

**Έγκριση Οικονομικών Καταστάσεων για το έτος που έληξε 31 Δεκεμβρίου
2014 (e1)**

Επισυνάπτεται η ανακοίνωση για την έγκριση των οικονομικών καταστάσεων για το έτος που έληξε 31 Δεκεμβρίου 2014 και οι οικονομικές καταστάσεις για το έτος που έληξε 31 Δεκεμβρίου 2014.

(e1)

Attachments:

1. Ανακοίνωση για έγκριση οικονομικών καταστάσεων
2. Ετήσιες οικονομικές καταστάσεις για το έτος που έληξε 31 Δεκεμβρίου 2014

Non Regulated

Publication Date: 30/04/2015



Lanitis Golf Public Co. Ltd

Announcement

Mr. Nontas Metaxas
General Manager
CSE
Nicosia

29th April, 2015

Dear Mr. Metaxas,


Subject: Approval and Publication of the Audited Financial Statements of Lanitis Golf Public Co Limited, for the year ended December 31, 2014

Based on the regulations of the Emerging Companies Market of the Cyprus Stock Exchange (the "CSE"), we hereby would like to inform you that the Board of Directors of Lanitis Golf Public Co Limited (the "Company") at its meeting held on 29.04.2015 considered and approved the Annual Financial Statements for the year ended 31st December 2014 (the "Report"), which are attached to this announcement.

The full Report will be available at the Company's offices, 21 Archbishop Kyprianou Street, 3036 Limassol and at the Cyprus Stock Exchange website (www.cse.com.cy).

Yours sincerely,
On behalf of the Company

P & D SECRETARIAL
SERVICES LIMITED



Panayiotis M. Charalambous for
P&D Secretarial Services Ltd
Secretary

LANITIS GOLF PUBLIC CO LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2014

LANITIS GOLF PUBLIC CO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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LANITIS GOLF PUBLIC CO LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Platon E. Lanitis (Chairman)
Costas E. Lanitis
Marios E. Lanitis

Company Secretary:

P & D Secretarial Services Limited
P.O. Box 50012
CY 3600
Limassol

Independent Auditors:

Deloitte Limited
Certified Public Accountants and Registered Auditors
Maximos Plaza, Tower 1, 3rd Floor
213 Arch. Makariou III Avenue
3030, Limassol

Registered office:

10 Georgiou Gennadiou Street
Agathangelos Court
3600, Limassol

Bankers:

Bank of Cyprus Public Company Ltd
Eurobank EFG Cyprus Ltd

Registration number:

HE196800

LANITIS GOLF PUBLIC CO LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2014

The Board of Directors of Lanitis Golf Public Co Limited (the "Company") presents to the members its Annual Report together with the audited financial statements of the Company for the year ended 31 December 2014.

Incorporation

The Company Lanitis Golf Public Co. Limited was incorporated in Cyprus on 18 April 2007 as a limited liability company under the Cyprus Companies Law, Cap. 113. On 28 February 2014, the Company was converted from a private limited liability company to a public limited liability company under the Cyprus Companies Law, Cap.113.

Principal activities

The principal activities of the Company are the development of a special leisure and residential golf course project. The Company carried out no trading activities, pending the issuance of the town planning and building permit. The application of the town planning permit with terms and conditions, was approved on 14 November 2012.

Review of the development and current position of the Company and description of the major risks and uncertainties

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 18 and 21 of the financial statements.

Results

The Company's results for the year are set out on page 6.

Significant events after the end of the financial year

On 15 January 2015, the Company obtained the approval from the Cyprus Stock Exchange to trade its titles and shares in the market. The trading of the titles commenced on 20 January 2015 and the Cyprus Stock Exchange ("CSE") will undertake the observance of the above Registry in the Central Depository/Registry of CSE.

Expected future developments of the Company

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future.

Existence of branches

The Company does not maintain any branches.

Dividends

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

Share capital

Issued capital

On 31 January 2014, the Company issued 11 ordinary shares of €1,71 each, fully paid in cash to new shareholders of the Company, as part of the requirements for dispersion of shareholders in order to convert a private company to public.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2014.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of the responsibilities and remuneration of the Board of Directors.

LANITIS GOLF PUBLIC CO LIMITED

REPORT OF THE BOARD OF DIRECTORS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 18 to the financial statements.

Independent Auditors

The independent auditors, Deloitte Limited, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,



Platon E. Lanitis
Chairman

Limassol, 29 April 2015

Independent Auditor's Report

To the Members of Lanitis Golf Public Co Limited

Report on the financial statements

We have audited the financial statements of Lanitis Golf Public Co Limited (the "Company") on pages 6 to 22 which comprise the statement of financial position as at 31 December 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 and the requirements of the Stocks and Cyprus Stock Exchange laws and regulations, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Lanitis Golf Public Co Limited as at 31 December 2014, 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 European Union and the requirements of the Cyprus Companies Law, Cap. 113 and the requirements of the Stocks and Cyprus Stock Exchange laws and regulations.

Board Members: Christis M. Christoforou (Chief Executive Officer), Eleftherios N. Philippou, Nicos S. Kyriakides, Nicos D. Papakyriacou, Alhos Chrysanthou, Costas Georgiadis, Antonis Taliotis, Panos Papadopoulos, Pteris M. Markou, Nicos Charalambous, Nicos Spanoulis, Maria Paschalis, Alexis Agathocleous, Alkis Christodoulides, Christakis Ioannou, Yiannos Ioannou, Panicos Papamichael, Christos Papamarkides, George Marides, Kerry Whyte, Andreas Georgiou, Christos Neocleous, Demetris Papapericleous, Andreas Andreou, Alecos Papalexandrou, George Panteides, Panayiota Vayianou, Agis Agathocleous, Michael Christoforou (Chairman Emeritus)

Deloitte Limited is the Cyprus member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.com/cy/about for a detailed description of the legal structure of DTTL.

Independent Auditor's Report (continued)

To the Members of Lanitis Golf Public Co Limited

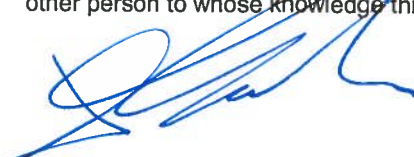
Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as it appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Demetris Papapericleous
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Limassol, 29 April 2015

LANITIS GOLF PUBLIC CO LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 €	2013 €
Other income	4	81.162	134.020
Administration expenses		(384.684)	(426.441)
Loss arising on changes in fair value of investment property	5	<u>(3.138.241)</u>	<u>(3.346.128)</u>
Operating loss	6	(3.441.763)	(3.638.549)
Finance costs	8	<u>(154.637)</u>	<u>(140.212)</u>
Loss before tax		(3.596.400)	(3.778.761)
Taxation	9	<u>392.280</u>	<u>(881.734)</u>
Loss for the year		(3.204.120)	(4.660.495)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(3.204.120)</u>	<u>(4.660.495)</u>
Loss per share attributable to equity holders of the Company	10	<u>(128,16)</u>	<u>(186,42)</u>

See accompanying notes on pages 10 to 22 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2014

	Note	2014 €	2013 €
ASSETS			
Non-current assets			
Property, plant and equipment	11	1.490.955	1.348.538
Investment property	12	<u>68.515.631</u>	<u>71.653.872</u>
		<u>70.006.586</u>	<u>73.002.410</u>
Current assets			
Receivables	13	88.004	38.201
Cash and bank balances		<u>8.068</u>	<u>-</u>
		<u>96.072</u>	<u>38.201</u>
TOTAL ASSETS		<u>70.102.658</u>	<u>73.040.611</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	14	4.275.019	4.275.000
Share premium		19.113.436	19.113.436
Retained earnings		<u>38.232.460</u>	<u>41.436.580</u>
Total equity		<u>61.620.915</u>	<u>64.825.016</u>
Non-current liabilities			
Borrowings	15	1.153.043	1.070.122
Deferred tax liabilities	16	<u>5.689.454</u>	<u>6.081.734</u>
		<u>6.842.497</u>	<u>7.151.856</u>
Current liabilities			
Trade and other payables	17	637.980	135.868
Borrowings	15	<u>1.001.266</u>	<u>927.871</u>
		<u>1.639.246</u>	<u>1.063.739</u>
Total liabilities		<u>8.481.743</u>	<u>8.215.595</u>
TOTAL EQUITY AND LIABILITIES		<u>70.102.658</u>	<u>73.040.611</u>

On 29 April 2015 the Board of Directors of Lanitis Golf Public Co Limited authorised these financial statements for issue.

.....
Platon E. Lanitis
Director

.....
Costas E. Lanitis
Director

See accompanying notes on pages 10 to 22 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2013		4.275.000	19.113.436	46.097.075	69.485.511
Comprehensive income					
Net loss for the year		-	-	(4.660.495)	(4.660.495)
Balance at 31 December 2013		<u>4.275.000</u>	<u>19.113.436</u>	<u>41.436.580</u>	<u>64.825.016</u>
Comprehensive income					
Net loss for the year		-	-	(3.204.120)	(3.204.120)
Transactions with owners					
Issue of share capital	14	19	-	-	19
Balance at 31 December 2014		<u>4.275.019</u>	<u>19.113.436</u>	<u>38.232.460</u>	<u>61.620.915</u>

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax year 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

See accompanying notes on pages 10 to 22 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 €	2013 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(3.596.400)	(3.778.761)
Adjustments for:			
Depreciation and amortisation expense	11	1.100	320
Write off property, plant and equipment		-	1.603
Impairment charge - investment property	12	3.138.241	3.346.128
Interest expense	8	<u>152.806</u>	<u>140.070</u>
Cash flows used in operations before working capital changes		(304.253)	(290.640)
Increase in receivables		(49.803)	(3.628)
Increase in trade and other payables		<u>52.705</u>	<u>44.359</u>
Cash flows used in operations		(301.351)	(249.909)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	11	<u>(143.517)</u>	<u>(103.727)</u>
Net cash flows used in investing activities		(143.517)	(103.727)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		19	-
Repayment of borrowings		-	(109.411)
Proceeds from borrowings		15.165	-
Proceeds from related companies		449.407	-
Proceeds from loans from parent company		-	200.000
Interest paid		-	<u>(78.750)</u>
Net cash flows from financing activities		464.591	11.839
Net increase/(decrease) in cash and cash equivalents		19.723	(341.797)
Cash and cash equivalents:			
At beginning of the year		<u>(11.655)</u>	<u>330.142</u>
At end of the year		<u>8.068</u>	<u>(11.655)</u>

See accompanying notes on pages 10 to 22 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Incorporation and principal activities

Country of incorporation

The Company Lanitis Golf Public Co Limited (the "Company") was incorporated in Cyprus on 18 April 2007 as a limited liability company under the Cyprus Companies Law, Cap. 113. On 28 February 2014, the Company was converted from a private limited liability company to a public limited liability company under the Cyprus Companies Law, Cap.113. Its registered office is at 10 Georgiou Gennadiou Street, Agathangelos Court, 3600, Limassol.

Principal activities

The principal activities of the Company are the development of a special leisure and residential golf course project. The Company carried out no trading activities, pending the issuance of the town planning and building permit. The application of the town planning permit with terms and conditions, was approved on 14 November 2012.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

In the current year, the Company has adopted all of the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2014. The adoption of these Standards did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. Significant accounting policies (continued)

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Computer hardware	20
Furniture , fixtures and office equipment	10
Plant and machinery	10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment property

Investment property, which is property held for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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 it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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 immediately in profit or loss, 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, but 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.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Bank borrowings

Interest-bearing bank loans and overdrafts 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 (see above).

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

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

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. Critical accounting estimates and judgements (continued)

• Fair value of investment property

The fair value of investment property is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

• Fair value of financial assets

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

4. Other income

	2014	2013
	€	€
Income from citrus plantations	-	37.500
Income from services rendered to related companies	<u>81.162</u>	<u>96.520</u>
	<u>81.162</u>	<u>134.020</u>

5. Loss arising on changes in fair value of investment property

	2014	2013
	€	€
Loss on property revaluation (Note 12)	<u>3.138.241</u>	<u>3.346.128</u>
	<u>3.138.241</u>	<u>3.346.128</u>

6. Operating loss

	2014	2013
	€	€
Operating loss is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 11)	1.100	320
Staff costs (Note 7)	149.979	185.536
Auditors' remuneration - current year	5.500	2.500
Auditors' remuneration - prior years	1.500	-
Loss on property revaluation (Note 12)	<u>3.138.241</u>	<u>3.346.128</u>

7. Staff costs

	2014	2013
	€	€
Wages and salaries	140.000	173.040
Social insurance costs etc	7.179	6.986
Social cohesion fund	2.800	3.461
Provident fund contributions	<u>-</u>	<u>2.049</u>
	<u>149.979</u>	<u>185.536</u>
Average number of employees	<u>1</u>	<u>1</u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

8. Finance costs

	2014 €	2013 €
Net foreign exchange transaction losses	1.011	-
Interest expense	152.806	140.070
Sundry finance expenses	820	142
	<u>154.637</u>	<u>140.212</u>

9. Tax

Tax recognised in profit or loss

	2014 €	2013 €
Deferred tax - (credit)/charge (Note 16)	<u>(392.280)</u>	881.734
(Credit)/charge for the year	<u>(392.280)</u>	<u>881.734</u>

The total charge for the year can be reconciled to the accounting results as follows:

	2014 €	2013 €
Loss before tax	<u>(3.596.400)</u>	<u>(3.778.761)</u>
Tax calculated at the applicable tax rates	(449.550)	(472.345)
Tax effect of expenses not deductible for tax purposes	406.252	429.343
Tax effect of allowances and income not subject to tax	(2.858)	(281)
Tax effect of tax loss for the year	46.156	43.283
Deferred tax (Note 16)	<u>(392.280)</u>	881.734
Tax charge	<u>(392.280)</u>	<u>881.734</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2013:15%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax year 2013 and 17% for 2014 and thereafter.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years

10. Loss per share attributable to equity holders of the Company

	2014	2013
Loss attributable to shareholders (€)	<u>(3.204.120)</u>	<u>(4.660.495)</u>
Weighted average number of ordinary shares in issue during the year	<u>2.500.011</u>	2.500.000
Loss per share attributable to equity holders of the Company	<u>(128,16)</u>	<u>(186,42)</u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

11. Property, plant and equipment

	Computer hardware	Plant and machinery	Furniture, fixtures and office equipment	Golf Development expenses	Total
	€	€	€	€	€
Cost					
Balance at 1 January 2013	2.543	-	2.914	1.245.131	1.250.588
Additions	760	-	1.970	100.997	103.727
Write-off property, plant and equipment	-	-	(2.914)	-	(2.914)
Balance at 31 December 2013	3.303	-	1.970	1.346.128	1.351.401
Additions	-	5.276	-	138.241	143.517
Balance at 31 December 2014	3.303	5.276	1.970	1.484.369	1.494.918
Depreciation					
Balance at 1 January 2013	2.543	-	1.311	-	3.854
Charge for the year	-	-	320	-	320
Write-off property, plant and equipment	-	-	(1.311)	-	(1.311)
Balance at 31 December 2013	2.543	-	320	-	2.863
Charge for the year	253	528	319	-	1.100
Balance at 31 December 2014	2.796	528	639	-	3.963
Net book amount					
Balance at 31 December 2014	507	4.748	1.331	1.484.369	1.490.955
Balance at 31 December 2013	760	-	1.650	1.346.128	1.348.538

The golf development expenses represent mainly consultancy, professional and other fees relating to the project referred to in note 12.

12. Investment property

	2014	2013
	€	€
Balance at 1 January	71.653.872	75.000.000
Loss on property revaluation	(3.138.241)	(3.346.128)
Balance at 31 December	68.515.631	71.653.872

The land and plantations were transferred to the Company by its holding company Lanitis Farm Limited, following the reorganisation approval by the Commissioner of Income Tax. The application was submitted by the holding Company, as provided by section 30 (c) of the IV part of the Income Tax Law No. 118 (1) of the year 2002. The purpose of the transfer of the property, is for the creation of golf and other related constructions including the separation of building plots. The land and plantations have been registered on the Company's name on 26 February 2014.

The fair value of the Company's investment property as at 31 December 2014 has been arrived at on the basis of a valuation carried out by independent valuers not connected with the Company who have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to the cash method (Discounted Cashflow), on the basis that potential real estate development entrepreneur will acquire the whole project with the purpose of developing, selling and gaining profits.

The land owned by the Company was temporarily categorised as investment property and when the final decision will be taken as to the part of the land to be used for development and the part to be separated in building plots, it will be transferred to the relevant categories according to their use.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

13. Receivables

	2014	2013
	€	€
Receivables from related companies (Note 19)	36.222	748
Deposits and prepayments	255	530
Refundable VAT	51.527	36.923
	<u>88.004</u>	<u>38.201</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 21 of the financial statements.

14. Share capital

	2014	2014	2013	2013
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1,71 each	<u>3.000.000</u>	<u>5.130.000</u>	<u>3.000.000</u>	<u>5.130.000</u>
Issued and fully paid				
Balance at 1 January	2.500.000	4.275.000	2.500.000	4.275.000
Issue of shares	<u>11</u>	<u>19</u>	-	-
Balance at 31 December	<u>2.500.011</u>	<u>4.275.019</u>	<u>2.500.000</u>	<u>4.275.000</u>

Issued capital

On 31 January 2014, the Company issued 11 ordinary shares of €1,71 each, fully paid in cash to new shareholders of the Company, as part of the requirements for dispersion of shareholders in order to convert a private company to public.

15. Borrowings

	2014	2013
	€	€
Current borrowings		
Bank overdrafts	-	11.655
Short term loans	<u>1.001.266</u>	<u>916.216</u>
	<u>1.001.266</u>	<u>927.871</u>
Non-current borrowings		
Loan from parent company (Note 19)	<u>1.153.043</u>	<u>1.070.122</u>
	<u>1.153.043</u>	<u>1.070.122</u>
Total	<u>2.154.309</u>	<u>1.997.993</u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

15. Borrowings (continued)

Maturity of borrowings:

	2014	2013
	€	€
Within one year	1.001.266	916.216
Between one and five years	<u>1.153.043</u>	<u>1.070.122</u>
	<u><u>2.154.309</u></u>	<u><u>1.986.338</u></u>

The Company is currently under negotiations with financial institutions that provide financing to the Company and Lanitis E.C. Holdings Limited Group of Companies (thereafter "Group") to restructure its borrowing facilities. The on-going negotiations are performed at a Group level and also involve the borrowing facilities of other Group Companies. As at the date of signing these financial statements, the negotiations are still in progress and the management of the Company is confident that they will be completed in due course.

The bank loans and overdrafts are secured as follows:

- By floating charge on the Company's assets for €1.000.000 (2013: €1.000.000).
- Guarantees given by the holding company for €1.000.000 (2013: €1.000.000)

The weighted average effective interest rates at the reporting date were as follows:

	2014	2013
Bank loans	6,75%	6,75%

16. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 9). The applicable corporation tax rate in the case of tax losses is 12,5%.

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Fair value gains on investment property €
Balance at 1 January 2013	5.200.000
Deferred tax charge due to change of tax rate from 10% to 12,5% and the reduction in the carrying value of the investment property	<u>881.734</u>
Balance at 31 December 2013	6.081.734
Charged/(credited) to:	
Deferred tax change due to impairment on investment property (Note 12)	<u>(392.280)</u>
Balance at 31 December 2014	<u><u>5.689.454</u></u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

17. Trade and other payables

	2014	2013
	€	€
Social insurance and other taxes	10.518	12.296
Shareholders' current accounts - credit balances (Note 19)	137.379	42.462
Other payables	34.094	38.608
Accruals	6.582	3.501
Payables to related companies (Note 19)	449.407	39.001
	<u>637.980</u>	<u>135.868</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Operating Environment of the Company

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2013 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

On 22 March 2013 the House of Representatives voted legislation relating to capital controls affecting transactions executed through banking institutions operating in Cyprus. The extent of the capital controls are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013.

The capital restrictions have now been fully relaxed.

Following the positive outcome of the reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013 and 2014, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its business in the current business and economic environment.

The Company's management has considered the above developments and has concluded that these have no impact on the future financial performance, cash flows, financial position of the Company.

19. Related party transactions

The Company is controlled by Lanitis Farm Ltd, incorporated in Cyprus, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

19.1 Sales of goods and services

<u>Name</u>	<u>Nature of transactions</u>	2014	2013
		€	€
Lanitis Farm Limited	Income from citrus plantations	-	37.500
Heaven's Garden Waterpark Limited	Management fees	-	11.511
Cybarco Limited	Management fees	60.000	63.668
Lanitis Farm Limited	Management fees	-	21.341
Cybarco Limited	Other income	15.121	-
Cybarco Development Limited	Other income	6.041	-
		<u>81.162</u>	<u>134.020</u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

19. Related party transactions (continued)

19.2 Purchases of goods and services

<u>Name</u>	<u>Nature of transactions</u>	2014 €	2013 €
Lanitis E.C. Holdings Limited	Management fees	<u>100.859</u>	<u>120.898</u>
		<u>100.859</u>	<u>120.898</u>

19.3 Receivables from related parties (Note 13)

<u>Name</u>	<u>Nature of transactions</u>	2014 €	2013 €
Cybarco Development Limited	Trade	<u>6.041</u>	-
Cybarco Limited	Trade	<u>30.181</u>	<u>748</u>
		<u>36.222</u>	<u>748</u>

19.4 Payables to related parties (Note 17)

<u>Name</u>	<u>Nature of transactions</u>	2014 €	2013 €
Amathus Beach Hotel Limited	Trade	-	2.463
Lanitis E.C. Holdings Limited	Trade	<u>449.407</u>	<u>36.538</u>
		<u>449.407</u>	<u>39.001</u>

19.5 Shareholders' loan account (Note 15)

	2014 €	2013 €
Lanitis Farm Limited	<u>1.153.043</u>	<u>1.070.122</u>
	<u>1.153.043</u>	<u>1.070.122</u>

The loan from parent company bears interest at the rate of 7,5% annually. As per the loan agreement, a quarterly installment €50.000 will be payable, starting from 31 March 2016 and until the repayment of the loan.

19.6 Shareholders' current accounts - credit balances (Note 17)

	2014 €	2013 €
Lanitis Farm Limited	<u>137.379</u>	<u>42.462</u>
	<u>137.379</u>	<u>42.462</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

20. Significant agreements with management

At the end of the year, no significant agreements existed between the Company and its management.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

21. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

21.1 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's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2014	2013
	€	€
Variable rate instruments		
Financial liabilities	<u>(2.154.309)</u>	<u>(1.986.338)</u>
	<u>(2.154.309)</u>	<u>(1.986.338)</u>

21.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

21.3 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 has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2014	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Short term loans	1.001.266	1.001.266	1.001.266	-	-	-	-
Trade and other payables	34.094	34.094	34.094	-	-	-	-
Payables to related parties	586.786	586.786	586.786	-	-	-	-
Loan from parent company	1.153.043	1.523.755	-	-	400.000	600.000	523.755
	<u>2.775.189</u>	<u>3.145.901</u>	<u>1.622.146</u>	<u>-</u>	<u>400.000</u>	<u>600.000</u>	<u>523.755</u>

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

21. Financial risk management (continued)

21.3 Liquidity risk (continued)

31 December 2013	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Bank loans	916.216	916.216	916.216	-	-	-	-
Bank overdrafts	11.655	11.655	11.655	-	-	-	-
Payables to related parties	81.463	81.463	81.463	-	-	-	-
Loan from parent company	<u>1.070.122</u>	<u>1.686.629</u>	<u>-</u>	<u>-</u>	<u>200.000</u>	<u>600.000</u>	<u>886.629</u>
	<u>2.079.456</u>	<u>2.695.963</u>	<u>1.009.334</u>	<u>-</u>	<u>200.000</u>	<u>600.000</u>	<u>886.629</u>

21.4 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

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.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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).
- 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 2014	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Land	-	-	68.515.631	68.515.631
Total	<u>-</u>	<u>-</u>	<u>68.515.631</u>	<u>68.515.631</u>
31 December 2013				
Financial assets				
Land	-	-	71.653.872	71.653.872
Total	<u>-</u>	<u>-</u>	<u>71.653.872</u>	<u>71.653.872</u>

22. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

23. Commitments

The Company had no capital or other commitments as at 31 December 2014.

24. Significant events after the end of the financial year

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 5 and 6