 December 2010 would have as a result an increase in the results for the year of the Company and the Group by €6.464.022 and €7.019.022 respectively (2009: €7.880.793 and €8.435.793 respectively). For a decrease of 15% there would be an equal but opposite impact on the results for the year.

(ii) Interest rate risk

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

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

(ii) Interest rate risk (continued)

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

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Financial instruments bearing fixed interest rate				
Financial assets	**55.980.718**	63.090.242	**55.980.718**	60.668.553
Financial instruments bearing variable interest rate				
Financial assets	**26.849.006**	26.700.778	**56.703.031**	84.786.164
Financial liabilities	**(6.555.546)**	(8.873.304)	**(6.555.546)**	-
	76.274.178	80.917.716	**106.128.203**	145.454.717

Sensitivity analysis

An increase of 50 basis points in interest rates at 31 December 2010 would have as a result an increase in the profit for the year which is shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 50 basis points there would be an equal and opposite impact on the results.

	THE GROUP Results		THE COMPANY Results	
	2010	2009	**2010**	2009
	€	€	**€**	€
Financial instruments bearing variable interest rate	**101.467**	89.137	250.737	423.931

(iii) Credit Risk

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

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

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Trade and other receivables	**3.299.405**	3.257.966	**3.028.346**	2.545.347
Cash and cash equivalents	**9.154.929**	12.346.426	**8.362.844**	9.934.129
Bank deposits	**54.607.444**	55.930.169	**54.607.444**	55.654.337
Corporate securities listed in CSE	**7.414.337**	3.239.601	**7.414.337**	3.239.601
Securities listed in foreign stock exchanges	**6.853.594**	6.704.639	**6.853.594**	6.704.639
Financial assets held-to-maturity	**-**	8.653.383	**-**	8.653.383
Financial assets held for sale	**966.242**	-	**966.242**	-
Receivables from subsidiaries and associates	**2.456.022**	3.825.634	**33.344.429**	62.367.196
Corporate bonds and venture capital	**1.357.250**	1.357.250	**1.357.250**	1.357.250
	86.109.223	95.315.068	**115.934.486**	150.455.882

3. Financial risk management (continued)

(a) Financial Risk Factors (continued)

(iv) Liquidity risk

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

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

THE GROUP

31 December 2010

	Net Book Value	**Contractual cash flows**	**within 3 months**	**between 3 and 12 months**	**1-2 years**	**2-5 years**	**more than 5 years**
	€	**€**	**€**	**€**	**€**	**€**	**€**
Bank borrowings	**6.555.546**	**7.407.083**	**285.900**	**857.700**	**1.143.600**	**4.574.400**	**545.483**
Trade and other payables	**1.810.161**	**1.810.161**	**1.810.161**	**-**	**-**	**-**	**-**
	8.365.707	**9.217.244**	**2.096.061**	**857.700**	**1.143.600**	**4.574.400**	**545.483**

31 December 2009

	Net Book Value	Contractual cash flows	within 3 months	between 3 and 12 months	1-2 years	2-5 years	more than 5 years
	€	€	€	€	€	€	€
Bank borrowings	8.873.304	9.035.501	-	9.035.501	-	-	-
Trade and other payables	2.861.480	2.861.480	1.644.760	1.216.720	-	-	-
	11.734.784	11.896.981	1.644.760	10.252.221	-	-	-

THE COMPANY

31 December 2010

	Net Book Value	**Contractual cash flows**	**within 3 months**	**between 3 and 12 months**	**1-2 years**	**2-5 years**	**more than 5 years**
	€	**€**	**€**	**€**	**€**	**€**	**€**
Bank borrowings	**6.555.546**	**7.407.083**	**285.900**	**857.700**	**1.143.600**	**4.574.400**	**545.483**
Trade and other payables	**800.068**	**800.068**	**800.068**	**-**	**-**	**-**	**-**
	7.355.614	**8.207.151**	**1.085.968**	**857.700**	**1.143.600**	**4.574.400**	**545.483**

31 December 2009

	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	2.131.700	2.131.700	914.980	1.216.720	-	-	-

3. Financial risk management (continued)
(a) Financial Risk Factors (continued)

(v) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's and the Group's functional currency. The Company and the Group are exposed to foreign exchange risk arising from its overseas investments which are located outside the Eurozone.

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

	THE GROUP Assets		THE COMPANY Assets	
	2010	2009	**2010**	2009
	€	€	**€**	€
United States Dollars	**9.519.440**	9.763.819	**9.519.440**	9.763.819
English Sterling	**624.177**	717.120	**624.177**	717.120
Swiss Franc	**418.663**	377.034	**418.663**	377.034
Japanese Yen	**313.472**	283.271	**313.472**	283.271
Romanian Lei	**8.187**	12.282	**-**	-
Bulgarian Leva	**1.390**	7.415	**-**	-
Moldavian Lei	**31.937**	24.919	**-**	-
Danish Kruna	**130.583**	-	**130.583**	-
	11.047.849	11.185.860	**11.006.335**	11.141.244

<u>Sensitivity analysis</u>

A 5% strengthening of the Euro against the following currencies at 31 December 2010 would have decreased the results for the year by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 5% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the results.

	THE GROUP Assets		THE COMPANY Assets	
	2010	2009	**2010**	2009
	€	€	**€**	€
United States Dollars	**453.307**	464.944	**453.307**	464.944
English Sterling	**29.723**	34.149	**29.723**	34.149
Swiss Franc	**19.936**	17.954	**19.936**	17.954
Japanese Yen	**14.927**	13.489	**14.927**	13.489
Romanian Lei	**390**	585	**-**	-
Bulgarian Leva	**66**	353	**-**	-
Moldavian Lei	**1.521**	1.187	**-**	-
Danish Kruna	**6.218**	-	**6.218**	-
	526.088	532.661	**524.111**	530.536

(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.

3. Financial risk management (continued)
(a) Financial Risk Factors (continued)

(vi) Operational risk (continued)
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 applies procedures of analysis, measurement and evaluation of this risk in order to minimize it.

(ix) Capital management risk
The Company and the Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's and the Group's overall strategy remains unchanged from last year.

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

b) Fair value estimation

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

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

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

3. Financial risk management (continued)
(c) Fair value measurements recognised in statement of financial position

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

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

31 December 2010

THE GROUP	Level 1	Level 2	Level 3	Total
Financial Assets	€	€	€	€
Financial assets at fair value through profit and loss	**40.562.592**	**2.330.888**	**3.900.000**	**46.793.480**
Financial assets held for sale	**966.242**	**-**	**-**	**966.242**
	41.528.834	**2.330.888**	**3.900.000**	**47.759.722**
Financial Liabilities				
Financial liabilities at fair value through profit and loss	**106.225**	-	-	**106.225**

THE COMPANY	Level 1	Level 2	Level 3	Total
Financial Assets	€	€	€	€
Financial assets at fair value through profit and loss	**40.562.592**	**2.330.888**	**200.000**	**43.093.480**
Financial assets held for sale	**966.242**	**-**	**-**	**966.242**
	41.528.834	**2.330.888**	**200.000**	**44.059.722**
Financial Liabilities				
Financial liabilities at fair value through profit and loss	**106.225**	**-**	**-**	**106.225**

31 December 2009

TO GROUP	Level 1	Level 2	Level 3	Total
Financial Assets	€	€	€	€
Financial assets at fair value through profit and loss	46.980.875	3.726.533	5.531.214	56.238.622
Financial Liabilities				
Financial liabilities at fair value through profit and loss	28.349	-	-	28.349

THE COMPANY	Level 1	Level 2	Level 3	Total
Financial Assets	€	€	€	€
Financial assets at fair value through profit and loss	46.980.875	3.726.533	1.831.214	52.538.622
Financial Liabilities				
Financial liabilities at fair value through profit and loss	28.349	**-**	**-**	28.349

3. Financial risk management (continued)
(c) Fair value measurements recognised in statement of financial position (continued)

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

THE GROUP

	Financial assets at fair value through profit and loss €
Balance at 1 January 2009	7.186.925
Unrealised losses that have been recognised through profit and loss	(1.655.711)
Balance at 1 January 2010	**5.531.214**
Unrealised losses that have been recognised through profit and loss	**(913.600)**
Transferred to other receivables and prepayments	**(717.614)**
Balance at 31 December 2010	**3.900.000**

THE COMPANY

	Financial assets at fair value through profit and loss €
Balance at 1 January 2009	2.061.120
Unrealised losses that have been recognised through profit and loss	(229.906)
Balance at 1 January 2010	**1.831.214**
Unrealised losses that have been recognised through profit and loss	**(913.600)**
Transferred to other receivables and prepayments	**(717.614)**
Balance at 31 December 2010	**200.000**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. (Loss) / profit from financial instruments

THE GROUP

	2010 **€**	2009 €
Loss from disposal of financial assets and liabilities at fair value through profit and loss	**(6.052.762)**	(14.816.240)
Profit/(Loss) from revaluation of financial assets and liabilities at fair value through profit and loss (Note 28 and 33)	**(5.739.689)**	18.429.006
	(11.792.451)	3.612.766

THE COMPANY

	2010 **€**	2009 €
Loss from disposal of financial assets and liabilities at fair value through profit and loss	**(6.057.891)**	(14.816.240)
Profit/(Loss) from revaluation of financial assets and liabilities at fair value through profit and loss (Note 28 and 33)	**(5.739.689)**	19.854.810
Reversal of impairment/ (impairment) in value of investments in related companies	**500**	(500)
	(11.797.080)	5.038.070

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

THE GROUP

	2010 **€**	2009 €
Loans and other receivables (including bank deposits and cash and cash equivalents)		
- Interest receivable and other financial income	**4.214.836**	4.738.707
Financial instruments at fair value through profit and loss		
- Interest receivable	**637.581**	423.225
Financial instruments held-to-maturity		
- Interest receivable	**67.426**	588.893
	4.919.843	5.750.825
Financial instruments at fair value through profit and loss		
- Dividends receivable	**2.710.317**	2.264.975
	7.630.160	8.015.800

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

THE COMPANY

	2010	2009
	€	€
Loans and other receivables (including bank deposits and cash and cash equivalents)		
- Interest receivable and other financial income	**5.097.287**	5.534.208
Financial instruments at fair value through profit and loss		
- Interest receivable	**637.581**	423.225
Financial instruments held-to-maturity		
- Interest receivable	**67.426**	588.893
	5.802.294	6.546.326
Financial instruments at fair value through profit and loss		
- Dividends receivable	**2.710.317**	2.264.975
	8.512.611	8.811.301

7. Segmental Analysis

THE GROUP
31 December 2010

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

In other segments is included mainly the loss of the Group's participation in Sheerwater Holding Limited, which amounts to € 2.933.496 (Note 20).

7. Segmental Analysis (continued)

31 December 2009

	Investments	Land and immovable property development field	Other Segments	Total
	€	€	€	€
Dividends receivable	2.264.975	-	-	2.264.975
Interest receivable	4.530.742	1.220.083	-	5.750.825
Gain from sale or revaluation of investments	3.612.766	-	-	3.612.766
Loss from sale, revaluation and development of land and real estate.	-	(10.661.095)	-	(10.661.095)
Net total income/(loss)	10.408.483	(9.441.012)	-	967.471
Loss from Goodwill impairment	-	(3.816.288)	-	(3.816.288)
Provisions	-	-	(450.000)	(450.000)
Financial expenses	-	(2.580)	(108.768)	(111.348)
Share of loss from associated companies	-	(3.815.900)	(6.222)	(3.822.122)
Administrative expenses	(580.990)	(839.333)	(282.560)	(1.702.883)
Profit / (loss) before tax - as in statement of comprehensive income	9.827.493	(17.915.113)	(847.550)	(8.935.170)
Total Assets	131.585.200	54.950.812	3.882.932	190.418.944
Additions to non-current assets	22.937	4.316.393	-	4.339.330

8. Geographical Analysis

THE GROUP

<u>2010</u>

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

<u>2009</u>

	Cyprus	**Euro-zone**	**Romania**	**Bulgaria**	**Other countries**	**Total**
	€	€	€	€	€	€
Income / (Losses)	10.678.118	(903.693)	(6.480.402)	(2.631.124)	304.572	967.471
Non-current assets	26.216.327	-	966.525	4.140.027	-	31.322.879

9. Administrative expenses

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Investment managers fees	**201.764**	188.959	**201.764**	188.959
Custodian fees	**10.290**	23.498	**10.290**	23.498
Auditor's remuneration - audit services	**54.495**	54.720	**33.120**	33.120
Auditor's remuneration - taxation services	**26.335**	11.385	**26.335**	11.385
Auditor's remuneration - other services	**8.439**	8.077	**1.840**	3.300
Internal auditor fees	**18.400**	15.718	**18.400**	15.718
Annual fees of the Members of the Board of Directors	**24.500**	24.500	**24.500**	24.500
Committees' fees of the Members of the Board of Directors	**46.950**	36.330	**46.950**	36.330
Costs of attendance of the Board of Directors	**48.000**	26.500	**48.000**	26.500
Other expenses of the Members of the Board of Directors	**19.590**	27.740	**19.590**	27.740
Insurance	**38.210**	27.336	**16.010**	15.407
Printing and dispatch of Annual Report and Annual General Meeting expenses	**65.000**	200.000	**65.000**	200.000
Adjustment of Welfare costs of General Assembly	**(139.801)**	(24.275)	**(139.801)**	(24.275)
Cyprus Stock Exchange Annual Fee	**5.155**	4.697	**5.155**	4.697
Cyprus Stock Exchange depository fees	**43.569**	43.569	**43.569**	43.569
Legal expenses	**99.381**	63.911	**99.131**	48.350
Other professional expenses	**50.750**	104.436	**33.188**	11.185
Valuation expenses	**39.760**	32.058	**5.100**	5.565
Salaries and staff expenses (Note 15)	**456.428**	404.291	**456.428**	404.291
Rents	**30.136**	75.752	**68.704**	73.472
Contributions and donations	**17.420**	10.330	**17.420**	10.330
Travelling abroad	**13.460**	41.598	**13.460**	41.598
Expenses for press announcements	**55.546**	52.864	**55.546**	52.864
Electricity and water	**11.720**	13.510	**11.720**	13.510
Loss from sale of furniture and equipment	**10.705**	-	**10.705**	-
Costs related to the desalination project	**163.780**	-	**163.780**	-
Travelling inland	**7.228**	5.126	**7.228**	5.126
Telephone and postages	**10.845**	12.333	**10.845**	12.333
Printing and stationary	**19.550**	11.859	**19.550**	11.859
Hospitality Expenses	**21.759**	30.074	**21.759**	30.074
Depreciation of property, plant and equipment (Note 17)	**64.152**	29.095	**42.555**	28.615
Provision for Bad and doubtful debbts	**61.092**	37.500	**61.092**	37.500
Other administrative expenses	**118.225**	109.392	**60.763**	67.934
	1.722.833	1.702.883	**1.579.696**	1.485.054

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

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
(Loss) / gain from revaluation of investment property (Note 18)	**(306.161)**	(5.435.068)	**261.861**	(322.754)
Decrease in the inventory value	**(5.896.093)**	(5.577.620)	**-**	-
Net gain from sales of investment property	**-**	5.693	**-**	-
Rent Receivable (Note 18)	**591.361**	345.900	**-**	-
	(5.610.893)	(10.661.095)	**261.861**	(322.754)

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

During the year the Group received €nil (2009: €460.000) from the sale of inventory.

11. Provisions

The Group recognised a provision of €2.383.674 (2009: €450.000) for the year ended 31 December 2010. The Group proceeded with the acquisition of Grystal Sea Maritime Limited (100%) during 2010 per the termination agreement of Sheerwate Holdings Ltd (Note 19) with its partners. As a result of the above transaction the Group recognised a loss valued at €1.983.708 which was calculated as the difference between to loan used to acquire the assets of Crystal Sea Maritime Limited and the next assets at the termination date. Also in 2010 a provision valued st €399.971 was made for the loans given to Sheerwate Holdings Limited (Note 19 and its subsidiary companies. The 2009 provision was for the amounts of associated companies due to the Cyprus Inland Revenue.

During 2010, the Company reduced the provision on loans receivable from associates companies and its subsidiaries for €500.000 (2009:Provision € 5.000.000). In addition a provision was recognised for loans issued to Sheerwater Holdings Limited (Note 19) and its subsidiary companies for €399.971.

12. Financial Expenses

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Interest on Tax	**642**	106.422	**-**	105.756
Bank charges	**132.747**	4.926	**130.250**	3.005
	133.389	111.348	**130.250**	108.761

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13. Taxation

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

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Tax adjustment for previous years	**432.612**	(11.358)	**448.021**	(11.291)
Corporation tax	**481.514**	620.584	**457.645**	595.169
Defence contribution	**14.924**	45.381	**699**	37.597
Tax of foreign subsidiaries	**3.072**	1.710	**-**	-
Deferred taxation (Note 31)	**86.281**	(430.645)	**26.186**	4.649
	1.018.403	225.672	**932.551**	626.124

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	
	2010	2009	**2010**	2009
	€	€	€	€
Profit / (loss) before tax	**(14.562.902)**	(8.935.170)	**(28.632.525)**	6.482.802
Tax calculated at the applicable corporation tax rate of 10%	**(2.952.931)**	329.422	**(2.863.253)**	648.280
Tax effect of expenses not deductible for tax purposes	**3.914.128**	2.484.149	**3.793.837**	2.144.789
Tax effect of allowances and income not subject to tax	**(482.170)**	(2.214.895)	**(461.939)**	(2.214.895)
Special contribution for defence	**14.924**	45.381	**699**	37.597
Tax adjustment for previous years	**432.612**	(11.358)	**448.021**	(11.291)
Tax of foreign subsidiaries	**3.072**	1.710	**-**	-
Additional tax	**-**	16.995	**-**	16.995
Deferred tax (Note 31)	**86.281**	(430.645)	**26.186**	4.649
Other effects	**2.487**	4.913	**(11.000)**	-
Tax charge	**1.018.403**	225.672	**932.551**	626.124

Tax Rates

Corporation tax

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

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

14. Earnings/(loss) per share and net assets per share

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

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Profit / (loss) for the year	**(15.581.305)**	(9.160.842)	**(29.565.076)**	5.856.678
Weighted average number of shares in issue during the year	**199.993.462**	199.998.442	**199.993.462**	199.998.442
Profit / (loss) per share (cents)	**(7,79)**	(4,58)	**(14,78)**	2,93

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	
	2010	2009	**2010**	2009
	€	€	**€**	€
Net assets at 31 December	**162.722.449**	177.056.423	**164.045.828**	192.394.183
Number of shares in issue at 31 December	**199.993.462**	199.993.462	**199.993.462**	199.993.462
Net assets per share (cents)	**81,36**	88,53	**82,03**	96,20

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

During 2009, the Company has acquired 6.538 own shares which have been deducted from the total number of issued shares of the Company for the calculation of the profit/(loss) per share and the net assets per share (Note 30).

15. Staff expenses

THE GROUP AND THE COMPANY

	2010	2009
	€	€
Salaries	**364.377**	322.940
Provident fund contribution	**36.438**	32.294
Other employer's contributions	**55.613**	49.057
	456.428	404.291

The total number of employees of the Group and the Company as at 31 December 2010 was 9 (2009: 9).

16. Loss from Goodwill impairment

THE GROUP

	Goodwill 2010	Goodwill 2009
	€	€
Balance at 1 January	-	-
Additions	-	3.816.288
Impairment loss	-	(3.816.288)
Balance at 31 December	-	-

On December 16, 2009, the Group, through its 100% subsidiary company Demetra Overseas Investments Limited, acquired the additional 50% of the share capital of Demetra Realty Developments SRL (Note 20). From this transaction, goodwill of € 3.816.288 was resulted. Due to the global economic crisis it is not possible to accurately predict the future cash flows from this investment. As a result, the Board of Directors decided to write-off the total amount of goodwill in the statement of comprehensive income for the year ended 31 December 2009. The goodwill impairment loss was allocated in the land development and real estate sector.

17. Property, plant and equipment

THE GROUP

	Land and Buildings	Furniture and office equipment	Computer hardware	Property under construction	Motor vehicles	Ships	Total
	€	€	€	€	€	€	€
Cost							
Balance 1 January 2009	-	81.686	86.852	8.980.819	15.377	-	9.164.734
Transfer to investment property (Note 18)	-	-	-	(8.980.819)	-	-	(8.980.819)
Additions	-	2.120	43.753	-	-	-	45.873
Balance January 2010	-	**83.806**	**130.605**	-	**15.377**	-	**229.788**
Additions	-	**167.783**	**16.355**	-	-	-	**184.138**
From purchase of subsidiaries (Note 19)	-	-	-	-	-	**910.265**	**910.265**
Transfer from investment property (Note18)	**1.718.126**	-	-	-	-	-	**1.718.126**
Fair value adjustment	**(3.860)**	-	-	-	-		**(3.860)**
Sales	-	**(25.858)**	-	-	-	-	**(25.858)**
Balance 31 December 2010	**1.714.266**	**225.731**	**146.960**	-	**15.377**	**910.265**	**3.012.599**
Accumulated depreciation							
Balance 1 January 2009	-	23.048	49.824	-	6.406	-	79.278
Charge for the year	-	8.337	17.681	-	3.077		29.095
Balance 1 January 2010	-	**31.385**	**67.505**	-	**9.483**	-	**108.373**
Charge for the year	**19.444**	**13.390**	**28.243**	-	**3.075**	-	**64.152**
Sales	-	**(13.153)**	-	-	-	-	**(13.153)**
Fair value adjustment	**(19.444)**	-	-	-	-	-	**(19.444)**
Balance 31 December 2010	-	**31.622**	**95.748**	-	**12.558**	-	**139.928**
Net book value							
Balance 31 December 2010	-	**194.109**	**51.212**	-	**2.819**	**910.265**	**2.872.671**
Balance 31 December 2009	-	52.421	63.100	-	5.894	-	121.415

THE COMPANY

	Furniture and office equipment €	Computer hardware €	Property under construction €	Motor vehicles €	Total €
Cost					
Balance 1 January 2009	81.686	85.373	1.558.052	15.377	1.740.488
Transfer to investment property (Note 18)	-	-	(1.558.052)	-	(1.558.052)
Additions	2.120	43.753	-	-	45.873
Balance January 2010	**83.806**	**129.126**	-	**15.377**	**228.309**
Additions	**60.942**	**15.779**	-	**-**	**76.721**
Sales	**(25.858)**	**-**	-	**-**	**(25.858)**
Balance 31 December 2010	**118.890**	**144.905**	-	**15.377**	**279.172**
Accumulated depreciation					
Balance 1 January 2009	23.048	49.013	-	6.406	78.467
Charge for the year	8.337	17.201	-	3.077	28.615
Balance 1 January 2010	**31.385**	**66.214**	-	**9.483**	**107.082**
Charge for the year	**11.570**	**27.910**	-	**3.075**	**42.555**
Sales	**(13.153)**	**-**	-	**-**	**(13.153)**
Balance 31 December 2010	**29.802**	**94.124**	-	**12.558**	**136.484**
Net book value					
Balance 31 December 2010	**89.088**	**50.781**	-	**2.819**	**142.688**
Balance 31 December 2009	52.421	62.912	-	5.894	121.227

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

The land and buildings of the Group were revalued by the Directors by taking into account assessments by independent valuers which have been performed, using the market value basis. The excess, before any resulting deferred tax, has been credited to the revaluation reserve in shareholders' interests.

Land and buildings based on historical cost, are as follows:

	2010 €	2009 €
Cost	**1.718.126**	-
Accumulated depreciation	**(19.444)**	-
	1.698.682	-

18. Investment Property

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Balance 1 January	**31.201.464**	23.362.236	**2.679.000**	1.438.575
Transfer (to)/ from Property, plant and equipment (Note17)	**(1.718.126)**	8.980.819	**-**	1.558.052
Additions	**8.559.082**	4.293.457	**1.305.139**	5.127
Revaluation for the year	**(306.161)**	(5.435.068)	**261.861**	(322.754)
Exchange differences	**-**	20	**-**	-
Balance 31 December	**37.736.259**	31.201.464	**4.246.000**	2.679.000

The property included in investment property was revalued at 31 December 2010 according to valuations of independent professional valuators, for each property, using the comparative method of valuation, based on the value of each property in the free market. The market value was estimated according to the existing comparative data and by taking into consideration any physical and legal characteristics, prospects and any potential of the properties under review, as well as the trends in the real estate market and in the economy in general. The profit or loss on revaluation of the investment property is included in the statement of comprehensive income of the year.

Investment property under construction held by the Group and the Company as at 31 December 2008, with cost of €8.980.819 and €1.558.052 respectively, has been transferred on 1 January 2009 from property, plant and equipment to investment property due to the amendments of the revised IAS 40 “Investment property”.

Investment property of €9.462.000 (2009: €5.709.000) was not transferred to the Group, as the title deeds were not yet issued, but all necessary acquisition documents have been filed with the Land Registry Department. Investment property of €1.510.000 (2009: €1.479.000) was not yet transferred to the Company, as the title deeds were not issued, but all necessary acquisition documents have been filed with the Land Registry Department.

Investment property of € 9.918.733 on 31 December 2010, property, plant and equipment of €1.710.406, owed to the subsidiary company Demetra Tower Ltd, is mortgaged for the benefit of a banking institution for an amount of € 7.000.000 (Note 32).

Rental income received by the Group from investment property, which is currently under operating leases, amount to €591.361 (2009: €345.900) (Note 10).

19. Investments in subsidiary companies

THE COMPANY

	2010 €	2009 €
Balance at 1 January	**45.460**	44.460
Additions	**46.792.364**	1.000
Depreciation	**(24.000.000)**	-
Balance at 31 December	**22.837.824**	45.460

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

During the year the Board of Directors decided to impair the investments in subsidiary companies for a value of €24.000.000 due to the losses resulted from the sector of land and property development during the years 2008 until 2010 and the significant reduction of the net assets of the subsidiary companies.

The subsidiary companies as at 31 December 2010 are as follows:

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

The details relating to the acquisition of the subsidiary companies in 2009 are shown below:

CrystalSea Maritime Ltd

The Company, through its 100% subsidiary Demetra Oil & Gas Investments Limited, during 2009, acquired the 25% of the shareholding in Sheerwater Holdings Limited, a company established in Cyprus as a limited liability company, with principal activity to operate in the gas and oil sector. During 2010, the Company has terminated the cooperation agreement with the other partners and began the liquidation process of Sheerwater Holdings Limited. During 2010 the Company has terminated her cooperation with the other partners and began the liquidation process of Sheerwater Holdings Limited.

19. Investments in subsidiary companies (continued)

The group, simultaneously, as per the termination agreement proceded with the acquisition of the whole share capital of Crystal Sea Maritime Limited for €1 and this company owns a ship. This company was before a 100% subsidiary of Sheerwater Holdings Limited.

The net loss that was recognized in the consolidated financial statements from the date of incorporation as acquisition of the above subsidiaries until the end of the financial year amounts to €Nil (2009: €17.989).

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

	Book Value €	Fair Value €
Property stock	**1.880.265**	**910.265**
Debtors and prepayments	**8.572**	**8.572**
Bank deposits	**113.879**	**113.879**
Inventories	**20.171**	**20.171**
Taxation	**(49)**	**(49)**
Balances with related companies	**(3.374.102)**	**(3.374.102)**
Creditors and accrued expenses	**(212.036)**	**(212.036)**
Net liabilities of the acquired company	**(1.563.300)**	**(2.533.300)**
Provision for non recovery of loans already granted		**1.983.708**
Provision for associated companies losses already recognised		**549.593**
Acquisition cost		**1**
Covered in:		
Cash		**1**
Cash flow from the acquisition of subsidiary companies during the year 2010:		
Cash paid for the acquisition of the company		**(1)**
Cash acquired		**113.879**
		113.878

The assets and liabilities of the subsidiary company acquired by the Group during 2009 were as follows:

	Book Value €	Fair Value €
Property stock	8.237.277	8.237.277
Debtors and prepayments	139.476	139.476
Bank deposits	377.476	377.476
Bank loans	(8.873.304)	(8.873.304)
Balances with related companies	(7.510.809)	(7.510.809)
Creditors and accrued expense	(1.916)	(1.916)
Net liabilities of the acquired company	(7.631.800)	(7.631.800)
Goodwill		3.816.288
Provision for associated companies losses already recognised		3.815.900
Acquisition cost		388
Covered in:		
Cash		388
Cash flow from the acquisition of subsidiary companies during the year 2009:		
Cash paid for the acquisition of the company		(388)
Cash acquired		377.476
		377.088

20. Investments in associated companies

THE GROUP

	2010	2009
	€	€
At 1 January	**16.449**	11.170
Additions	**-**	11.501
Sales	**(16.225)**	-
Share of profit before tax	**(224)**	(6.222)
At 31 December	**-**	16.449

A loss from associate undertaking values at €549.817 was recognised in the statement of comprehensive income. A loss of €224 and a provision above the initial investment of €549.593 from the participation in Crystal Maritime Limited (Note 19) is included in the year ended 31 December 2010. A loss of €6.222 and a provision above the initial investment, of €3.815.900 from the participation in the Company Demetra Realty Developments SRL is included in the loss for the year ended 31 December 2010.

THE COMPANY

	2010	2009
	€	€
At 1 January	**21.681**	14.181
Additions	**-**	8.000
Sales	**(21.353)**	-
Reversal of impairment / (impairment)	**500**	(500)
At 31 December	**828**	21.681

The associated companies at 31 December 2010 are:

	Principal Activity	**Country of incorporation**	**2010 Ownership percentage and voting rights**		**2009 Ownership percentage and voting rights**	
			Direct	**Indirect**	**Direct**	**Indirect**
Demetra Investment & Arsiotis Developments Limited	Investments in land and immovable property development in Cyprus	Cyprus	-	-	50%	-
Verendrya Ventures Limited	Development and construction of desalinization units.	Cyprus	40%	-	40%	-
Thoosa (Energy) Limited	Production of energy	Cyprus	-	-	50%	-
Flightcare Cyprus Limited	Dormant at year end	Cyprus	25%	-	25%	-
ICTS (Cyprus) Limited	Provision of security services	Cyprus	-	-	30%	-
Solarmason Limited	Provision of electricity in Greece .	Cyprus	-	-	50%	-
Sheerwater Holdings Limited	Engagement in the Gas & Oil trading sector.	Cyprus	-	25%	-	25%

ICTS (Cyprus) Limited
On 27 February 2009, the Company established a new associate with the participation of 30%, named ICTS (Cyprus) Limited. The new associated company was incorporated in Cyprus with the purpose of engaging in the provision of security services of security services. During the year, the Company proceeded with the sale of ICTS (Cyprus) Limited for the amount of € 5.500.

Solarmason Limited
During 2009, the Company acquired the 50% of the share capital of Solarmason Limited. The new associated company was incorporated in Cyprus for the purpose of engaging the provision of electricity in Greece through its subsidiary company Tresen A.E. During the year, the Company, proceeded with the sale of Solarmason Limited for the amount of €50.

20. Investments in associated companies (continued)

Demetra Investments & Arshiotis Developments Limited
During the year, the Company proceeded with the sale of Demetra Investments & Arshiotis Developments Limited where it had a participation of 50% for the amount of € 9.371.

Thoosa Energy Limited
During the year the Company sold Thoosa Energy Limited where it had a shareholding of 50% for the amount of € 854.

Verendrya Ventures Limited
The Company, through its associated company Verendrya Ventures Limited, has proceeded with the sign off of an agreement of cooperation with Logicom Public Limited for the construction of the desalination unit at Episkopi area and the management of the unit for the next 20 years. The Company's indirect involvement in this project is 20% through Verendrya Ventures Limited. The above named company has acquired 100% of the share capital of Netcom Limited, which participates with a 50% in a joint venture with the Israeli company Mekorot Development and Enterprise Ltd for construction and maintenance of the desalination unit at Episkopi area.

Sheerwater Holding Limited
During 2009, the Company, through its 100% subsidiary Demetra Oil & Gas Investments Limited, acquired 25% shareholdings of Sheerwater Holdings Limited, a company established in Cyprus as a limited liability company, with activities in the oil and gas sector. During 2010, the Company has terminated its cooperation with the other partners and began the liquidation process of Sheerwater Holdings Limited. Simultaneously, under the termination agreement, the Group proceeded to acquire with the acquisition of the entire share capital of Crystal Sea Maritime Limited for €1, which has in possession a ship. This company was previously a 100% subsidiary of Sheerwater Holdings Limited. As a result of the above agreement, the Group recognized a loss for 2010 of € 2.383.679.

Demetra Realty Developments SRL
On 16 December 2009,, the Company, through its 100% subsidiary Demetra Overseas Investments Limited, acquired a further of 50% of the share capital of Demetra Realty Developments SRL established in Romania to for the purpose of investments in land development and property. As a result of the above transaction, the investment in Demetra Realty Developments SRL was transferred to investments in subsidiaries (Note 19).

Significant total amounts for the associated companies of the Group:

THE GROUP

	2010	2009
	€	€
Total Assets	**2.332.498**	4.402.826
Total Liabilities	**2.547.293**	5.008.259
Total income	**392.696**	1.711.255
Total net loss	**(1.318.067)**	(8.249.769)

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

The amount of total net loss and total income for 2010 includes the results of Crystal Sea Maritime Limited which was transferred in investments in subsidiary company at the end of 2010. The amount of total net loss and total income for 2009 includes the results of Demetra Realty Developments S.R.L. which was transferred in investents in subsidiary companies at the end of 2009.

21. Financial assets held to maturity

THE GROUP AND THE COMPANY

	2010	2009
	€	€
Government bonds	**-**	6.832.841
Corporate bonds listed in foreign Stock Exchanges	**-**	666.242
Corporate bonds listed in the Cyprus Stock Exchange	**-**	1.154.300
Balance 31 December	**-**	8.653.383

The Government bonds for 2010 bonds annual interest at bear interest at 5,75% - 7% (2009: 5,75% - 7%), and the corporate bonds earned interest equal to the base rate plus 0,8%- 2%.

All financial assets held-to-maturity are redeemable as follows:

	Between 1 and 5 years		**Over 5 years**	
	2010	2009	**2010**	2009
	€	€	**€**	€
Government bonds	**-**	6.832.841	**-**	**-**
Corporate bonds listed in foreign Stock Exchanges	-	-	-	666.242
Corporate bonds listed in the Cyprus Stock Exchange	-	-	**-**	1.154.300
Balance 31 December	**-**	6.832.841	**-**	1.820.542

During 2010, the Company traded securities valued of € 854.300, with expire date in 2016, with non-cumulative convertible perpetual capital securities at indefinite duration. Because of this transaction, and based on International Accounting Standard 39 "Financial Instruments: Recognition and Measurement", the Company proceeded to the reclassification of all investments included in the category of financial assets held to maturity, to the category Financial assets available for sale (Note 22).

22. Available for sale financial assets

THE GROUP AND THE COMPANY

	2010	2009
	€	€
Corporate bonds listed in foreign Stock Exchanges	**666.242**	-
Corporate bonds listed in the Cyprus Stock Exchange	**300.000**	-
Balance 31 December	**966.242**	-

Corporate bonds earn interest equal to the base rate plus 0.6% - 1.8%.

23. Corporate bonds and venture capital

THE GROUP AND THE COMPANY

	2010	2009
	€	€
Corporate bonds and venture capital	**1.357.250**	1.357.250

In the balance stated above, it includes a balance due from Cybarco Ltd in relation to an agreement signed in 2005, according to which it allows the Company to participate in the Amathusa Coastal Heights project. The total amount of the investment was €5.125.804. The project is located in the area of Amathunta, adjacent to the coastal road network and comprises villas and apartments. In relation to the above agreement, the Company has obtained a capital guarantee of €5.125.804 plus interest through a mortgage of the immovable property. According to the agreement, the Company has the right to terminate this agreement in 6 years. In that case the Company, is entitled (beyond the amounts received up to the date of termination) to a refund of part of the original amount invested, which will correspond to any unsold villas and apartments, plus pre determined interest. For the year ended 31 December 2010, initially the Group has received an amount of €950.000 (2009: €1.968.038) and an amount of €842.212 (2009: €1.220.083) were recognised as income in the statement of comprehensive income.

24. Inventories

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Land and buildings under development and for sale	**12.435.002**	17.140.484	**-**	-

Legal ownership of inventory of €1.401.000 (2009: €1.460.000) has not been transferred to the Group, due to the fact that the title deeds have not been issued yet, however all the necessary acquisition documents have been filed with the Land Registry Office. All inventories above are measured at the lower of cost and net realizable value (NRV).

During 2009, 3 residential estates were granted to the Group of €873.043 plus V.A.T, as a repayment of the amount that was owed to the Group from a debtor. Based on the respective agreement, the Group reserves the right (put option) to return the residences back to the debtor, if the residences are not sold within three years from the date that they were granted to the Group. In that case, interest of 4% will be imposed on the principal amount owed to the Group. The total value of the residential estates as at 31 December 2010, was estimated at €740.000.

Immovable property included in the Group's inventory with a carrying value at 31 December 2009 of €8.237.277, which belong to the newly acquired subsidiary Demetra Realty Developments Ltd, was mortgaged for the benefit of the banking institution (Note 32).

25. Trade and other receivables

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Trade Receivables	**1.018.455**	350.000	**1.018.455**	-
Amounts receivable from cash refunds in relation to investments in new share issues	**18.010**	19.905	**18.010**	19.905
Dividends receivable	**50.921**	71.120	**50.921**	71.120
Interest receivable	**1.921.012**	2.104.897	**1.921.012**	2.104.897
Prepayment for the purchase of land and immovable	**-**	174.800	**-**	173.800
Other receivables and prepayments	**291.007**	537.244	**19.948**	175.625
	3.299.405	3.257.966	**3.028.346**	2.545.347

The amount receivable from cash refunds in relation to investments in new share issues, bear interest at the rate of 6% (2009: 6%) per annum. The fair value of trade and other receivables approximate their carrying value at the date of the statement of financial position.

Aged analysis of trade receivables and other financial assets overdue but not impaired:

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
within 30 days	**-**	-	**-**	-
30-120 days	**-**	-	**-**	-
121-365 days	**-**	-	**-**	-
over 1 year	**18.010**	369.905	**18.010**	19.905
	18.010	369.905	**18.010**	19.905

26. Receivables from associated companies

THE GROUP

	2010	2009
	€	€
Receivables from associated companies within 1 year (Note 36)	**2.456.022**	217.940
Receivables from associated companies over 1 year (Note 36)	**-**	3.607.694
	2.456.022	3.825.634

The amounts receivable from associated companies bear annual interest at the rate of 4% (2009: 1%-4,5%).

The balance at 31 December 2010 concerns a loan of € 2.400.000 granted during the year in the associated company Verendrya Ventures Limited (2009: € Nil). During 2010, interest of € 56.022 was charged on the above loan. The loan is payable on demand and bears annual interest of 4%, interest of €56.082 (2008: Nil), was changed on the loan.

The 2009 figures include loans of US $ 5.150.750 granted during 2009 by the Company to the subsidiary companies of Sheerwater Holdings Ltd. The loans bear interest the higher of the 6 month LIBOR USB plus 2% margin, and fixed interest of 3.5%. The loans were repayable in 10 years and were secured by mortgaging for the benefit of the Company two ships belonging to the above companies. During 2010 with the termination of the agreement of cooperation with the other partners for the joint venture dated 19 November 2010, recognized a loss of € 2.383.679, for non-recovery of amounts due from Sheerwater Holdings Ltd and its subsidiaries. One vessel that was mortgaged for the benefit of the Group was sold to cover part of the debt while the second ship was transferred to the Group in order to proceed with the acquisition of the 100% shareholding in Crystal Sea Maritime Ltd (Note 20).

27. Receivable from subsidiary and associated companies

THE COMPANY

	2010	2009
	€	€
Receivables from subsidiary and associated companies within 1 year (Note 36)	**29.986.047**	50.613.917
Receivables from subsidiary and associated companies over 1 year (Note 36)	**3.358.382**	11.753.279
	33.344.429	62.367.196

The amounts receivable from subsidiary and associated companies bear annual interest at the rate of 1%-4% (2009: 1%-4,5%) per annum.

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

During 2009, a provision of € 5.000.000 and € 37.500 for non-collection of accounts receivable due from subsidiaries and affiliated companies respectively was recognised. During 2010 the provision for non-receipt of funds from subsidiaries decreased by € 500.000, and a provision of € 399.971 was recognised the collecting amounts due from affiliated companies.

28. Financial assets at fair value through profit and loss

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
At 1 January	**56.238.622**	61.171.564	**52.538.622**	56.045.759
Addition	**20.661.835**	25.771.951	**20.661.835**	25.771.951
Disposals	**(24.581.852)**	(49.162.248	**(24.581.852**	(49.162.248)
Net transfers from other financial assets	**136.687**		**136.687**	
Changes in fair value (Note 5)	**(5.661.812)**	18.457.355	**(5.661.812)**	19.883.160
At 31 December	**46.793.480**	56.238.622	**43.093.480**	52.538.622

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

	THE GROUP		THE COMPANY	
Shares listed on the Cyprus Stock Exchange by sector:	**Market value 2010 €**	Market value 2009 €	**Market value 2010 €**	Market value 2009 €
Financial	**3.318.931**	6.910.658	**3.318.931**	6.910.658
Manufacturing	**-**	547.439	**-**	547.439
Customer retail services	**1.444.023**	2.677.461	**1.444.023**	2.677.461
Consumption goods	**3.505.150**	3.305.150	**3.505.150**	3.305.150
Technology	**2.673.575**	3.514.082	**2.673.575**	3.514.082
Corporate bonds	**7.414.337**	3.239.601	**7.414.337**	3.239.601
	18.356.016	20.194.391	**18.356.016**	20.194.391
Non-listed shares	**3.900.000**	5.531.214	**200.000**	1.831.214
Total investments in Cyprus	**22.256.016**	25.725.605	**18.556.016**	22.025.605
Foreign investments				
Structured and other products	**2.330.888**	3.726.535	**2.330.888**	3.726.535
securities in foreign stock exchanges	**14.165.509**	18.243.753	**14.165.509**	18.243.753
Stock repos	**1.187.473**	1.838.090	**1.187.473**	1.838.090
Derivatives listed in foreign stock exchanges	**6.853.594**	6.704.639	**6.853.594**	6.704.639
Total foreign investments	**24.537.464**	30.513.017	**24.537.464**	30.513.017
Total investments	**46.793.480**	56.238.622	**43.093.480**	52.538.622

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

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

in the consolidated financial statements of the Group, the non listed investment include 321.518 shares which are preserved through Demetra Golf Investments Limited, in Eliades Anatolikon Leisure Resort Limited with a cost of €5.125.805 (2009: €5.125.805) and currying value €3.700.000 (2009: €3.700.000), representing 10% of its issued share capital. The above company has the option (put option) to sell the shares to the previous owners at the fair value. The exercise period of this option is from 1 November 2016 until 31 January 2017. In addition among other a warranty, based on the agreement, is given for tax and accounting issues amongst other.

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

Financial assets whose fair value as at 31 December 2010 was fair value of €1.187.473 (2009: €1.838.090) as at 31 December 2010 were borrowed to the Athens Derivatives Stock Exchange. The Company still reserves all risks and rewards from the ownership the shares, but they are unable to sell these shares, since they are bound to the Derivatives Stock Exchange.

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

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Financial assets that have been designated at fair value through profit and loss during the initial recognition	**46.793.480**	56.238.622	**43.093.480**	52.538.622

29. Cash and other bank balances

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Balances with Co-Operative Financial Institutions, Savings Companies and Commercial Banks	**6.849.505**	9.970.034	**6.057.420**	7.557.737
Cash under management by Investment	**2.305.424**	2.376.392	**2.305.424**	2.376.392
Total cash and cash equivalents	**9.154.929**	12.346.426	**8.362.844**	9.934.129
Bank deposits – more than 3 months	**54.607.444**	55.930.169	**54.607.44 4**	55.654.337
At 31 December	**63.762.373**	68.276.595	**62.970.288**	65.588.466

The cash and cash equivalents that are included in statement of cash flows, comprise the above balance sheet amounts and bare annual interest of 0,05%-4,5% (2009: 0,5%-6,5%).

Bank deposits represent savings accounts of period more than three months and bare annual interest of 0,10%-6,5% (2009: 0,15%-6,5%).

30. Share Capital

	2010		2009	
	Number of shares	€	Number of shares	€
Authorised				
Shares of €0,85 each	**500.000.000**	**425.000.000**	500.000.000	425.000.000
Issued and fully paid				
Shares of €0,85 each	**200.000.000**	**170.000.000**	200.000.000	170.000.000

All issued ordinary shares carry the same rights.

On 2 September 2009 the Board of Directors of the Company decided to establish an own-share repurchase scheme which runs from 3 September 2009 to 31 December 2010 which allows the repurchase up to 5.000.000 of any shares. During the year ended 31 December 2009, the Company acquired 6.538 own-shares for a total cost of €2.492. The duration of ownership of these shares must not exceed two years. On 15 September 2010, the Board of Directors of the Company decided to new the own-share repurchase scheme which runs from 16 September 2010 to 15 September 2011.

31. 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	
	2010	2009	**2010**	2009
	€	€	**€**	€
At 1 January	**246.095**	473.811	**53.458**	48.809
(Credit)/Charge in the Income Statement (Note 13)	**12.159**	(227.716)	**26.186**	4.649
At 31 December	**258.254**	246.095	**79.644**	53.458

Deferred Tax Assets

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
At 1 January	**329.682**	126.753	**-**	-
Charge to other comprehensive income	**(1.558)**	-	**-**	-
Charge to Income Statement (Note 13)	**(74.122)**	202.929	**-**	-
At 31 December	**254.002**	329.682	**-**	-

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

32. Borrowings

	THE GROUP		THE COMPANY	
	2010	2009	**2010**	2009
	€	€	**€**	€
Short term loans	**1.143.600**	8.873.304	**1.143.600**	-
Long term loans	**5.411.946**	-	**5.411.946**	-
Bank loans	**6.555.546**	8.873.304	**6.555.546**	-

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

The balance on 31 December 2009, concerns a bank loan that was granted to Demetra Realty Developments SRL on 5 October 2007 for three years and with a grace period of two years during which the interest is capitalized every six months. After the grace period has elapsed, the loan, including the interest, is repayable with two six-monthly payments. The loan for the first two years, bares an interest equal to EURIBOR +2% per annum and for the third year equal to EURIBOR +1,75% per annum. The loan, including its interest, was repaid on 21 June 2010.

The above bank loan was secured by a mortgage of €9.360.000 on the immovable property owned by Demetra Realty Developments SRL. The book value of the above immovable property at 31 December 2009 is €8.237.277 (Note 24). For the securing of the loan, the Company has also provided a corporate guarantee of €3.900.000. Additional corporate guarantees of €3.900.000 were provided to the bank from the previous shareholders of the Group company. The guarantees no longer exist since the loan has been fully repaid.

33. Financial liabilities at fair value through profit and loss

Derivatives listed in foreign stock exchanges	THE GROUP **Market Value 2010 €**	Market Value 2009 €	THE COMPANY **Market Value 2010 €**	Market Value 2009 €
At 31 December	**106.225**	28.349	**106.225**	28.349

The financial liabilities at fair value through profit and loss are presented in the statement of cash flows from operations as part of changes in working capital.

Changes in fair value of financial liabilities at fair value through profit and loss are included in the statement of comprehensive income.

34. Trade and other creditors

	THE GROUP **2010 €**	2009 €	THE COMPANY **2010 €**	2009 €
Trade creditors	**616.501**	663.998	**-**	-
Defence contribution payable for the deemed dividend distribution	**-**	1.621.059	**-**	1.620.598
Other creditors and accrued expenses	**1.379.802**	1.539.632	**915.267**	1.452.944
	1.996.303	3.824.689	**915.267**	3.073.542

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

35. Current tax liabilities

	THE GROUP **2010 €**	2009 €	THE COMPANY **2010 €**	2009 €
Corporation tax	**280.099**	525.880	**284.865**	511.387
Special contribution for defence	**14.273**	(135.504)	**-**	(143.287)
Corporation tax of foreign subsidiaries	**(443)**	(292)	**-**	-
	293.929	390.084	**284.865**	368.100

36. Related parties transactions

(i) Remuneration of key management personnel

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

THE GROUP AND THE COMPANY	2010	2009
	€	€
Members of the Board of Directors		
Annual fees of the Members of the Board of Directors	**24.500**	24.500
board members rights for their participation on committeess	**46.950**	36.330
Allowance for entertaining	**48.000**	25.600
Other expenses of the Members of the Board of Directors	**19.590**	27.740
	139.040	114.170

During the year, the Board Members received the amount of €71.450 (2009: €60.830) as remuneration for their services as Members of the Board of Directors of the Company.

This amount is analysed per Member of the Board as follows:

Dimitrakis Stavrou: annual fee €3.500 (2009: €1.167) and reward for participation in committees: € 5.550 (2009: € 2.700); Lefteris Christoforou: annual fee € 3.500 (2009: € 3.500) and reward for participation in committee : € 8.400 (2009: € 5.550); Dr. Ioannou Nearchos: annual fee € 3.500 (2009: € 1.167) and reward for participation in committees: € 7.800 (2009: € 3.600); Kriton Georgiades: annual fee € 3.500 (2009: € 3.500) and reward for participation in committee : € 5.100 (2009: € 4.320); Evangelos Georgiou: annual fee € 3.500 (2009: € 3.500) and reward for participation in committees: € 4.350 (2009: € 4.470); Fotis Dimitriadis: annual fee € 3.500 (2009 : € 3.500) and reward for participation in committees: € 7.950 (2009: € 5.970); Maria Theodorou: annual fee € 3.500 (2009: € 3.500) and reward for participation in committees: € 7.800 (2009: € 5.640); Stavros Evagorou: an annual remuneration consultants € Nil (2009: € 2.333) and reward for participation in committees: € Nil (2009: € 2.040); Michalakis Serafidis: an annual remuneration consultants € Nil (2009: € 2.333) and reward for participation in committee : € Nil (2009: € 2.040).

Additionally, during 2010 an amount of € 24.000 was paid to the Chairman of the Board and € 12.000 to each Vice for entertainment expenses. The total amount paid in 2010 amounted to € 48.000 (2009: € 25.600).

Remuneration of other key management personnel

	2010	2009
	€	€
Salaries	**110.547**	93.659
Provident fund contributions	**11.055**	9.366
Other employer's contributions	**10.067**	9.874
	131.669	112.899

(ii) Agreements with Directors and related parties

Bond of A. Panayides Contracting Public Limited

On 30 December 2009, the Company proceeded in the disposal of 24.774.721 bonds of A. Panayides Contracting Public Ltd for €247.747, which represents their initial acquisition cost. No profit or loss resulted from this transaction.

36. Related parties transactions (continued)

(ii) Agreements with Directors and related parties (continued)

Acquisition of 50% of Demetra Realty Developments SRL share capital
On 16 December 2009, the Company, through its 100% subsidiary Demetra Overseas Investments Limited, acquired the remaining 50% of the share capital of Demetra Realty Developments SRL from Osorio Holdings Limited (which is 70% owned by A. Panayides Contracting Public Limited and 30% owned by Farmakas Quarries Limited). The cost of the acquisition was €338, which represents the face value of the shares. This transaction gave rise to goodwill of €3.816.288 which was written off in the statement of comprehensive income for the year ended 31 December 2009.

According to the initial agreement dated 3 October 2007,the shares acquired were pledged in favor of Demetra Overseas Investments Limited for the €6.000.000 loan granted by the Company to Demetra Realty Developments SRL. The loan bares interest equal to the respective basic interest rate plus 2%. After the completion of the above transaction, Osorio Holding Limited will not move forward in granting a loan of €3.000.000 to Demetra Realty Development SRL. This amount would have been used for partly repayment of the loan to the company, as it was initially agreed on 29 June 2009 on the basis of the 3 October 2007 agreement. Based on the 29 June 2009 agreement, Osorio Holdings Limited should have granted the loan of €3.000.000 to Demetra Realty Development SRL by the 30 October 2010.

Mr. Evangelos Georgiou is related with the companies A Panayides Contracting Public Ltd and Farmakas Quarries Limited.

(iv) Receivables from directly and indirectly subsidiary and associated companies

THE COMPANY

	2010	2009
	€	€
Amounts due from subsidiary companies	**30.888.407**	58.541.562
Amounts due from associated companies	**2.456.022**	3.825.634
	33.344.429	62.367.196

During 2009 the Company has recognised an impairment loss of €5.000.000 on amounts due from subsidiary companies and €37.500 on amounts due from associated companies. During 2010, the impairment loss amounts due from subsidiaries decreased by € 500.000, while a further impairment loss of €399.971 on amounts due from associated companies was recognised.

The above amounts are repayable as follows:

	2010	2009
	€	**€**
Repayable within one year:		
- Due from subsidiary companies	**27.530.025**	50.395.977
- Due from associated companies	**2.456.022**	217.940
	29.986.047	50.613.917
Repayable between one and five years:		
- Due from subsidiary companies	**3.358.382**	8.145.585
Repayable in more than five years:		
- Due from associated companies	**-**	3.607.694
	33.344.429	62.367.196

36. Related parties transactions (continued)

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

	2010	2009
	€	€
Interest charged to subsidiary companies	**935.332**	943.723
Interest charged to associated companies	**182.564**	293.236
	1.117.896	1.236.959

(v) Receivables from associated companies
THE GROUP

	2010	2009
	€	€
Repayable within one year	**2.456.022**	217.940
Repayable in more than five years	**-**	3.607.694
	2.456.022	3.825.634

During 2010 interest was charged to the associated companies of €182.564 (2009: €293.236) and recognised losses for non-collection of receivables € 2.383.679 (2009: €37.500).

37. Contingent liabilities

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

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

38. Commitments

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

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	€	€	€	€
Within one year	**230.000**	1.604.078	**291.272**	706.989
Between two to five years	**-**	572.875	**229.368**	572.875
More than five years	**-**	-	**-**	-
	230.000	2.176.953	**520.640**	1.279.864

The obligations of the Company include an amount of € 230.000 (2009: € 1.146.065) for the constructionof a building in Nicosia and the remaining amount of € 290.640 (2009: € 133.799) for rental commitments to the subsidiary Demetra Tower Ltd. The obligations of the Group at 31 December 2009 included an amount of € 897.089 in relation with the construction of Demetra Tower from the same company of the Group in Limassol Avenue, Nicosia.

39. Leasing of property

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

THE GROUP

	2010	2009
	€	€
Within one year	**1.013.652**	354.644
Between two to five years	**3.721.627**	1.269.533
More than five years	**1.045.291**	1.003.800
	5.780.570	2.627.977

40. Provident Fund

The Company operates a defined contribution provident fund in which its employees participate. The contributions of the employees range from 5% to 10%, whereas employers' contributions are 10%. The fund operates independently and prepares separate financial statements. The total contributions of the Company and the Group to the fund for 2010 was €36.438 (2009: €32.294).

41. Significant contracts

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

42. Dividends

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

43. Events after the balance sheet date

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

44. Differentiating term of the economic effect

The loss for the year attributable to shareholders for the year ended 31 December 2010 as shown in the consolidated statement of comprehensive income amounted to € 15.581.305, while the loss for the year attributable to shareholders as announced on the display financial results was € 14.591.860. The reasons for diversification are:

	2010
	€
Loss as indicator of economic effect	**(14.591.860)**
Effect of increasing the level of provision	**(970.000)**
Other variations	**(19.445)**
Loss for the year attributable to shareholders	**(15.581.305)**

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 2010

	Issuer / Asset	Industry	Market	Title category	Number of titles	Purchase Cost €	Market Value €	Total Market Value €	Percentage of total assets %	Dividend, rent and interest received €	Participation in issuers share capital	Issuer's net profit for the year €'000	Issuer's Net Assets that relate to the investment €'000
1	Bank Deposits and Cash	N/A	N/A	N/A	N/A	63.762.373	63.762.373	63.762.373	37,09%	2.816.793	N/A	N/A	N/A
2	Investments in the field of land and property development	Land and property Development											
	-Cyprus		N/A	Other investments	N/A	42.612.153	40.040.186			1.433.573	N/A	N/A	N/A
	-Romania		N/A	Other investments	N/A	30.479.226	10.131.525			-			
	-Bulgaria		N/A	Other investments	N/A	7.048.029	6.540.832	56.712.543	32,99%	-			
3	Marfin Popular Bank Public Company Ltd	Financial	Main market	CSE Shares	1.027.918	4.011.509	1.161.547			273.593	0,07%	89.228	2.475
		Financial	Big capitalization	ASE Shares	2.415.545	9.701.528	2.777.877			616.893	0,16%		5.657
		Corporate bonds	Bond market	Capital bond-CPBCB	500	500.000	485.500			35.486	0,21%		-
		Corporate bonds	Bond market	Capital bond-CPBCC	3.000	3.000.000	2.916.000	7.340.924	4,27%	138.083	1,02%		-
4	Bank of Cyprus Public Company Ltd	Financial	Main market	CSE Shares	314.997	1.168.389	818.992			237.526	0,04%	302.525	1.095
		Financial Market	Big Capitalization	ASE Shares	1.226.262	4.306.197	3.163.756			600.937	0,14%		3.832
		Corporate bonds	Bond market	Capital bonds -BCSC	170.860.144	1.708.601	1.366.881			34.483	1,35%		-
		Corporate bonds	Bond market	Capital bonds-BCCCB	1.000.000	1.000.000	940.000			55.764	2,16%		-
		Corporate bonds	Bond market	Capital bonds -BOCB2	50.000	50.670	46.600			2.788	0,11%		-
		Corporate bonds	Other markets	Bonds	7.000	666.242	666.242	7.002.471	4,07%	9.493	0,35%		-
5	Investments in other projects	Other projects	N/A	Other investments	N/A	5.849.125	3.315.824	3.315.824	1,93%	169.590	N/A	N/A	N/A
6	A&P (Andreou & Paraskevaides) Ent. Plc Co Ltd	Consumer Goods	Parallel market	Shares	18.500.000	15.990.570	2.775.000	2.775.000	1,61%	355.200	10,12%	3.524	5.080
7	Logicom Public Ltd	Technology	Main market	Shares	7.426.596	7.332.553	2.673.575	2.673.575	1,56%	251.006	10,03%	3.274	5.407
8	Hellenic Bank Public Company Ltd	Corporate bonds	Bond market	Convertible bonds HBCCS	1.854.300	1.854.300	1.705.956	1.705.956	0,99%	18.783	1,31%	9.190	-
9	A. Tsokkos Hotels Public Ltd	Consumer services	Main market	Shares	15.565.000	9.576.230	1.089.550	1.089.550	0,63%	-	6,20%	(17.401)	8.698
10	SFS Group Public Company Ltd	Financial	Main market	Shares	6.652.000	8.022.299	1.064.320	1.064.320	0,62%	-	10,00%	(9.879)	12.955
	TOTAL						**147.442.536**	**147.442.536**	**85,76%**				

Total Assets €171.932.706
Net assets per share as at 31 December 2010: €0,8136

The fully diluted net asset value does not apply.
The market value of listed investments was based on the bidding price (bid price) on 31 December 2010.
Note: The issuer's net earnings and net assets of the issuer representing in investment for 2009 as there were no audited financial statements of the issuer for 2010