SFS GROUP PUBLIC COMPANY LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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Contents

SFS GROUP PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS, BANKERS AND OTHER PROFESSIONAL ADVISERS

FOR THE YEAR ENDED 31 DECEMBER 2011

Board of Directors

Christodoulos Ellinas	Chairman and Chief Executive Officer	
Philip X. Larkos	Vice-Chairman and Chief Financial Officer	
Dr. John Pitsillos	Executive Director for Risk Management and Strategic Planning	
Costas Kirkos	Executive Director for Real Estate and Private Equity	
Loizos A. Loizou	Executive Director for Financial Services	
Kevork Mahdessian	Non-Executive Director	
Vaggelis Georgiou	Non-Executive Director	
Kyriacos Koutsoftas	Non-Executive Director	
Vasos Georgiou	Non-Executive Director	Appointed on 24 January 2011
Antonis Mitilineos	Alternate Director to Philip X. Larkos Investor Relations Officer and Group Financial Controller	

Secretary

SFS Custodian & Trust Services Limited

Bankers

Bank of Cyprus Public Company Limited
Marfin Popular Bank Public Company Limited
EFG Eurobank S.A.
Hellenic Bank Public Company Limited
BNP Paribas (Cyprus) Limited

Auditors

KPMG Limited
14 Esperidon Street,
1087, Nicosia Cyprus

Legal Advisors

Pamborides & Associates
L. Papaphilippou & Co
T. Papadopoulos & Associates
Georgiades & Pelides
George A. Papaioannou
Sofos & Associates
Stelios Americanos & Co

Registered Office

Ellinas House
6 Theotoki Street
CY-1055 Nicosia
Cyprus

SFS GROUP PUBLIC COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

The Board of Directors presents its report and audited consolidated financial statements for the year ended 31 December 2011.

Financial Statements

The consolidated financial statements for the year include the financial statements of SFS Group Public Company Limited (the "Company") and all its subsidiaries. The names of the main subsidiaries are shown in note 24 of the consolidated financial statements.

The consolidated financial statements include the share of the Group in the profits or losses of associates. The names of the main associates are shown in note 19 of the consolidated financial statements.

Principal Activities

The principal activities of the Group remain the provision of local and international financial and consulting services, trading of securities, debentures and other financial instruments in Cyprus and abroad, the trading, management and development of immovable property in Cyprus, strategic investments in associate companies, participations in companies operating in the shipping industry locally and internationally, venture capital activities and private equity investments in commercial businesses operating in Cyprus.

Results

The loss for the year after tax was €18.987.902 (2010: €9.879.465). The loss for the year after tax attributable to the shareholders of the Company was €19.223.293 (2010: €9.983.362).

Dividend

The Board of Directors does not recommend the payment of dividend for the year ended 31 December 2011 and the loss for the year is transferred to reserves (2010: €Nil).

Own Shares Acquisition

The number and the nominal value of the shares acquired and held by the Group, as well as the percentage of the issued share capital they represent are presented in note 31 of the financial statements.

Shares Capital

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

Branches

The Group, does not operate through any significant branches in Cyprus or abroad.

Significant Events after the Balance Sheet Date

Any significant events which occurred after the end of the year are described in note 32 of the consolidated financial statements.

Main Risks and Uncertainties

The main risks and uncertainties faced by the Group are described in note 3 of the consolidated financial statements.

Review of the operations, expected developments and prospects

The Group reported a loss for the financial year ended 31 December 2011 similar to the preceding year. Specifically, the loss from operations was €19.203.345 compared to a loss of €8.221.672 in 2010 and the loss for the year attributable to the shareholders of the Company was €19.223.293 compared to a loss of €9.983.362 in 2010.

During 2011, there was a cash inflow from operations of €1.528.008 for the Group, compared to a cash outflow of €2.665.071 in 2010.

Review of the operations, expected developments and prospects (Continued)

The Group's target for 2012, is to safeguard its assets, as well as shareholders' equity, against the significant variations observed in investment values in all sectors of the Cyprus economy. The prospects of the Group for 2012 are expected to be influenced by the outcome of various exogenous factors including the future development of the Cyprus and Greek Stock Exchanges, the development of European and International Stock Exchanges, any political developments, the competitive environment in the financial sector, the demand for tourist residences and real estate by foreign investors and finally by the developments in the shipping industry and global economic development in general.

Tax Legislation

The provision for current taxation is based on the taxable profit for the year and the appropriate tax rates in force. Furthermore, the Group provides for deferred tax liability based on the expected tax rates to be paid to recognise the effect of all temporary differences between the tax base of assets and liabilities and their financial reporting amounts. Any debit balances on deductible temporary differences are recognized only to the extent that it is probable that taxable profits will be available in the future against which the deductible temporary differences can be utilised.

Board of Directors

The members of the Board of Directors and the changes in its composition during the year are shown on page 1 of the Annual Report. On 24 January 2011 Mr. Vasos Georgiou was appointed in the position of non-executive director.

The responsibilities of the Executive Directors are stated below:

Name	Responsibilities
Christodoulos Ellinas	Chief Executive Officer
Philip X. Larkos	Chief Financial Officer
Dr John Pitsillos	Executive Director for Risk Management and Strategic Planning
Costas Kirkos	Executive Director for Real Estate and Private Equity
Loizos A. Loizou	Executive Director for Financial Services

The Non-Executive Directors do not have any executive responsibilities in the Group.

In accordance with the Articles of Association of the Company at the Annual General Meeting of the Company, the Directors Mr. Loizos Loizou, Mr. Vaggelis Georgiou and Mr. Costas Kirkos are retiring, and being eligible, offer themselves for re-election.

Directors' Remuneration

The total remuneration of the Executive Directors for the year 2011, amounted to €1.016.933 (2010: €1.091.990). The compensation of the Non Executive Directors for the year 2011, as members of the Board of Directors and its Committees, amounted to €40.200 (2010: €52.333). The Directors' individual remuneration is shown in note 35.

Corporate Governance Code

SFS Group Public Company Limited (the "Company"), ceased to apply, during 2010, the Code of Corporate Governance issued by the Cyprus Stock Exchange (the "CSE"), for public companies that have titles listed on the CSE (the "Code"), following the transfer of the Company's securities from the Main Market to the Alternate Market, where the implementation of the Code is not mandatory but optional. This decision was taken in the light of the fact that the 3rd Edition of the Code provided, for listed companies that apply the provisions of the Code and have subsidiary companies, that all subsidiary companies of the listed parent company must also apply the Code or there must be central monitoring of the enforcement of the Code by all subsidiary companies of the listed parent company. With regards to SFS Group this would prove out to be extremely costly and, in effect, impossible to achieve.

In the year 2010, the Board of Directors of the Company and the Nomination, Remuneration and Audit Committees continued to exist. These committees continued to exist on a purely voluntary basis, solely within the Company, and not for the SFS Group, on the basis of internal policies, procedures and manuals.

Since the beginning of 2011 (reporting year of the Annual Financial Report 2011), by decision of the Board of Directors, the Nomination and Remuneration Committees ceased to exist while the Board of Directors and the Audit Committee of the Company continued to exist. The duties and responsibilities of the committees that ceased to exist, were undertaken by the Board of Directors of the Company. The function of the Audit Committee during the year was on a purely voluntary basis solely within the Company and not for the SFS Group and on the basis of internal manuals and procedures. At the end of the reporting period, the Board of Directors decided to abolish the Audit Committee and therefore, the duties and responsibilities of the Audit Committee returned to the Board of Directors. The Board of Directors further decided at the end of the reporting period that the Internal Audit function of the SFS Group be restricted to the company providing investment services of the SFS Group, Sharelink Securities and Financial Services Ltd through outsourcing, in compliance with the instructions and regulations of the Cyprus Securities and Exchange Commission. The abolishment of the Nomination, Remuneration and Audit committees and the undertake of responsibilities by the Board of Directors, became necessary in an effort to reduce the operating costs of the SFS Group, as a means of ensuring the Group's sustainability and shareholders 'equity, through the very difficult business and economic environment of the recent years. Furthermore, the effective way of operation, the competent composition and recruitment of the Board of Directors, which consisted of nine directors in 2011, five of which were executive directors, ensured to a satisfactory degree the corporate governance, control, risk management and the Company's compliance with the existing legal and corporate operating framework.

It is noted that, since the beginning of 2012, following the abolishment of the Audit Committee, the review and assessment of the risks on an ongoing basis, are carried out by the Executive Committee of the Board of Directors, which takes into consideration the Annual Internal Audit Report, the Annual Report of Compliance and Risk Management Annual Report in relation to the company providing investment services of the SFS Group, Sharelink Securities and Financial Services Ltd, and any relevant reports of the business units of the SFS Group. The Executive Audit Committee reports any significant findings to the Board of Directors which undertakes a review of the efficiency of the internal control system, at least once a year.

Directors 'Interest in the Share Capital of the Company and subsidiary companies

The shareholdings in the share capital of the Company held by each member of the Board of Directors, their spouse, first degree relatives and companies in which directly or indirectly the Director holds at least 20% at 31 December 2011 and 20 April 2012 were as follows:

	Number of shares		Percentage of Share Capital in the Company	
	20.04.2012	31.12.2011	20.04.2012 %	31.12.2011 %
Christodoulos Ellinas	4.853.031	4.853.031	7,29	7,29
Philip X. Larkos	5.402.353	5.390.251	8,12	8,10
Costas Kirkos	2.937.971	2.937.971	4,42	4,42
Dr John Pitsillos	2.231.906	2.231.906	3,35	3,35
Loizos A. Loizou	1.216.687	1.216.687	1,83	1,83
Kevork Mahdessian	441.318	441.318	0,66	0,66
Kyriacos Koutsoftas	22.716	22.716	0,03	0,03
Vaggelis Georgiou	7.912	7.912	0,01	0,01
Vasos Georgiou	-	-	-	-

SFS GROUP PUBLIC COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2010
(Continued)

Directors 'Interest in the Share Capital of the Company and subsidiary companies (continued)

	Share options 2010-2013	
	20.04.2012	31.12.2011
Christodoulos Ellinas	220.000	220.000
Philip X. Larkos	210.000	210.000
Dr John Pitsillos	190.000	190.000
Costas Kirkos	180.000	180.000
Loizos A. Loizou	30.000	30.000

The shareholding in the share capital of the subsidiary companies of the Group SFS Group Public Company Ltd, held by each member of the Board of Directors, their spouse, first degree relatives and companies in which directly or indirectly the Director holds at least 20% at 31 December 2011 and 20 April 2012 were as follows:

	Percentage of Share Capital in CyVenture Capital Public Company Limited	
	20.04.2012 %	31.12.2011 %
Philip X. Larkos	0,10	0,10

	Percentage of Share Capital in Lemissoler Shipping Group Public Company Limited	
	20.04.2012 %	31.12.2011 %
Loizos A. Loizou	0,95	0,95
Philip X. Larkos	7,26	7,26

	Percentage of Share Capital in Triena Investments Public Company Limited	
	20.04.2012 %	31.12.2011 %
Philip X. Larkos	0,40	0,40

Note in relation to the variation in the ownership percentage in the Company's share capital by a member of the Board of Directors.

The only change either relating to the ownership percentage of the Company's share capital, or to any other rights of a member of the Board of Directors during the period between the end of the fiscal year 2011 and five days before the date of approval of the financial statements was in connection to the percentage ownership of the Company's capital by the Director Philip X. Larkos, as stated above.

Substantial Shrareholding

The following shareholders held over 5% of the Company's issued share capital at 31 December 2011 and 20 April 2012:

	Percentage of share capital	
	20.04.2012 %	31.12.2011 %
Christodoulos Ellinas	7,29	7,29
Philip X. Larkos	8,12	8,10
Demetra Investment Public Limited	10,00	10,00

Employees Control System in relation to Share Options Schemes

In accordance with the terms of the Share Options Schemes of the Company, the Share Options are personal to the beneficiaries and they cannot be transferred, surrendered or pledged in any way, except upon the death of a beneficiary when the Share Option is transferred to his/her personal representatives. The documents granting the Share Options which include the exercise form for the Share Options are privately and confidentially circularized to each beneficiary and the exercise of Share Options is executed by the submission of the exercise form of each beneficiary which is delivered by hand to the Company, in accordance with the procedure described within the grant document.

Independent auditors

In 2011, KPMG Limited was appointed as independent auditors of the Company, in replacement of Deloitte Limited, and expressed their willingness to continued in office. A resolution authorising the Board of Directors to fix their remuneration will be submitted at the Annual General Meeting.

Corporate Governance Declaration pursuant to article 5 of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission with regard to the contents of the Annual Financial Report (the "Directive") and of the Law providing for Transparency Requirements of 2007 (Securities Admitted to Trading on a Regulated Market) as amended in 2009 (the "Law").

Paragraphs (a) – (c) of article 5 of the Directive

SFS Group Public Company Limited (the "Company"), ceased to apply, during 2010, the Code of Corporate Governance issued by the Cyprus Stock Exchange (the "CSE"), for the public companies that have titles listed on the CSE (the "Code"), following the transfer of the securities of the Company from the Main Market to the Alternate Market, where the implementation of the Code is not mandatory but optional. This decision was taken in the light of the fact that the 3rd Edition of the Code provided, for listed companies that apply the provisions of the Code and have subsidiary companies, that all subsidiary companies of the listed parent company must also apply the Code or there must be central monitoring of the enforcement of the Code by all subsidiary companies of the listed parent company. With regards to SFS Group this would prove to be extremely costly and, in effect, impossible to achieve.

In the year 2010, the Board of Directors of the Company and the Nomination, Remuneration and Audit Committees continued to exist. These committees continued to exist, on a purely voluntary basis, solely within the Company, and not for the SFS Group, on the basis of internal policies procedures and manuals.

Since the beginning of 2011 (reporting year of the Annual Financial Report 2011), by decision of the Board of Directors, the Nomination and Remuneration Committees ceased to exist while the Board of Directors and the Audit Committee of the Company continued to exist. The duties and responsibilities of the committees that ceased to exist, were undertaken by the Board of Directors of the Company. The function of the Audit Committee during the year was on a purely voluntary basis solely within the Company and not for the SFS Group and on the basis of internal manuals and procedures. At the end of the reporting period, the Board of Directors decided to abolish the Audit Committee and therefore, the duties and responsibilities of the Audit Committee returned to the Board of Directors. The Board of Directors further decided at the end of the reporting period that the Internal Audit function of the SFS Group be restricted to the company providing investment services of the SFS Group, Sharelink Securities and Financial Services Ltd through outsourcing, in compliance with the instructions and regulations of the Cyprus Securities and Exchange Commission. The abolishment of the Nomination, Remuneration and Audit committees and the undertake of responsibilities by the Board of Directors, became necessary in an effort to reduce the operating costs of the SFS Group, as a means of ensuring the Group's sustainability and shareholders 'equity, through the very difficult business and economic environment of the recent years. Furthermore, the effective way of operation, the competent composition and recruitment of the Board of Directors, which consisted of nine directors in 2011, five of which were executive directors, ensured to a satisfactory degree the corporate governance, control, risk management and the Company's compliance with the existing legal and corporate operating framework.

The Composition and operation of the Board of Directors and the Audit Committee during 2011 (reporting year) will be analysed below, pursuant to the provisions of paragraph 5(k) of the Directive.

Article 5 (d) of the Directive: *Description of the main characteristics of the Company's system of internal controls and risk management with regard to the preparation of the periodic information referred to in Part II of the Law.*

The periodic information referred to in Part II of the Law comprises the annual financial report, the half-yearly financial report, the first and second semester interim management statement, and the indicative results. Issuers whose titles are admitted to trading on a regulated market are obliged to prepare and disclose such information in accordance with the provisions and the time schedules stipulated in Part II of the Law. Moreover, and as stipulated in Part II of the Law, the financial reports of the Company and of the Group are prepared based on the applicable International Accounting Standards, the Law, as well as the provisions of the Companies Law, Cap. 113 and the Cyprus Stock Exchange laws and regulations, in order to provide a true and fair picture of the financial affairs of the Company and the Group, respectively.

The Secretary, the Compliance Officer responsible for stock exchange issues, the professional advisers of the Company along with the Board of Directors through the use of adequate control procedures and risk management, ensure the lawful drafting, preparation, compilation and publication of periodic information, which is required based on the above.

The compliance function of the Company (Compliance Department and Compliance Officer) ensures the necessary periodic provision of information, such as the information referred to in Part II of the Law disclosed by the Company, and that this information includes the information required by the Law. This information is disclosed in accordance with the manner and time schedules set out in the Law and the relevant Transparency Directives.

Finally, it should be noted that, pursuant to the Law, the Annual Financial Report of the Company is audited by the External Auditors of the Company, KPMG Limited, in accordance with the provisions of the Companies Law and the applicable International Accounting Standards.

Paragraph 5 (e) of the Directive

Statement at the end of the financial year as well as on 20.04.2012 (five (5) days prior to the date that the financial statements are approved by the Board of Directors of the issuer), in which is mentioned every person, known to the issuer, that holds a significant direct or indirect holding (including indirect holdings through pyramid structures and cross-shareholdings) to the issuer within the meaning of sections 28 and 30 of the Law (the "Statement"):

- Statement at the end of the financial year
- Statement on 20.04.2012

Reference to the respective part of the Report of the Board of Directors, under the title "Main Shareholders".

Paragraph 5 (f) of the Directive

The corporate governance report must contain the holders of any securities with special control rights and a descritipn of these rights.

There are no holders of securities of the Company with special control rights.

Paragraph 5 (g) of the Directive

The corporate governance report must contain any restrictions on voting rights.

There are no restrictions on voting rights of the Company.

Paragraph 5 (h) of the directive

Rules governing the appointment and replacement of members of the Board of Directors of the Company as well as the amendment of the Articles of Association of the Company

- Pursuant to paragraph 76 of the Articles of Association of the Company, the number of directors will not be less than three and there is no restriction as to the maximum number of directors.
- The annual retirement of the members of the Board of Directors is ensured by paragraph 78 of the Articles of Association of the Company which provides that "in every Annual General Meeting one third of the Directors or, if the total number of Directors is not three or a multiple of three, the nearest number to one third, retires". Therefore, the retirement of the members of the Board of Directors is effected by rotation, with those that have been members for the longest period since their previous election, retiring first. Any Director that retires, is eligible for re-election, if he so wishes.

- Further, paragraph 103 of the Articles of Association provides that "The Directors have the power at any time and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not exceed the number fixed in accordance with the Articles of Association. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election. "

- In the light of the above and at the next Annual General Meeting of the Company, the Board members that will retire and offer themselves for re-election are Messrs Loizos Loizou, Vaggelis Georgiou and Costas Kirkos.

Amendment of the Articles of Association of the Company
In accordance with the Companies Law, the Company may, by special resolution, amend its Articles of Association. A special resolution may be approved by a majority not less than three quarters of the shareholders present which are entitled to vote at a general meeting, for which a suitable notification of at least twenty one days has been given, determining the intention to propose the resolution as a special resolution.

Article 5 (i) of the Directive
Powers of the Members of the Board of Directors, particularly in relation to the power to issue or buy back shares

The general powers of the Board of Directors are laid down below with regard to section 5 (k) of the Directive.

Specifically, in relation to the power to issue or buy back shares, the following is noted:

- The Board of Directors of the Company has no standard powers to proceed with the issue or buy back of shares, but, the General Meeting of the Shareholders of the Company may authorise the Board of Directors for this purpose by a special resolution. During the reporting period (2011), the following special resolutions were in force:

  - At the Extraordinary General Meetings held on 30 July, 2010 and 27 July, 2011 respectively, the Board of Directors of the Company was authorised by special resolutions to proceed with the buy back of own shares either through a private agreement or from the stock market pursuant to the provisions of the Companies Law, within the period of 12 months following the approval of the authorisation by the General Meeting.

  - At the Extraordinary General Meeting held on 30 July, 2010 and 27 July, 2011, the Board of Directors of the Company was authorised to issue and allocate, on its sole discretion, up to 10% of the issued share capital of the Company for purposes of strategic co-operations or acquisitions without having previously offered these shares to the existing shareholders of the Company, within the period of 12 months following the approval of the authorisation by the General Meeting.

Article 5 (j) of the Directive

Not applicable.

Article 5 (k) of the Directive

Composition and Function of the Management, Administrative and Supervisory Bodies of the Company as well as of their committees.

BOARD OF DIRECTORS

The composition of the Company's Board of Directors during 2011 was as follows:

1. Christodoulos Ellinas (Chairman and Chief Executive Officer)
2. Philip X. Larkos (Vice-Chairman and Chief Financial Officer)
3. John Pitsillos (Executive Director)
4. Loizos A. Loizou (Executive Director)
5. Costas Kirkos (Executive Director)
6. Kevork Mahdessian (non-Executive /Independent Director)
7. Vangelis Georgiou (non-Executive /Independent Director)
8. Kyriakos Koutsoftas (non-Executive /Independent Director)
9. Vasos Georgiou (Non-Executive /Independent Director since 24.01.2011).

Powers and Function of the Board of Directors

The Board of Directors meets at regular intervals in order to be informed, examine and take decisions on all matters that fall under its competency according to the provisions of the Memorandum and the Articles of Association of the Company, the Companies Law, Cap. 113, the Securities and Cyprus Stock Exchange laws and regulations, the capital market legislation as well as any other relevant regulation, and retains the exclusive competence at least for the following matters:

- The targets and the strategy of the Company and its subsidiary companies (the "Group")
- Annual budgets
- The Company's and the Group's Financial Results
- Significant capital expenditure transactions
- Extraordinary transactions
- Mergers, Acquisitions and disposals of substantial assets
- The adoption of and/or any changes in the application of the accounting standards
- Substantial transactions with related parties
- The appointment and/or dismissal of Executive Directors
- The determination of the retirement policy for Directors
- The appointment of members to the Board of Directors
- All the powers belonging to the Board of Directors and have not been ceded to the Executive Committee

The Board of Directors functions on the basis of the principle of collective responsibility, and no category of its members may distinguish or sever its responsibilities towards another, and all directors exercise independent and unbiased judgment in carrying out their duties. Each director dedicates the necessary time and attention in the performance of his duties, and limits its other business activities so that he can adequately meet his duties, with the appropriate performance.

The Board of Directors receives timely, reliable and detailed information that allows the Board to carry out its duties, particularly with regards to factors or events that have changed or might change the prospects or the financial position of the Company. Additionally, each Director receives appropriate information and training from the Company regarding its rights and responsibilities as well as the responsibilities of the Company pursuant to the Companies Law, Cap 113, the Securities and Cyprus Stock Exchange laws and regulations and other relevant securities and capital market legislation. Independent professional advice may also be available to the Directors when deemed necessary.

Executive Committee of the Board of Directors

The powers that are ceded to the Executive Committee of the Board of Directors, which consists of Executive Directors of the Company based on the relevant decision of the Board of Directors, are the following:

- The management of the day to day ordinary operations of the Company and the Group
- The implementation of the decisions of the Board of Directors
- Recruitment or dismissal of members of staff of the Group
- Capital expenditure for ordinary business of the Company and the Group that do not exceed 1% of the total assets of the Group annually
- New investments, acquisitions, mergers that in total do not exceed 5% of the total assets of the Group before these are approved by the Board of Directors
- Disposal of assets of the Group that in total do not exceed 5% of the total assets of the Group before these are approved by the Board of Directors
- Undertaking new borrowings that in total do not exceed 3% of the total assets of the Group before these are approved by the Board of Directors

Other Committees of the Board of Directors

AUDIT COMMITTEE

Composition of the Committee during 2011:

Chairman:	Kyriakos Koutsoftas
Members:	Kevork Mahdessian
	Loizos A. Loizou (until 27 July 2011)
	Vasos Georgiou (since 11 August 2011)
Secretary:	SFS Custodian & Trust Services Ltd

The majority of the members of the Audit Committee are independent, non- Executive Directors, and the Chairman of the Committee has experience in accounting and finance.

Competences and Functions of the Audit Committee

During the reporting period, in order to achieve the best possible implementation of the internal audit system, the Audit Committee acted with specific terms of reference and responsibilities. Specifically, in 2011 the Audit Committee, for three meetings held, carried out the examination of the financial statements of the Company and the Group, the examination of the reports prepared by the Internal Auditor of the SFS Group and other matters within its responsibilities.

It is noted that, since the beginning of 2012, following the abolishment of the Audit Committee, the on going review and assessment of the risks, are carried out by the Executive Committee of the Board of Directors, which takes into consideration the Annual Internal Audit Report, the Annual Report of the Compliance officer and the Risk Management Annual Report in relation to the company providing investment services for the SFS Group, Sharelink Securities and Financial Services Ltd, and to any relevant reports of the business units of the SFS Group. The Executive committee reports any significant findings to the Company's Board of Directors, which reviews the effectiveness of the internal controls system at least once a year.

BY ORDER OF THE BOARD OF DIRECTORS

SFS Custodian & Trust Services Limited
Secretary

Nicosia, 25 April 2012

SFS GROUP PUBLIC COMPANY LIMITED

Statement by the Members of the Board of Directors and the Company Officials Responsible for the Drafting of the Financial Statements

In accordance with the provisions of article 9, cap. (3)(c) and (7) and Law 190(I)/2007 on Transparency Requirements we, the members of the Board of Directors and the Company officials responsible for the drafting of the consolidated financial statements of SFS Group Public Company Limited for the year ended 31 December 2011, declare that, to the best of our knowledge,

(a) the consolidated financial statements presented on pages 16 to 71:

(i) have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (EU) and in accordance with the provisions of cap. (4), and

(ii) give a true and fair view of the assets, liabilities, financial position and profit and loss of SFS Group Public Company Limited and the undertakings included in the consolidation taken as a whole, and

(b) the Directors 'report includes a fair review of the developments and performance of the business and the position of SFS Group Public Company Limited and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

MEMBERS OF THE BOARD OF DIRECTORS

Christodoulos Ellinas	Chairman and Chief Executive Officer
Philip X. Larkos	Vice-Chairman and Chief Financial Officer
Dr John Pitsillos	Executive Director for Risk Management and Strategic Planning
Costas Kirkos	Executive Director for Real Estate and Private Equity
Loizos A. Loizou	Executive Director for Financial Services
Kevork Mahdessian	Non-Executive Director
Vaggelis Georgiou	Non-Executive Director
Kyriacos Koutsoftas	Non-Executive Director
Vasos Georgiou	Non-Executive Director
Antonis Mitilineos	Alternate Director to Philip X. Larkos Investor Relations Officer and Group Financial Controller

Independent Auditors Report

To the Board of Directors of SFS Group Public Company Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SFS Group Public Company Limited (the "Company") and its subsidiaries (the "Group") on pages 16 to 71 which comprise the consolidated balance sheet as at 31 December 2011, the consolidated income statement, and the consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of 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 consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 (Continued)

To the Members of SFS Group Public Company Limited

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of SFS Group Public Company Limited and its subsidiaries as of 31 December 2011, 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.

Report on Other Legal Requirements

Pursuant to the requirements of the Law of 2009 on Statutory Audits 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 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 12 is consistent with the financial statements.

Pursuant to the requirements of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission, we report that a corporate governance statement has been made for the information relating to paragraphs (a), (b), (c), (f) and (g) of article 5 of the said Directive, and it forms a special part of the Report of the Board of Directors.

Other Matter

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

Comparative figures

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 27 April 2011.

Panayiotis A. Peleties
Certified Public Accountant and Registered Auditor
For and on behalf of

KPMG Limited
Chartered Accountants and Registered Auditors

Nicosia, 25 April 2012

SFS GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 €	2010 €
Total revenue		24.942.046	39.593.190
Gross profit form shipping, commercial, and property activities		7.151.430	12.137.732
Net revenue from the provision of financial services		1.125.898	2.453.944
Other income		761.226	1.607.107
Loss on disposal and revaluation of financial assets at fair value through the profit or loss		(377.378)	(1.971.086)
(Loss)/profit on disposal and revaluation of investment property	17	(7.096.774)	480.646
Total contribution from operations		1.564.402	14.708.343
Expenses			
Selling and distribution costs		(1.639.148)	(3.753.841)
Administrative expenses		(11.210.222)	(11.709.907)
Depreciation, amortization and impairment loss of assets	6	(673.417)	(1.087.662)
Financial expenses		(7.244.960)	(6.378.605)
Loss from operations	5	(19.203.345)	(8.221.672)
Share of (loss)/profit of associates	19	(36.153)	337.026
Profit on disposal of operations of subsidiary	24	136.021	-
Profit from decrease in share of subsidiaries		-	273.380
Profit on disposal of associates	19	1.558.531	-
Profit/(loss) on disposal of investment in subsidiaries	24	144.464	(296.481)
Goodwill impairment loss	22	(2.398.415)	(135.784)
Goodwill impairment loss of associates	19	-	(540.000)
Decrease in provision for contingent liabilities and doubtful loans receivable	15	-	534.112
Loss before taxation		(19.798.897)	(8.049.419)
Taxation	9	810.995	(1.830.046)
Loss for the year		(18.987.902)	(9.879.465)
Attributable to:			
Equity holders of the parent		(19.223.293)	(9.983.362)
Non-controlling interests		235.391	103.897
		(18.987.902)	(9.879.465)
Basic loss per share attributable to equity holders of the parent (cents)	10	(29,01)	(15,07)
Fully diluted (loss)/earnings per share (cents)		Non applicable	

See accompanying notes to the consolidated financial statements.

SFS GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 €	2010 €
Loss after taxation	(18.987.902)	(9.879.465)
Other comprehensive income		
Foreign Exchange Difference Reserve		
Foreign exchange difference on conversion of balances of subsidiaries and associates which maintain records in foreign currency	(110.810)	353.846
	(110.810)	353.846
Available for Sale Financial Assets		
Loss on revaluation of available for sale financial assets	(207.922)	(69.236)
Write-off of revaluation surplus on available for sale financial assets	12.748	-
	(195.174)	(69.236)
Revaluation of Immovable Property		
(Deficit)/surplus on revaluation of immovable property	(45.022)	10.994.061
Deferred taxation on revaluation of immovable property	(32.084)	(1.509.813)
Profit from revaluation of immovable property of associates	-	750.120
	(77.106)	10.234.368
Other comprehensive income for the year after taxation	(383.090)	10.518.978
Total comprehensive income for the year after taxation	(19.370.992)	639.513
Attributable to:		
Equity holders of the parent	(19.674.384)	(729.595)
Non-controlling interests	303.392	1.369.108
	(19.370.992)	639.513

See accompanying notes to the consolidated financial statements.

SFS GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	2011 €	(Adjusted) 2010 €	(Adjusted) 1.1.2010 €
ASSETS				
Current assets				
Cash in hand and at bank	11	10.087.944	11.602.688	33.213.699
Financial assets at fair value through the profit or loss	12	2.389.792	3.130.322	4.619.872
Trade and other receivables	13	16.402.979	21.767.214	26.422.278
Inventories	16	23.325.734	25.471.281	30.108.997
Loans receivable – short term portion	14	564.672	513.973	-
Total current assets		52.771.121	62.485.478	94.364.846
Non-current assets				
Investment property	17	170.004.194	169.338.719	162.127.716
Property, plant and equipment-net	18	16.720.241	21.828.290	15.607.509
Deferred taxation	28	113.837	101.802	90.934
Loans receivable – long-term portion	14	-	196.991	1.407.219
Investment in associates	19	6.634.803	11.740.700	11.363.224
Other non-current assets	20	457.944	613.283	684.236
Available for sale financial assets	21	5.807.646	6.113.382	7.025.754
Goodwill	22	685.687	3.012.082	3.012.082
Intangible assets	23	29.372	50.071	172.784
Total non-current assets		200.453.724	212.995.320	201.491.458
Total assets		253.224.845	275.480.798	295.856.304
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts	11	18.987.609	20.549.249	19.226.437
Trade and other payables	25	12.855.303	15.234.414	30.712.087
Taxation		2.744.012	4.376.602	3.080.522
Current portion of long-term loans	26	1.995.558	11.830.309	5.418.398
Short-term loans	27	5.700.000	5.700.000	5.700.000
Total current liabilities		42.282.482	57.690.574	64.137.444
Non-current liabilities				
Deferred taxation	28	11.513.724	12.505.559	11.147.653
Long-term loans	26	83.611.667	67.625.656	73.262.738
Total non-current liabilities		95.125.391	80.131.215	84.410.391
Equity				
Share capital	29	66.520.075	66.520.075	66.520.075
Reserves	30	43.529.044	63.208.903	64.339.634
Total equity before the deduction of own shares		110.049.119	129.728.978	130.859.709
Own shares	31	(175.949)	(175.949)	(175.949)
Own shares held by associates		(905)	(1.538)	(3.359)
Total equity attributable to equity holders of the parent		109.872.265	129.551.491	130.680.401
Non – controlling interests		5.944.707	8.107.518	16.628.068
Total equity		115.816.972	137.659.009	147.308.469
Total liabilities and equity		253.224.845	275.480.798	295.856.304

Signed on behalf of the Board of Directors on 25 April 2012.

Christodoulos Ellinas	Philip X. Larkos	Antonis Mitilineos
Chairman and CEO	Vice-Chairman and CFO	Group Financial Controller

See accompanying notes to the consolidated financial statements.

SFS GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Share capital (Note 29) €	Share premium (Note 29) €	Special reserve and reduction Of share capital €	Share capital to be issued (Note 29) €	Buy back of own shares (Note 31) €	Own shares held by associates €	Deficit from own shares held by associates €	Surplus from revaluation on available for sale financial assets €	Profit and loss reserve €	Foreign exchange differences reserve €	Immovable property revaluation reserve €	Total equity attributable to equity holders of the parent €	Non controlling interest €	Total €
Balance 1 January 2011	66.520.075	5.082.094	1.871.943	251.415	(175.949)	(1.538)	(4.577)	(339.542)	44.286.824	(2.136.767)	14.197.513	129.551.491	8.107.518	137.659.009
Comprehensive income														
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(19.223.293)	-	-	(19.223.293)	235.391	(18.987.902)
Other comprehensive income														-
Write-off of revaluation surplus on available for sale financial assets	-	-	-	-	-	-	-	6.722	-	-	-	6.722	6.026	12.748
Loss on revaluation of available for sale financial assets	-	-	-	-	-	-	-	-	(109.645)	-	-	(109.645)	(98.277)	(207.922)
Foreign exchange difference on conversion of balances of subsidiaries and associates which maintain records in foreign currency	-	-	-	-	-	-	-	-	(14.134)	(84.008)	-	(98.142)	(12.668)	(110.810)
Transfer of excess depreciation of revaluation	-	-	-	-	-	-	-	-	10.887	-	(10.887)	-	-	-
Revaluation of immovable property	-	-	-	-	-	-	-	-	-	-	(45.022)	(45.022)	-	(45.022)
Deferred taxation of revaluation of immovable property	-	-	-	-	-	-	-	-	-	-	(16.890)	(16.890)	(15.194)	(32.084)
Transfer to non-controlling interests	-	-	-	-	-	-	-	-	(188.114)	-	-	(188.114)	188.114	-
Total comprehensive income	-	-	-	-	-	-	-	6.722	(19.524.299)	(84.008)	(72.799)	(19.674.384)	303.392	(19.370.992)
Contributions by and distributions to owners														
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(276.760)	(276.760)
Decrease in share of own shares held by associates	-	-	-	-	-	633	-	-	-	-	-	633	-	633
Transfer of expired share options between reserves	-	-	-	(251.415)	-	-	-	-	251.415	-	-	-	-	-
Reduction of loss from revaluation of own shares held by associates	-	-	-	-	-	-	(633)	-	-	-	-	(633)	-	(633)
Defence charge from deemed dividend distribution	-	-	-	-	-	-	-	-	(7.843)	-	-	(7.843)	-	(7.843)
Cost of share options	-	-	-	3.001	-	-	-	-	-	-	-	3.001	-	3.001
Total contributions by and distributions to owners	-	-	-	(248.414)	-	633	(633)	-	243.572	-	-	(4.842)	(276.760)	(281.602)
Changes in ownership interest														
Write-off of non-controlling interest from the disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	6.767	6.767
Write-off of non-controlling interest from decrease in share capital	-	-	-	-	-	-	-	-	-	-	-	-	(2.196.210)	(2.196.210)
Total change in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(2.189.443)	(2.189.443)
Balance 31 December 2011	66.520.075	5.082.094	1.871.943	3.001	(175.949)	(905)	(5.210)	(332.820)	25.006.097	(2.220.775)	14.124.714	109.872.265	5.944.707	115.816.972

See accompanying notes to the consolidated financial statements.

SFS GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

	Share capital (Note 29) €	Share premium (Note 29) €	Special reserve and reduction Of share capital €	Share capital to be issued (Note 29) €	Buy back of own shares (Note 31) €	Own shares held by associates €	Deficit from own shares held by associates €	Surplus from revaluation on available for sale financial assets €	Profit and loss reserve €	Foreign exchange differences reserve €	Immovable property revaluation reserve €	Total equity attributable to equity holders of the parent €	Non controlling interest €	Total €
Balance 1 January 2010	66.520.075	5.082.094	1.871.943	660.386	(175.949)	(3.359)	(2.756)	(281.447)	54.200.330	(2.490.613)	5.299.697	130.680.401	16.628.068	147.308.469
Comprehensive income														
(Loss)/profit for the year	-	-	-	-	-	-	-	-	(9.983.362)	-	-	(9.983.362)	103.897	(9.879.465)
Other comprehensive income														
Loss on revaluation of available for sale financial assets	-	-	-	-	-	-	-	(58.095)	-	-	-	(58.095)	(11.141)	(69.236)
Foreign exchange difference on conversion of balances of subsidiaries and associates	-	-	-	-	-	-	-	-	-	353.846	-	353.846	-	353.846
Transfer of excess depreciation of revaluation	-	-	-	-	-	-	-	-	60.200	-	(60.200)	-	-	-
Revaluation of immovable property	-	-	-	-	-	-	-	-	-	-	9.717.709	9.717.709	1.276.352	10.994.061
Deferred taxation on revaluation of immovable property	-	-	-	-	-	-	-	-	-	-	(1.509.813)	(1.509.813)	-	(1.509.813)
Profit from revaluation of immovable property of associates	-	-	-	-	-	-	-	-	-	-	750.120	750.120	-	750.120
Total comprehensive income								(58.095)	(9.923.162)	353.846	8.897.816	(729.595)	1.369.108	639.513
Contributions by and distributions to owners														
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(10.307.277)	(10.307.277)
Decrease in share of own shares held by associates	-	-	-	-	-	1.821	-	-	-	-	-	1.821	-	1.821
Reduction of loss from revaluation of own shares held by associates	-	-	-	-	-	-	(1.821)	-	-	-	-	(1.821)	-	(1.821)
Transfer of expired share options between reserves	-	-	-	(504.112)	-	-	-	-	504.112	-	-	-	-	-
Defence charge from deemed dividend distribution	-	-	-	-	-	-	-	-	(1.389)	-	-	(1.389)	81	(1.308)
Cost of share options	-	-	-	95.141	-	-	-	-	-	-	-	95.141	-	95.141
Total contributions by and distributions to owners	-	-	-	(408.971)	-	1.821	(1.821)	-	502.723	-	-	93.752	(10.307.196)	(10.213.444)
Change of ownership interest in subsidiaries														
Write-off of non-controlling interest from the disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	463.402	463.402
Increase of share in subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	(606.934)	(606.934)
Decrease of share in subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-	561.070	561.070
Goodwill from the acquisition of subsidiaries	-	-	-	-	-	-	-	-	(493.067)	-	-	(493.067)	-	(493.067)
Total change in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	(493.067)	-	-	(493.067)	417.538	(75.529)
Balance 31 December 2010	66.520.075	5.082.094	1.871.943	251.415	(175.949)	(1.538)	(4.577)	(339.542)	44.286.824	(2.136.767)	14.197.513	129.551.491	8.107.518	137.659.009

See accompanying notes to the consolidated financial statements.

SFS GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011	2010
		€	€
Cash flow from operating activities			
Loss for the year		(18.987.902)	(9.879.465)
Adjustments for:			
Depreciation of property, plant and equipment	18	635.808	976.165
Amortisation of intangible assets	23	45.086	69.584
Impairment loss of property, plant and equipment	18	16.719	185.825
Cost of share options expensed		3.001	95.141
Loss on revaluation of financial assets at fair value through profit or loss	12	332.797	1.482.361
Loss from sale of financial assets at fair value through profit or loss		44.581	-
Profit from disposal of property, plant and equipment		(9.159)	(25.587)
Interest receivable		(218.667)	(744.040)
Dividends received		(69.861)	(73.984)
Interest expense		7.073.867	6.219.185
Impairment loss of goodwill	22	2.398.415	135.784
Impairment loss of goodwill of associates	19	-	540.000
(Profit)/loss on disposal of investments in subsidiaries	24	(144.464)	296.481
Share of loss/(profit) in associates	19	36.153	(337.026)
Profit from deemed disposal of share in subsidiaries	24	-	(273.380)
Loss/(profit) on revaluation of investment property	17	7.096.774	(480.646)
Loss from sale of financial assets available for sale		5.916	-
Increase in provision for doubtful receivables, loans receivables, potential liabilities and obsolete stocks		-	1.080.105
Profit on disposal of activities of subsidiaries	24	(136.021)	-
Profit from sale of associate	19	(1.558.531)	-
Taxation		(810.995)	1.830.046
Cash flows from operations before working capital changes		(4.246.483)	1.096.549
Decrease in financial assets at fair value through the profit or loss - net		-	841.639
Decrease in trade and other receivables		5.018.163	7.162.294
Increase/(decrease) in trade and other payables		436.057	(16.187.447)
Decrease in inventories		320.271	4.421.894
Cash flow provided by/(used in) operations		1.528.008	(2.665.071)
Interest received		218.667	730.067
Dividends received		69.861	73.984
Interest paid		(7.073.867)	(6.219.185)
Taxation paid		(1.577.918)	(607.543)
Net cash used in operating activities		(6.835.249)	(8.687.748)

See accompanying notes to the consolidated financial statements.

SFS GROUP PUBLIC COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011
(Continued)

	Note	2011	2010
		€	€
Cash flow from investing activities			
Increase in share of associates		-	(4.000)
Proceeds from disposal of property, plant and equipment		170.544	137.693
Cash from/(for) disposal of subsidiaries	24	1.622.595	(747.742)
Proceeds from sale of associated companies	19	3.272.000	-
Purchase of property, plant and equipment	18	(1.066.996)	(612.709)
Purchase of intangible assets	23	(37.962)	(9.322)
Decrease in other non-current assets		155.339	70.953
Purchase of investment property	17	(4.532.249)	(2.870.357)
Dividend received from associates	19	207.621	532.498
Purchase of subsidiaries	24	(554.525)	(749.385)
Purchase of available for sale financial assets – net	21	-	(70.094)
Increase of share in subsidiary companies		-	(1.100.001)
Non-controlling interest payments from decrease in subsidiaries' share capital		(2.196.210)	-
Proceeds from decrease in associate's share capital	19	3.048.093	-
Proceeds from disposal of financial assets at fair value through the profit or loss		363.152	-
Proceeds from sale of financial assets available for sale		8.900	-
Repayment of loans receivable		146.292	1.407.219
Proceeds from disposal of activities of subsidiary	24	260.000	-
Net cash provided by/(used in) investing activities		866.594	(4.015.247)
Cash flow before financing		(5.968.655)	(12.702.995)
Cash flow from financing activities			
New loans receivable		-	(696.991)
Increase of loans payable – net		6.299.794	774.829
Divided paid to non-controlling shareholders of subsidiaries		(276.760)	(10.307.277)
Payment of defence charge from deemed dividend distribution		(7.483)	(1.389)
Net cash provided by financing activities		6.015.551	(10.230.828)
Net increase/(decrease) in cash and cash equivalents		46.896	(22.933.823)
Cash and cash equivalents at the beginning of the year		(8.946.561)	13.987.262
Cash and cash equivalents at the end of the year	11	(8.899.665)	(8.946.561)

See accompanying notes to the consolidated financial statements.

1. General

Incorporation and Ultimate Holding Company

SFS Group Public Company Limited, (the "Company"), was incorporated in Cyprus on 12 February 1998 as a private, limited liability company, under the Cyprus Companies Law, Cap. 113. The Company is the holding company of the Group SFS Group Public Company Limited, (the "Group"). On 5 April 1999, the Company was converted to a public company under the provision of the Companies Law, Cap. 113, by a change in the Articles of Association of the Company and its securities were listed on the Cyprus Stock Exchange on 2 July 1999. The registered office of the Company is located at 6, Theotoki Street, Ellinas House, 1055 Nicosia, Cyprus.

Activities

The principal activities of the Group are the provision of local and international financial and consulting services and investment banking, stockbroking, trading of securities, investment in immovable property and property development, strategic investment in associates, shipping, venture capital, commercial and other related activities.

2. Accounting Policies

General

The principal accounting policies, all of which have been applied consistently in relation to items which are considered material to the determination of the result for the year and to the presentation of the financial affairs of the Group are set out below.

As from January 2011, the customers 'bank balances are not included in the balance sheet of the Group, and the comparative figures have been adjusted to conform with the change in the current year presentation.

Basis of Presentation

The consolidated financial statements are expressed in Euro and are prepared under the historical cost convention, as modified for the revaluation of the financial assets at fair value through the income statement, the available for sale financial assets, property plant and equipment, investment property and the translation of foreign currency.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union (EU).

In addition, the consolidated financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap.113, and the provisions of the Cyprus Stock Exchange Laws and Regulations.

Comparative amounts have been restated to conform to changes in the presentation in the current year.

Principles of Consolidation

The consolidated financial statements of the Group for the year ended 31 December 2011 include the financial statements of SFS Group Public Company Limited and all of the companies it controls. The main subsidiaries are listed in note 24 and are referred to as the Group.

This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital. The equity and net income or loss attributable to non-controlling interests are shown separately in the consolidated balance sheet (as part of total equity) and consolidated income statement, respectively.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the Group's reserves. Non-controlling interests consist of the share of net assets of these interests at the date of the original business combination and the non-controlling interest's share of changes in reserves since the date of the combination.

Intercompany balances and transactions, including unrealized profits and losses and intercompany profits, are eliminated.

2. Accounting Policies (Continued)

Adoption of new and revised International Financial Reporting Standards
During the year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2011. This adoption did not have a material effect on the accounting policies of the Group.

The following financial reporting standards were issued by the International Accounting Standards Board but were not yet effective for the year ended 31 December 2011.

(i) Standards and Interpretations adopted by the EU

- IFRS 7 (Amendments) "Financial Instruments Disclosures" Transfers of Financial Assets (effective for annual periods beginning on or after 1 July 2011).

(ii) Standards and Interpretations not adopted by the EU

- IFRS 1 (Amendments) "Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters" (effective for annual periods beginning on or after 1 July 2011).
- IFRS 7 (Amendments) "Financial Instruments" Disclosures - "Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2013).
- IFRS 7 (Amendments) "Financial Instruments" Disclosures –"Disclosures on transition to IFRS 9" (effective for annual periods beginning on or after 1 January 2015).
- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015).
- IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013).
- IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013).
- IFRS 12 "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2013).
- IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013).
- IAS 1 (Amendments) "Presentation of items of other Comprehensive Income" (effective for annual periods beginning on or after 1 July 2012).
- IAS 12 (Amendments) "Deferred tax" Recovery of Underlying Assets: (effective for annual periods beginning on or after 1 January 2012).
- IAS 19 (Amendments) "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013).
- IAS 27 (Revised) "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013).
- IAS 28 (Revised) "Investments in Associates and Joint ventures" (effective for annual periods beginning on or after 1 January 2013).
- IAS 32 (Amendments) "Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2014).
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after 1 January 2013).

The Board of Directors expects that the adoption of these accounting standards and interpretations in future periods will not have a material effect on the financial statements of the Group except from the adoption of IFRS 9 "Financial Instruments: Classification and Measurement" and the amendments to IFRS 7 "Financial Instruments: Disclosures". The Group is currently undertaking an evaluation of the impact of these standards on the financial statements.

2. Accounting Policies (Continued)

Business Combinations

The acquisition 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. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the aquirer's previously held interests in the aquiree (if any) over the net of all acquisition-date amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the sum of the consideration transferred, the amount of the non-controlling interests in the acquiree and the fair value of the aquirer's previously held interest in the acquiree, the excess is recognized immediately in the income statement.

Non-controlling interest represents the share of profit or loss and net assets not held, directly or indirectly, by the Group. Losses of subsidiaries are distributed to non-controlling interests even if this would lead to a negative balance. Non-controlling interests are presented separately in the consolidated income statement and included within equity, shown separately from equity attributable to owners of the Company.

Changes in the Group's ownership interests in subsidiaries (without loss of control) are accounted for as equity transactions. Consequently, no goodwill or profit / (loss) to the income statement arises as a result of these transactions but any differences arising from the adjustment of non-controlling interests and the fair value of consideration transferred is recognized in equity and is attributable to the owners of the company. The relevant exchange differences relating to the share of non-controlling interests sold, are removed from the translation reserve and transferred to non-controlling interests. Non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss.

2. Accounting Policies (Continued)

Business Combinations (Continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period '(which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

When the Group ceases to have control or significant influence, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 'Financial Instruments: Recognition and Measurement .'

Investment in Associates

Investment in associates (normally evidenced by ownership of between 20% to 50% in a company's equity) where a significant influence is exercised by the Group are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognized unless the Group has a binding obligation or provides guarantees to the associated company.

2. Accounting Policies (Continued)

Investment in Associates (Continued)
Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. After review, any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, is recognized immediately in the income statement.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Financial Instruments
Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets at Fair Value through the Profit or Loss
An investment is classified in this category if it was acquired with the intention of being disposed of in the near future (investments held for trading), or if it was assigned in this category by the Board of Directors of the Group on initial recognition.

The fair value of listed investments is based on the bid price at the balance sheet date, as per the daily official listing of the Cyprus Stock Exchange and foreign stock exchanges. Any unlisted investments are valued using different valuation methods based on market information at the balance sheet date. The effective date of purchase or sale of investments is regarded to be the date when the order is executed (trade date).

The cost price of shares and other instruments are accounted for using the weighted average cost method and it includes transaction costs and brokerage commission expenses.

The profit or loss from re-measurement to fair value of financial assets at fair value through the income statement represents the difference between the bid price at the end of the year compared to the bid price at the beginning of the year or the cost price of the investments that were purchased during the year.

The profit or loss from the disposal of investments is calculated after the brokerage commission and the original cost of the investment is subtracted from the disposal proceeds. The profit or loss on disposal is included in the income statement.

Available for Sale Financial Assets
Available-for-sale financial assets are those acquired and held for an unspecified period of time and may be sold to cover cash flow deficiencies, fluctuations in interest rates, exchange rates or other changes in security values.

Financial assets which have been classified by the Group as available-for-sale are valued at their estimated fair value. The fair value of listed investments is based on the bid price at the balance sheet date, as per the daily official listing of the Cyprus Stock Exchange and foreign stock exchanges. Any unlisted investments, are valued using different valuation methods using available market information at the balance sheet date. Investments in available for sale financial assets are impaired if the decrease in their fair value is significant or considered long-term. The profit or loss from re-measurement to fair value of financial assets available for sale is recognized in the revaluation of available-for-sale financial assets reserve. On disposal of these investments, the cumulative profit or loss recognized previously in equity is included in the income statement for the year.

At the balance sheet date, available for sale financial assets are reviewed for impairment. Any impairment loss is charged to the income statement for the year.

Financial assets are written off when the contractual rights over the cash flows of the financial assets expire or when the Group has substantially transferred all the risks and benefits of ownership of a financial asset.

2. Accounting Policies (Continued)

Financial Instruments (Continued)

Trade receivables
Trade and other receivables are presented after the deduction of provision for bad and doubtful debts in the ordinary course of business. Provision is recognized only for debts with doubtful recoverability.

Trade payables
Trade payables are presented at fair value.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash in hand and balances with banks. The Group considers all short term highly liquid instruments with maturity of three months or less to be cash equivalents.

Loans
Loans payable or receivable are valued based on their amortized cost, minus any principal repayments and minus any unamortized prepayments using the effective interest method.

Revenue Recognition
Revenue is earned from activities in Cyprus and abroad. It represents mainly income from the provision of stock broking services and other commissions, financial services, asset management and private equity, interest and dividends receivable, as well as sales of goods during the year after the deduction of returns and trade discounts. Revenue from sales of goods is stated net of Value Added Tax.

Revenue is recognized in the income statement when delivery of goods has taken place or on provision of services to clients. Underwriting revenues and fees for investment banking and advisory services are recorded when services for the transaction are substantially completed. Commission income is recorded on a trade-date basis in the consolidated income statement. Income from services provided on a contract basis is recognized upon realization of the terms of the contract. Interest receivable is recognized on an accruals basis.

Income from time-charter hire is recognized on an accruals basis in the income statement of the year.

Rent receivable is recognized on an accruals basis in the income statement of the year.

Income from disposal of developed property is recognized upon delivery of the property and the completion of the transfer of risks to the purchaser.

Property, Plant and Equipment
Land and buildings are carried at cost or revalued amount less accumulated depreciation. The remaining property, plant and equipment are carried at cost less accumulated depreciation and any impairment loss.

Depreciation is computed on a straight-line basis over the estimated useful lives to write-off the cost to the estimated residual value of each asset. The annual depreciation rates used are:

	Percentage
Buildings and building improvements	3 - 4%
Plant and machinery	10%
Furniture, fittings and office equipment	10%
Computer hardware	20%
Motor vehicles	20%

No depreciation is provided on land and buildings under construction.

2. Accounting Policies (Continued)

Property, Plant and Equipment (Continued)
Maintenance repairs are charged to the income statement as incurred. The costs of major renovations and improvements are capitalised to the extent that are expected to generate future economic benefits.

Depreciation is provided from the date that the construction of assets has been completed and the asset has been brought in operation.

The Group has adopted the policy to revalue its immovable property. Revaluations are performed with sufficient regularity such as the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such property, plant and equipment is credited to the immovable property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such property, plant and equipment is charged to income statement to the extent that it exceeds the balance, if any, held in the immovable property revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued property, plant and equipment is charged to income statement. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to profit and loss reserve.

When property, plant and equipment is disposed, the difference between the disposal proceeds and the net book value is debited or credited in the income statement of the year.

Intangible Assets
An intangible asset is recognized when it is possible that future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Both of these criteria are assumed to be met for all intangible assets acquired through business combinations. Intangible assets with indefinite useful lives are not amortized but are tested for impairment at least once a year, or earlier if an indication for impairment exists.

Intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is computed on a straight-line basis over the estimated useful lives to write-off the cost to the estimated residual value of each asset. The annual amortisation rates used are:

	Percentage
Computer software	33%

Amortization is accounted for from the date when economic benefits are derived from the asset.

The unamortized balance is reviewed at each balance sheet date to assess the probability of continuing future benefits. Impairment loss is recognized as an expense on the income statement when the carrying amount of the intangible assets exceeds its recoverable amount.

Foreign Exchange
The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Euro, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

2. Accounting Policies (Continued)

Foreign Exchange (Continued)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are presented at the exchange rate prevailing on the transaction date.

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

On consolidation, the financial statements of subsidiaries which keep accounting records in foreign currency, are translated to Euro as follows:

- The assets and liabilities are translated at the exchange rate prevailing at the end of the accounting year.
- The income statement is translated using the average exchange rate for the accounting year.

The resulting foreign exchange difference is transferred to foreign exchange difference reserves. Such differences are transferred to the income statement in the period which the foreign operation is disposed of.

The share of the Group in the net assets of associates, which keep accounting records in foreign currency, is translated at the exchange rate prevailing at the end of the accounting year. The share of the Group in the profits or losses of associates, which keep accounting records in foreign currency, is translated using the average exchange rate for the accounting year. The resulting profits or losses are included in the foreign exchange difference reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the balance sheet date. In accordance with the transitional provisions of the revised IAS 21 "The Effects of Changes in Foreign Exchange Rates", the goodwill recognized by the Group from the acquisition of foreign operations before 1 January 2005 (date that the revised IAS 21 was adopted for the first time) are presented using the exchange rate at the transaction date.

Dividend Income

Dividend income is recognized when the Group becomes entitled to receive such dividends.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets over the duration of the period and until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognised as an expense in the income statement.

Goodwill

The amount of goodwill which arises from the acquisition of subsidiaries, and of operations of companies, represents the excess of the purchase price over the fair value of the Group's share in the net identifiable assets acquired, and it is presented as goodwill in the balance sheet. Goodwill is initially recognized at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill is tested for impairment at least once a year and any impairment loss identified, is recognized as an expense in the income statement.

2. Accounting Policies (Continued)

Goodwill (Continued)
For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-flows expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described under "Investments in associates" above.

Negative Goodwill
The amount of negative goodwill that arises from the acquisition of subsidiaries and associates that represents the excess of the fair value of the Group's share in the net identifiable assets acquired over the purchase price, is recognized immediately as income in the income statement in accordance with the provisions of IFRS 3 (Business Combinations).

Share-based Payments
Share-based payments are measured at fair value at the date of grant. If the equity-settled shares are offered without any conditions, then it is presumed that the services to be rendered as a consideration have been received by the Group. In that case, at the date of grant, the Group recognizes an expense in the income statement equal to the fair value of the shares granted with a corresponding credit in the reserves.

Taxation
The provision for current taxation is based on the profit for the year and the appropriate tax rates in force.

The Group adopts the liability method of tax effect accounting to recognize the effect of all temporary differences between the tax base of assets and liabilities and their financial reporting amounts. Any debit balances on deductible temporary differences are recognized only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

Leases
The Group as lessee
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognized as non-current assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease and are depreciated based on the accounting policy of the Group for the depreciation of property, plant and equipment. At the inception of the lease, the corresponding liability to the lessor is included in the balance sheet as a non-current finance lease obligation. Lease repayments are apportioned between finance charges and reduction of the lease obligation. Finance charges are calculated on the remaining unamortized balance of the finance lease obligation using the current floating interest rate and are charged in the income statement on an accruals basis, unless the cost is directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

Leases of property in which the lessor retains all the risks and rewards incident to ownership of the asset are accounted for as operating leases. Lease payments under an operating lease are recognized as an expense in the income statement over the lease term.

The Group as lessor
Income from operating leases is recognized on a straight-line basis over the term of the relevant lease. The initial direct cost occurred during the negotiation of an operating leases is added in the value of the asset and it is recognized on a straight-line basis over the lease term.

2. Accounting Policies (Continued)

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

Share Issue Costs
Costs directly attributable to the issue of share capital of the Group, include underwriting, selling commissions and other costs directly related to the increase in share capital. Such costs are written off in share premium in the accounting year that they are incurred, or in profit and loss reserve in case when the amount of share issue costs exceed the balance in share premium.

Employee Provident Fund
The annual cost of fixed contribution plans is recognized in the income statement for the year to which it relates.

Investment Property
Investment property consists of investments in land and buildings that are held to earn rentals or for capital appreciation, rather than for administrative purposes of the Group or for resale. Investment property is initially recognized at cost, which includes transaction costs relating to the acquisition, and is subsequently carried at fair value.

The market value of the investment property is based on valuations performed by independent professional valuers before the deduction of transaction costs that the Group will incur on its sale.

The profit or loss on the disposal of investment property included in the income statement 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 income statement 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.

Impairment of Assets (excluding Goodwill)
At each balance sheet date, the Group 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 the asset does not generate cash flows that are independent from other assets, the Group estimates 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 recognized 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.

Provisions
The Group recognizes a provision for legal or contingent liabilities as a result of past events when there is a present obligation that is likely to result in the outflow of resources or loss of economic benefits of the Group to meet the obligations, provided that the obligation can be estimated reliably.

Inventories
Inventories, including land and buildings under construction, finished goods and work in progress, are valued at the lower of cost (weighted average cost) or average cost of production and net realizable value. Cost of production includes materials, direct labor and production overheads. The cost of the construction of land and buildings comprises the acquisition cost of the land and the construction costs of the buildings. Net realizable value is the selling price in the ordinary course of business of the Group less the costs of completion, marketing and distribution. Provision is recognized for obsolete or slow moving stocks.

2. Accounting Policies (Continued)

Own Shares
Own shares are presented in the balance sheet as a deduction from equity.

Any profit or loss resulting from the disposal, issue or cancellation of own shares held by the Group, and the share of own shares held by subsidiaries and associates is not recognized in the Consolidated Income Statement for the year.

At the balance sheet date, the share of the Group in own shares held by subsidiaries and associates is presented as a deduction from equity rather than as an asset in the consolidated balance sheet.

Government Grants
Amounts receivable from Government grants are presented in the financial statements only when there is reasonable assurance that the Group fulfills the necessary conditions and that the grants will be received.

Government grants in relation to income are credited in the income statement for the year.

Government grants in relation to new machinery are deducted from the acquisition cost of the asset. The depreciation of machinery is calculated on the adjusted cost of the asset after deducting the government grant.

Segmental Analysis
Segment reporting is presented on the same basis as the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker. The chief operating decision maker is the person or group of persons that allocate resources to segments and assess the performance of the operating segments. The Group has appointed the Executive Committee of the Company, which is comprised of the Executive Directors of the Company, as the chief operating decision maker.

The Group is organised in six major operating segments –Financial Services, Proprietary Trading, Management and Development of Land, Shipping Segment, Commercial Segment Investing and Investment and Other Activities. The division of segments is based on the reporting of information to the Board of Directors. The Group has determined that business segments are the primary reportable segments.

Segment revenue and expense: All revenue is allocated to the business segments as described above. Expenses that are directly related to the business segments are recorded as such. In the cases where expenses are not directly related to one of the above segments then they are allocated on a reasonable basis to the segments.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating cash, investments, receivables, inventory and non-current assets. When the assets are directly attributed to a segment, they are allocated as such. In cases where an asset is used jointly by two or more segments, it is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities.

Inter segmental sales and charges are made on an arm's length basis.

The Group also reports information by geographical segment as follows:

(a) Analysis of group revenue by geographical area based on the geographical location of its customers, for each geographical segment where revenue is 10% or more of total group revenue.

(b) Analysis of the total carrying amount of the assets of the Group based on the geographical location of the assets, for each geographical segment where segment assets are 10% or more of the total assets of all geographical segments.

3. Financial Risk Management

Financial risk factors

The Group is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, capital management risk, operational risk, compliance risk, litigation risk, reputation risk, share ownership risk and other risks arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(i) *Market risk*

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's available-for-sale financial assets and financial assets at fair value through income statement are susceptible to market price risk arising from uncertainties about future prices of the investments. The Group's market price risk is managed through diversification of the investment portfolio.

Sensitivity analysis

An increase in equity prices by 15% at 31 December 2011 would have increased the value of available for sale financial assets and equity by €12.000 (2010: €23.000) and the value of financial assets at fair value through profit or loss by €432.000 (2010: €510.000). For a decrease of 15% there would be an equal and opposite impact on equity and results respectively.

(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 Group is exposed to interest rate risk in relation to its bank balances and current and non-current borrowings. Borrowing at variable rates exposes the Group to cash flow interest rate risk. Borrowing at fixed rates exposes the Group to fair value interest rate risk. The Group'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:

	2011 €	2010 €
Fixed rate instruments		
Financial assets		
Interest bearing receivables	194.470	382.112
Loans from related parties	564.672	513.973
	759.142	896.085
Financial liabilities		
Finance lease obligations	(276.067)	(397.568)
	(276.067)	(397.568)
Variable rate instruments		
Financial assets		
Bank balances	10.087.944	11.602.688
Interest bearing receivables	457.931	473.629
	10.545.875	12.076.317
Financial liabilities		
Bank overdrafts	(18.987.609)	(20.549.249)
Bank loans	(85.331.158)	(79.058.397)
Short term loans payable	(5.700.000)	(5.700.000)
	(110.018.767)	(105.307.646)

Sensitivity analysis

An increase of 50 basis points in interest rates at 31 December 2011 would have increased/(decreased) equity and results by the amounts 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 but opposite impact on the results and equity.

	Results	
	2011 €	2010 €
Variable rate financial instruments	(497.745)	(403.148)

3. Financial Risk Management (Continued)

(iii) *Credit risk*

Credit risk arises when the inability of contractual parties to discharge their obligations could reduce the amount of future cash inflows from financial assets at the balance sheet date. The Group has no significant concentrations of credit risk. The Group 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 Group has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure at the reporting date was:

	2011	2010
	€	€
Cash in hand and at bank	10.087.944	11.602.688
Trade and other receivables	16.216.518	21.011.098
Corporate guarantees provided to banks on Group companies 'loans	172.195.958	214.592.162
Loans receivable	564.672	710.964
	199.065.092	247.916.912

Brokerage clients 'debit balances as at 31 December 2011 are secured by clients 'cheques of €1.847.675 (2010: €1.692.000). At 31 December 2011 the subsidiary company Sharelink Securities and Financial Services Ltd had sufficient own cash to cover any amounts due from brokerage clients.

(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 Group has procedures with the objective 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 Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the contractual undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

31 December 2011	Carrying Amounts	Contractual cash flows	3 months or less	Between 3 and 12 months	Between 1 and 5 years	More than 5 years
	€	€	€	€	€	€
Bank loans and other loans	91.031.158	106.954.293	4.952.317	10.639.715	72.404.030	18.958.231
Obligations under finance leases	276.067	325.928	30.729	90.132	205.067	-
Bank overdrafts	18.987.609	18.987.609	18.987.609	-	-	-
Trade and other payables	6.595.001	6.595.001	6.595.001	-	-	-
	116.889.835	132.862.831	30.565.656	10.729.847	72.609.097	18.958.231

31 December 2010	Carrying Amounts	Contractual cash flows	3 months or less	Between 3 and 12 months	Between 1 and 5 years	More than 5 years
	€	€	€	€	€	€
Bank loans and other loans	84.758.397	98.915.573	5.844.678	15.783.431	60.832.629	16.454.835
Obligations under finance leases	397.568	402.128	27.794	81.695	292.639	-
Bank overdrafts	20.549.249	20.549.249	20.549.249	-	-	-
Trade and other payables	8.403.333	8.403.333	8.054.021	349.312	-	-
	114.108.547	128.270.283	34.475.742	16.214.438	61.125.268	16.454.835

3. Financial Risk Management (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 other than the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and has implemented policies to manage such risks. The nature and extent of the currency risk is being analysed by the executive committee of the Group on a continuous basis. The Group takes measures to mitigate currency risk in relation to short- term transactions.

The carrying amount of the monetary assets and monetary liabilities of the Company which are denominated in foreign currency at the reporting date are as follows:

	Liabilities		Assets	
	2011	2010	2011	2010
	€	€	€	€
US Dollars	3.443.130	3.347.708	533.412	2.526.189
Sterling Pounds	-	-	101.759	117.562
Israeli Shekel	-	-	81.399	144.160
	3.443.130	3.347.708	716.570	2.787.911

Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2011 would have increased/(decreased) equity and results by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. In case of weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the results and equity.

	Equity		Results	
	2011	2010	2011	2010
	€	€	€	€
US Dollars	-	-	259.808	74.684
Sterling Pounds	-	-	(10.175)	(10.687)
Israeli Shekel	-	-	(8.140)	(13.105)
	-	-	241.493	50.892

(vi) *Capital management risk*

The intention of the Group when managing its capital is to ensure that it will be able to continue as a going concern while maximising the return to its shareholders and benefits of other parties of the Group through the optimisation of the debt and equity balance to decrease the cost of capital.

The Group can maintain or alter its capital structure by altering the amount of dividends payable to the shareholders, return capital to the shareholders or issue new shares.

The Group reviews its capital on the basis of the ratio of debt to total equity. The gearing ratio is determined as the proportion of net debt to equity. The net debt is defined as total borrowings less cash in hand and at banks. Total capital is calculated as total equity of the Group as presented in the consolidated balance sheet, plus the net debt.

The capital of the Group is as follows:

	2011	2010
	€	€
Total borrowings	110.294.834	105.705.214
Less: Cash in hand and at bank	(10.087.944)	(11.602.688)
Net debt	100.206.890	94.102.526
Total equity	115.816.972	137.659.009
Total capital	216.023.862	231.761.535
Net debt to capital ratio	46.39%	40,60%

The increase in the net debt to capital ratio during the year ended 31 December 2011 resulted mainly from the decrease in total equity of the Group.

3. Financial Risk Management (Continued)

(vii) *Operational risk*
Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

(viii) *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 Group.

(ix) *Litigation risk*
Litigation risk is the risk of financial loss, interruption of the Group's operations or any other unfavourable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations. Furthermore, the Group monitors litigation risk through its internal legal department.

(x) *Reputation risk*
The risk of loss of reputation arising from the negative publicity relating to the Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group applies procedures to minimize this risk.

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

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

Fair value measurements

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).

3. Financial Risk Management (Continued)

Fair value measurements (Continued)

31 December 2011	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	1.447.592	834.450	107.750	2.389.792
Available-for-sale financial assets				
Listed available-for-sale financial assets	81.399	-	-	81.399
Non-listed available-for-sale financial assets	-	-	5.726.247	5.726.247
Total	1.528.991	834.450	5.833.997	8.197.438

31 December 2010	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	2.188.122	834.450	107.750	3.130.322
Available-for-sale financial assets				
Listed available-for-sale financial assets	150.743	-	-	150.743
Non-listed available-for-sale financial assets	-	-	5.962.639	5.962.639
Total	2.338.865	834.450	6.070.389	9.243.704

During 2011 and 2010 there were no transfers between Level 1 and 2.

Important assumptions used for the measuring fair value of financial assets and liabilities

The fair values of financial assets and liabilities are determined as follows:

The fair values of financial assets and liabilities with standard terms and conditions which are traded in active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

The fair values of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The nominal value less credit adjustments for other financial assets approximates their fair value. The fair value of financial liabilities is calculated by discounting future cash flows, using the current interest rate prevailing in the market, available to the Group for discounting comparable financial instruments.

The reconciliation of Level 3 financial instruments for the year ended 31 December 2011 is presented below:

	Financial assets at fair value through profit or loss	Available for sale investments Unquoted	Total
	€	€	€
Balance 1 January 2010	847.409	6.876.746	7.724.155
Disposals – net	-	(877)	(877)
Transfer to trade and other receivables	-	(913.230)	(913.230)
Revaluation loss recognized in the consolidated income statement	(739.659)	-	(739.659)
Balance 31 December 2010	107.750	5.962.639	6.070.389
Impairment loss recognized in the consolidated income statement	-	(236.392)	(236.392)
Balance 31 December 2011	107.750	5.726.247	5.833.997

4. Judgments and Accounting Estimates

The preparation of the financial statements requires the Board of Directors to make significant accounting judgments and estimates.

Judgments

During the process of applying the Group's accounting policies, which are described in note 2, the Board of Directors has made the following judgments that have a significant effect on the amounts recognized in the financial statements.

Legal cases and contingent liabilities

At the date of this report there were pending legal cases, or legal cases which are in the process of appeal and contingent liabilities against Group companies which totaled to €44.358.390 plus interest (31.12.2011: €44.358.930) in accordance with the claims of plaintiffs. In addition, there were legal actions for which no claim report has been filed and as a result the amount of the claim cannot be reliably estimated at this stage. The companies of the Group have disputed the lawsuits and have filed for defence, and are in dispute of these lawsuits. The Board of Directors after assessing the situation and considering relevant legal advice has decided to retain a provision of €1.900.000 which relates to contingent liabilities that may arise with respect to the above legal actions.

Classification of financial assets at fair value through the income statement

The Group applies the guidance of IAS39 for the classification of financial assets at fair value through the income statement.

The Group makes judgment when classifying investments in different portfolios based on the policy set for managing the relevant risks. On this basis the Group has classified its portfolio of investments held for trading in this category, as it is operating in this sector with the intention of generating profits in the form of dividends and fluctuations in fair values. Other investments which have been classified in this category represent investments in shares, for which performance is evaluated based on their accumulated profitability and which the Group has the intention of disposing.

Revenue recognition

The Group applies the provisions of IAS18 for accounting for revenue from sale of developed property, under which income and cost of sales are recognized upon delivery and when substantially all risks have been transferred to the buyer.

Estimates

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:

Provision for bad and doubtful debts

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. 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 through the income statement. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

Provision for obsolete and slow-moving inventory

The Group reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is taking into consideration the movement as well as the level of stock and the expiration date of inventory.

The amount of provision is recognized in the income statement. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

Tax liability estimate

The tax computation based on the legislation requires various estimations during the preparation of the financial statements, since the final tax assessment of the Group's companies is confirmed by the tax authorities at a later stage. Any possible differences between the final tax assessment and the provision in the financial statements will affect the taxation charge of subsequent periods.

Valuation of non-listed investments

The Group uses 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 balance sheet date.

4. Judgments and Accounting Estimates (Continued)

Estimates (Continued)

Impairment of Goodwill
Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

Impairment of financial assets available for sale
Available for sale financial assets are impaired when the decrease in their fair value is significant and prolonged. In that case the accumulated loss previously recognized in other comprehensive income is transferred to the income statement. Management is required to exercise judgement in determine whether significant and prolonged decrease in the fair value of the available for sale financial asset incurred. The factors that are taken into consideration included the expected volatility of the share price. Moreover, impairment may arise when there is evidence for significant negative fluctuations in technology, the market, the economic or legal environment in which the company, to which the Group has invested on, operates.

5. (Loss)/profit from Operations

	2011 €	2010 €
The (loss)/profit from operations is stated after charging:		
Executive Directors 'emoluments		
- Salaries	876.358	917.000
- Fees	12.283	12.283
Non-Executive Directors 'fees	40.200	52.233
Auditors 'remuneration		
- Independent auditors 'remuneration – current year	180.994	250.470
- Independent auditors 'remuneration – prior years	-	19.513
- Tax advisory services	-	56.500
- Verification services	-	29.000
- Other non-audit services	234	13.987
Depreciation of property, plant and equipment	635.808	976.165
Impairment loss of property, plant and equipment	16.719	185.825
Amortisation of intangible assets	45.086	69.584
Staff costs (Note 8)	5.047.386	7.333.898
Rent payable for operating leases	286.116	377.276
Interest payable	7.073.867	6.219.185
Loss on revaluation of financial assets at fair value through profit or loss	49.016	1.482.361
Loss on disposal of financial assets at fair value through profit or loss	328.362	488.725
Cost of inventory recognized in the income statement	13.645.783	14.732.986
and after charging:		
Interest receivable	218.670	730.067
Foreign exchange gain	91.926	649.045
Dividend receivable	69.861	73.984
Profit on revaluation of investment property	-	480.646
Rent receivable from rental of investment property	1.440.734	1.378.692
Profit on disposal of property, plant and equipment	9.159	25.587
Revenue from sale of products	21.289.391	33.613.234
Revenue from rendering of services	1.070.241	1.504.453

6. Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

Depreciation and amortisation allocated to the following categories of operating expenses:

	2011 €	2010 €
Gross profit from shipping, commercial, and property holding and development activities	24.196	143.912
Depreciation, amortization and impairment losses of assets	673.417	1.087.662
	697.613	1.231.574

7. Segmental Analysis

	2011 €	2010 €
Revenue		
Financial services	1.115.198	2.075.224
Property holding and development	(4.081.128)	10.854.062
Commercial segment	19.714.479	24.618.510
Investing and other services	1.096.723	2.526.040
	17.845.272	40.073.836
Result		
Financial services	(720.939)	(264.931)
Proprietary trading	(462.423)	(2.067.833)
Property holding and development	(6.082.372)	3.468.096
Shipping segment	(279.650)	(286.630)
Commercial segment	814.925	210.034
Investing and other activities	734.474	2.650.662
Administration overheads	(5.860.894)	(5.215.439)
	(11.856.879)	(1.506.041)
Income/(expenses) not allowed to specific segments		
Financial expenses	(7.244.960)	(6.378.605)
Profit/(loss) on disposal of investment in subsidiary	144.464	(296.481)
Profit on disposal of activities of subsidiary	136.021	-
Profit from deemed disposal of share in subsidiaries	-	273.380
Impairment loss of goodwill	(2.398.415)	(135.784)
Impairment loss of goodwill in associates	-	(540.000)
Gain on disposal of investments in associates	1.558.531	-
Decrease in provision for potential liability and doubtful receivables	-	534.112
Taxation	673.336	(1.830.046)
Loss for the year after taxation	(18.987.902)	(9.879.465)

	2011 €	2010 €
Segment Assets		
Financial services	3.850.693	4.166.227
Proprietary trading	3.604.215	3.534.172
Property holding and development	190.222.281	193.874.722
Shipping Segment	7.036.224	12.190.601
Commercial segment	35.940.458	48.434.645
Investing and other activities	47.447.310	42.637.977
Unallocated corporate assets	7.540.780	11.841.647
Elimination among segments	(42.417.116)	(41.199.193)
	253.224.845	275.480.798

7. Segmental Analysis (Continued)

	2011 €	2010 €
Segment Liabilities		
Financial services	875.910	390.609
Proprietary trading	97.794	85.473
Property holding and development	56.623.084	53.388.871
Shipping Segment	6.035.287	5.846.187
Commercial segment	26.005.189	31.099.919
Investing and other activities	33.852.856	19.578.459
Unallocated corporate liabilities	56.334.869	68.631.464
	179.824.989	179.020.982
Elimination among segments	(42.417.116)	(41.199.193)
	137.407.873	137.821.789

Operating segments
The Group is divided into six major operating segments – Financial Services, Proprietary Trading, Property Holding and Development, Shipping Segment, Commercial Segment, and Investing and Other Activities. The division of segments is based on the reporting of information to the Executive Committee of the Group. The Group has determined that operating segments are the primary reportable segments.

The Financial Services Segment provides a broad range of financial services to corporations and individuals. These services include corporate finance, financial and management advisory assignments, IPO and underwriting services (which include public offerings and private placements of equity and debt securities), brokerage services, fund management and private equity management.

The Proprietary Trading Segment generates income from own trading mainly in equity and debt securities.

The Property Holding and Development Segment include the management of a portfolio of immovable property in Cyprus. The portfolio includes land and buildings in the cities and district of Nicosia, Larnaca, Paphos and Limassol. The purpose of these investments is their tourist, commercial, industrial and residential development as well as their capital appreciation and revenue return to the Group.

Up to 2009, the Shipping Segment included the activities of the Group in managing vessels owned by subsidiaries of the Group, ship management services for third parties and transport services of containers in North Europe. From 1 January 2010, the Shipping Segment includes investments in companies owning ships.

The Commercial Segment includes revenue from the production and distribution of products such as tools, raw materials, nuts and dairy products as well as the operation of restaurants.

The Investing and Other Activities Segment includes dividends, interest receivable and other income from other investing activities.

Segment revenue and expenses: All revenue is allocated to the business segments as described above. Expenses that are directly related to the business segments are recorded as such. In the cases where expenses are not directly related to one of the above segments they are allocated on a reasonable basis to the segments.

Inter segmental sales and charges are made on an arm's-length basis.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of cash, investments, receivables and non-current assets. When the assets are directly attributed to a segment, they are allocated as such. In cases where an asset is used jointly by two or more segments, it is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of creditors.

7. Segmental Analysis (Continued)

Geographical segments
The Group's revenues based on the geographical location of its customers are analysed as follows:

	2011 €	2010 €
Cyprus	17.845.272	40.073.836
Total	17.845.272	40.073.836

The carrying amount of non-current assets based on the geographical location of the assets is analysed as follows:

	Non-current assets	
	2011 €	2010 €
Cyprus	195.245.744	207.579.433
Middle East	5.207.980	5.415.887
	200.453.724	212.995.320

8. Staff Costs and Number of Employees

The staff costs and number of employees (not including the directors) are presented below:

	2011 €	2010 €
Wages and salaries	4.233.068	6.418.033
Contributions to employees' provident funds	79.319	126.896
Other contributions	734.999	788.969
Total	5.047.386	7.333.898

The number of employees of the Group at 31 December 2011 was 196 (2010: 295).

9. Taxation

	2011 €	2010 €
Tax expense		
Corporation tax charge (10%)	-	599.575
Special contribution for defence (3%/15%)	62.441	78.021
Share of taxation of associates	11.886	49.120
Deferred taxation relating to temporary differences (note 28)	(711.488)	(162.758)
Capital gains tax	-	88.311
Prior years' taxes	(173.834)	1.177.777
	(810.995)	1.830.046

Tax rates

Corporation tax
The companies of the Group are subject to corporation tax at a rate of 10% on their total taxable profits. In case of taxable losses, the companies of the Group have the right to carry forward indefinitely these losses and offset against profits of subsequent years.

The Group, which for tax purposes consists of the Company and all the subsidiaries, is entitled to transfer losses and offset them against profits among the companies of the Group, where the surrendering company and the claimant company are members of the same group for the whole of the tax year (Group Relief). For tax purposes members of the same Group are considered as the companies which the parent company controls directly or indirectly at least 75% of the issued share capital.

Special contribution for defence
Foreign dividend income is subject to defence contribution at a rate of 15% under specific circumstances. Defence Contribution on rental income, reduced by 25%, is subject to special contribution at a rate of 3%. Interest receivable, of non-trading nature is subject to defence contribution at a rate of 15% (10% until 30 August 2011).

9. Taxation (Continued)

Distribution of profits

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 30 August 2011and 17% thereafter) will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the 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 reconciliation between the tax expense and the product of accounting loss is presented below:

	2011 €	2010 €
Loss before taxation	(19.798.897)	(8.049.419)
Corporation tax on (losses)/profits for the year at the applicable rate of 10%	(1.979.890)	(804.942)
Special contribution for defence from interest and dividend received	62.441	78.021
- Tax effect of expenses that are not deductible in determining taxable profit	1.704.345	1.767.083
- Tax effect of share of profit in associates	3.615	(33.703)
- Effect of taxable losses carried forward	3.026.659	1.154.511
- Tax effect of losses utilized	(738.500)	(229.486)
- Tax effect of allowable deductions and income not taxable in determining taxable profit	(2.016.229)	(1.317.734)
- Other tax effects	-	12.720
Taxation in respect of prior years	(173.834)	1.177.777
Share of taxation of associates	11.886	49.120
Capital gains tax	-	88.311
Additional taxation	-	51.126
Deferred taxation	(711.488)	(162.758)
Tax expense	(810.995)	1.830.046

10. Loss per share

	2011 €	2010 €
Numerator for basic and diluted loss per share:		
- Loss after taxation attributable to the equity holders of the parent company	(19.223.293)	(9.983.362)

	2011 Number	2010 Number
Denominator for the calculation of loss per share:		
- Weighted average number of issued ordinary shares during the year	66.267.395	66.267.395
Denominator for diluted (loss)/earnings per share	66.267.395	66.267.395

10. Loss per share (Continued)

	2011 Cent	2010 Cent
Loss per share	(29,01)	(15,07)
Fully diluted (loss)/earnings per share	Not applicable	

The fully diluted loss per share are not presented since such calculation decreases the loss per share amount.

11. Cash and Cash Equivalents

	2011 €	2010 €
Cash in hand at bank	10.087.944	11.602.688
Bank overdrafts	(18.987.609)	(20.549.249)
	(8.899.665)	(8.946.561)

Cash at bank and in hand include an amount of €5.700.000 (2010: €5.700.000) which is restricted as a collateral for bank loans and facilities (note 27).

The bank balances bear the current bank deposit interest rate. The securities on the bank overdrafts are presented in note 26.

12. Financial Assets at Fair Value through profit or loss

	2011 €	2010 €
At the beginning of the year	3.130.322	4.619.872
Disposals, net	(407.733)	-
From disposal of subsidiaries	-	(7.189)
Unrealised loss on revaluation	(332.797)	(1.482.361)
At the end of the year	2.389.792	3.130.322

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

	2011 €	2010 €
Listed investments in the Cyprus Stock Exchange and in Foreign Stock Exchanges	2.282.042	3.022.572
Unlisted investments	107.750	107.750
	2.389.792	3.130.322

During the year ended 31 December 2011, no loss on the revaluation of unlisted investments has been recognized (2010: €747.134 loss). The unlisted shares are valued using different valuation methods based on market conditions that existed at the balance sheet date. The fair value of the listed investments is based on the bid price at the balance sheet date, as per the daily official listing of the Cyprus Stock Exchange and foreign stock exchanges.

The Group earns dividend income and capital gains by holding the above investments. The above investments do not have a predetermined expiry date, or pre-established interest receivable.

All of the above investments are held for trading.

13. Trade and Other Receivables

	2011	[Adjusted] 2010	[Adjusted] 1.1.2010
	€	€	€
Trade debtors	12.295.279	16.309.647	15.433.271
Less: Provision for doubtful debts	(2.389.196)	(2.526.130)	(2.126.711)
Trade Debtors – net	9.906.083	13.783.517	13.306.560
Fees receivable	205.215	101.691	83.249
Amounts due from brokers and clearing organizations	4.909	71.479	-
Prepayments	186.461	756.116	1.239.488
Deferred income on disposal of subsidiaries	-	4.455.000	8.371.550
Other debtors	6.100.311	2.599.411	3.421.431
	16.402.979	21.767.214	26.422.278

The above amounts are receivable within one year.

The amount of €4.455.000 in 2010 involves the disposal of IMCL holdings Ltd and all its subsidiaries, receivable on 31 March 2011.

The Board of Directors is of the opinion that the fair value of trade and other debtors approximates the amount presented in the balance sheet after deducting provision for bad and doubtful debts.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers who have a variety of end markets in which they sell. The Group's historical experience in the collection of accounts receivable, falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collections losses is inherent in the Group's trade receivables.

On 31 December 2011 the past due but not impaired trade receivables amounted to €9.095.629 (2010: €10.079.565). The credit period allowed by the operations of the Group ranges from 0 to 30 days. The ageing of the past due but not impaired receivables was estimated based on the actual credit period of the Group companies.

Ageing of past due but not impaired trade receivables:

	2011	2010
	€	€
Up to 30 days	1.271.355	1.311.229
31-60 days	1.405.753	1.647.219
61-90 days	1.272.426	958.694
91-120 days	1.384.234	961.570
Over 120 days	3.761.861	5.200.853
	9.095.629	10.079.565

The Group has recognized a loss of €16.166 (2010: €434.501) for the impairment of its trade receivables during the year ended 31 December 2011. The loss has been included in selling and distribution costs in the income statement.

The Group does not hold any collateral over the trading balances.

Movement of provision for doubtful receivables:

13. Trade and Other Receivables (Continued)

	2011 €	2010 €
At the beginning of the year	2.526.130	2.126.711
Provision of doubtful debts	16.166	434.501
Receipts	(86.388)	(35.082)
At the end of the year	2.455.908	2.526.130

14. Loans Receivable

	2011 €	2010 €
Loans receivables	564.672	710.964

Loans are repayable as follows:

	2011 €	2010 €
Within one year	564.672	513.973
Within two to five years	-	196.991
	564.672	710.964
Less: Amounts receivable within one year	(564.672)	(513.973)
Amounts repayable after more than 12 months	-	196.991

During the year ended 31 December 2011 the Group wrote-off a loan of $275.000 (€196.991), which it was granted to an associate company in 2010.

During the year ended 31 December 2010 the Group granted a loan of €500.000 to an associate company. The above loan is repayable in 2014 and bears an interest of 5%. During 2011, the Group charged interest of €25.699 (2010: €13.973) in relation to this loan and the balance of the loan as at 31 December 2011 equals to €539.672.

15. Provision for contingent liabilities and doubtful receivables

	2011 €	2010 €
Decrease in provision of contingent liabilities	-	534.112
	-	534.112

During 2011 the Board of Directors did not proceed to a reduction of the provisions for contingent liabilities and doubtful loans that may arise in relation to prior years or specific transactions (2010 reduction of provision equal to €534.112).

16. Inventories

	2011 €	2010 €
At cost or net realisable value		
Land and buildings under development	17.107.535	17.680.943
Finished goods	6.218.199	7.423.058
Raw materials	-	367.280
	23.325.734	25.471.281

The securities on land and buildings under development are presented in note 26.

17. Investment Property

	2011 €	2010 €
Balance at the beginning of the year	169.338.719	162.127.716
Acquisition of subsidiaries	1.500.000	-
Acquisitions	4.532.249	2.870.357
Transfers from property, plant and equipment	1.730.000	3.860.000
(Loss)/profit on revaluation of investment property	(7.096.774)	480.646
Balance at 31 December	170.004.194	169.338.719

The revaluation of investment property is based on valuations undertaken on 31 December 2011 by independent professional valuers. The valuations were carried out using the Comparison Method of Valuation and the Cost of Construction Method (for buildings with no horizontal plant division), on the basis of the open market value of the investment property. The market value was estimated in accordance with market evidence, the physical and legal characteristics, the investment potential of the properties under review as well as the trend of the property market and the economy in general.

By 31 December 2011, the Group had not acquired title deeds for investment property with fair value of €Nil (2010: €2.433.900).

Securities relating to investment property are presented in note 26.

18. Property, Plant and Equipment - net

	Land, buildings and building improvements €	Furniture, fittings and office equipment €	Plant and machinery €	Computer hardware €	Motor Vehicles €	Total €
Cost or revaluation						
Balance 1.1.2010	14.027.742	4.981.273	8.091.565	2.070.913	2.894.286	32.065.779
Disposal of subsidiaries	-	(125.119)	(261.326)	(205.540)	-	(591.985)
Acquisition of subsidiaries	-	-	-	-	2.947	2.947
Additions	21.387	70.600	231.802	42.339	246.581	612.709
Revaluation gain	9.703.353	-	-	-	-	9.703.353
Impairment loss	(90.122)	(149.415)	(638.000)	(8.586)	(35.296)	(921.419)
Transfer to investment properties	(3.860.000)	-	-	-	-	(3.860.000)
Disposals	-	(39.882)	(585.267)	(37.941)	(194.709)	(857.799)
Balance 1.1.2011	19.802.360	4.737.457	6.838.774	1.861.185	2.913.809	36.153.585
Disposal of subsidiaries	(2.719.199)	(240.375)	(6.215.057)	(291.377)	(1.382.988)	(10.848.996)
Additions	734.523	131.522	23.322	15.862	161.769	1.066.998
Revaluation loss	(52.500)	-	-	-	-	(52.500)
Impairment loss	-	-	(34.570)	(80.423)	-	(114.993)
Transfer to investment properties	(1.730.000)	-	-	-	-	(1.730.000)
Disposals	-	(783.533)	(7.518)	(4.127)	(339.551)	(1.134.729)
Balance 31.12.2011	16.035.184	3.845.071	604.951	1.501.120	1.353.039	23.339.365
Depreciation						
Balance 1.1.2010	1.059.085	3.945.264	7.006.856	1.841.858	2.605.207	16.458.270
Disposal of subsidiaries	-	(82.824)	(102.798)	(153.881)	-	(339.503)
Acquisition of subsidiaries	-	-	-	-	2.358	2.358
Charge for the year	281.689	236.143	219.136	84.988	154.209	976.165
Revaluation	(1.290.708)	-	-	-	-	(1.290.708)
Impairment loss	(50.066)	(70.280)	(587.694)	(8.586)	(18.968)	(735.594)
Disposals	-	(36.117)	(499.309)	(36.231)	(174.036)	(745.693)
Balance 1.1.2011	-	3.992.186	6.036.191	1.728.148	2.568.770	14.325.295
Disposal of subsidiaries	-	(214.407)	(5.472.320)	(277.281)	(1.298.875)	(7.262.883)
Charge for the year	273.908	150.353	21.704	62.740	127.103	635.808
Revaluation	(7.478)	-	-	-	-	(7.478)
Impairment loss	-	-	(24.199)	(74.075)	-	(98.274)
Disposals	-	(661.294)	(3.007)	-	(309.043)	(973.344)
Balance 31.12.2011	266.430	3.266.838	558.369	1.439.532	1.087.955	6.619.124
Net book value						
31 December 2011	15.768.754	578.233	46.582	61.588	265.084	16.720.241
31 December 2010	19.802.360	745.271	802.583	133.037	345.039	21.828.290

Allocation of depreciation in the income statement is analysed in note 6 of the consolidated financial statements.

18. Property, Plant and Equipment – net (Continued)

The carrying value of non depreciable land at 31 December 2011 was €7.509.323 (2010: €8.659.500).

The estimated remaining value of land, buildings and building improvements does not include building improvements under finance lease for the year ended 31 December 2011.

Land and buildings have been revalued on 31 December 2010 by independent professional valuers on the basis of the open market value of the immovable property. The market value was estimated in accordance with market evidence, the physical and legal characteristics, the investment potential of the properties under review, as well as the trend of the property market and the economy in general. The total revaluation for 2010 amounted to €10.994.061. The previous revaluation was performed in 2005 and the total revaluation amounted to €6.659.653.

The historical cost less the accumulated depreciation and impairment of land and buildings is €5.282.075 (2010: €5.556.214).

During the year ended 31 December 2011, property, plant and equipment of carrying value of €4.500.120 (2010: €13.257.530) is mortgaged for €2.929.198 (2010: €8.000.047).

No interest has been capitalised during the year ended 31 December 2011 (2010: €Nil).

At 31 December 2011 and 2010, the Group did not have any capital commitments in relation to buildings.

19. Investment in Associates

	2011 €	2010 €
Share of net assets at the beginning of the year	11.740.700	11.363.224
Acquisition of associates	-	4.000
Disposal of associates	(1.713.468)	(36.418)
Foreign exchange difference on conversion of balances of associates that maintain accounting records in foreign currency	(84.008)	353.846
Dividend received from associates	(207.621)	(532.498)
Share of (loss)/profit after dividends receivable for the year/period from acquisition to 31 December	(36.153)	337.026
Share of tax for the year/period from acquisition to 31 December	(11.886)	(49.120)
Decrease in share of own shares held by associates	633	1.821
Share of loss on revaluation or disposal of own shares held by associates	(633)	(1.821)
Decrease of share capital of associate	(3.048.093)	-
Impairment loss of goodwill of associates	-	(540.000)
Immovable property revaluation reserve	-	750.120
Special contribution for defence – deemed distribution	(4.668)	-
Transfer to subsidiaries	-	90.520
Share of net assets at the end of the year	6.634.803	11.740.700

19. Investment in Associates (Continued)

The main associates of the Group are the following:

Name	Principal activity	Country Of Incorpo-ration	Percentage of ownership Direct 2011	Percentage of ownership Direct 2010	Percentage of ownership Indirect 2011	Percentage of ownership Indirect 2010	Percentage of voting right Direct 2011	Percentage of voting right Direct 2010	Percentage of voting right Indirect 2011	Percentage of voting right Indirect 2010	Nominal value of issued share capital 2011 €	Nominal value of issued share capital 2010 €
TFI Public Company Limited	Financing and FX Trading	Cyprus	37,97%	37,97%	7,61%	7,61%	37,97%	37,97%	7,61%	7,61%	5.693.914	12.114.785
Ellinas Finance Public Company Limited	Provision of margin accounts and other financing activities	Cyprus	26,91%	26,91%	-	-	26,91%	26,91%	-	-	9.920.000	9.920.000
Dot.Cy Developments Limited	Financial and internet software developer	Cyprus	25,45%	25,45%	-	-	25,45%	25,45%	-	-	4.489	4.489
Animalia Genetics Limited	Farming	Cyprus	-	-	25%	25%	-	-	25%	25%	1.949.400	1.949.400
A. Philis Holding Limited	Holding company	Cyprus	-	-	35,97%	35,97%	-	-	35,97%	35,97%	646.380	646.380
Cypra Limited	Preparation and distribution of meat products	Cyprus	-	-	-	23.49%	-	-	-	23.49%	-	1.710
DD Venture One Limited	Establishment and operation of Property Group	Cyprus	30%	30%	-	-	30%	30%	-	-	684.171	684.171
Global Shipping Investments Management Limited	Shipping Activities	Cayman Islands	50%	50%	-	-	50%	50%	-	-	34.760	34.760
Access Insurance Brokers Ltd	Provision of insurance brokerage services	Cyprus	40%	40%	-	-	40%	40%	-	-	1.881	1.881
Access Insurance Agencies Ltd	Provision of insurance agency services	Cyprus	40%	40%	-	-	40%	40%	-	-	8.721	8.721
Silver Link Investments Limited	TV channel management	Cyprus	-	-	32%	32%	-	-	32%	32%	10.000	10.000

The share capital of TFI Public Company Limited is denominated in United States Dollars at the amount of US$8.185.000 (2010:US$17.415.000).

The share capital of Global Shipping Investments Management Limited is denominated in United States Dollars at the amount of US$50.000 (2010:US$50.000).

The foreign exchange differences arising from investments in associates are included in reserves.

19. Investment in Associates (Continued)

Silver Link Investments Ltd
During the year ended 31 December 2010 a subsidiary Company of the Group in which the Group held 80% of its share capital purchased 40% of the share capital of Silver Link Investments Limited. As a result of the above transaction the indirect shareholding percentage of the Group in Silver Link Investments Limited reached 32%. The consideration paid by the Group amounted to €4.000, and no goodwill resulted from this transaction.

TFI Public Company Limited
TFI Public Company Ltd (TFI Ltd), at a special resolution approved on 28 January 2011, proceeded to a reduction of the authorised share capital from 100.000.000 shares of $1 each to 100.000.000 shares of $0,80 each, and a reduction of the issued share capital from 17.415.000 shares of $1 each to 17.415.000 shares of $0,80 each. The above reduction was confirmed by court order on 23 February 2011.

Following a special resolution approved on 20 June 2011, TFI Ltd proceeded to a further reduction of its authorised share capital from 100.000.000 shares of $0,80 each to 100.000.000 shares of $0,47 each, and to a reduction of the issued share capital from 17.415.000 shares of $0,80 each to 17.415.000 shares of $0,47 each. The above reduction was confirmed by Court Order on 30 June 2011.

The resulting amount from the above reductions was recorded to a special reserve and was returned to the beneficiary shareholders in proportion to the number of shares that each shareholder held on the dates of issue of the new share capital certificate by the Registrar of Companies, following the ratification of these reductions by the court. In total, each shareholder received $0,53 per share. During the year ended 31 December 2011, the Group received the amount of €3.048.093 from TFI Ltd, which represents the full demand of the Group at the dates of ratification of the said reductions by the court.

The above reductions did not have any effect on the direct or indirect percentage of participation of the Company in TFI Ltd.

In addition, on the date of approval of the 2nd special resolution, TFI Ltd decided to increase its authorised share capital from 100.000.000 shares of $0,47 each to 170.212.765 shares of €0,47 each by issuing 70.212.765 new shares with nominal value of $0,47 each and carrying the same rights as the already issued share capital. The increase of the share capital took place after the approval of share capital reduction by the court.

During the year ended 31 December 2010, the Group's share (direct and indirect) in Cyventure Capital Public Company Limited, which held 4,22% of the share capital in TFI Public Company Limited, decreased from 86,03% to 78,29%. As a result, the Group's share in TFI Public Company Limited decreased from 45,91% to 45,58%.

Cypra Ltd
On 9 April 2011, the subsidiary Cyventure Capital Public Company Ltd sold its participation in Cypra Limited Company for the amount of €3.500.000 of which €228.000 related to dividends receivable for the year 2010. The profit from the disposal of investment amounted to €1.558.531.

Summarised financial information in respect of the Group's associates are set out below:

	2011 €	2010 €
Total assets	31.327.818	69.061.163
Total liabilities	(10.278.461)	(37.720.575)
Net assets	21.049.357	31.340.588
Group's share of associates' net assets (including goodwill and the effect of own shares)	6.684.211	11.740.700
Total revenue	9.558.749	23.325.858
Net(loss)/profit of associates	(201.793)	1.346.978
Group's share of associates' profit before tax (including the share of profit of associate companies disposed during the year, and the effect of own shares)	(36.153)	337.026

Total revenue excludes realised and unrealised profit on disposal and revaluation of financial assets at fair value through profit or loss.

19. Investment in Associates (Continued)

The market value of the associates that are listed in the Cyprus Stock Exchange is presented below:

	Market value		Group's share	
	2011	2010	2011	2010
	€	€	€	€
Ellinas Finance Public Company Limited	6.080.000	6.400.000	1.636.128	1.722.240

As at 31 December 2011, goodwill included in the carrying value of associates was tested for impairment as part of the investment in the above companies. The main assumptions used were the annual average increase in recurring revenue of 16,3% (2010: average increase of 29,13%) and an annual average increase in expenses of 3% up to 2013 (2010: average increase of 22,78% up to 2013) using a discount factor of 12,6% up to 2014 and a growth rate of 3% after 2014.

As part of the impairment review at 31 December 2011, the Group did not recognize any impairment loss on goodwill (2010: €540.000 due to the reduction of the operations of the associate company, impairment loss on goodwill could not be justified).

20. Other Non-current Assets

	2011	2010
	€	€
Other amounts receivable	457.944	613.283

Other amounts receivable relate to deposits of the Group's subsidiary company Sharelink Securities and Financial Services Limited in the Auxiliary Fund/Common Guaranteed Fund CySEC, Investor Compensation Fund of CIFs and the Auxiliary Fund A.S.E..

21. Available for sale financial assets

	2011	2010
	€	€
Balance 1 January	6.113.382	7.025.754
(Disposals)/Purchases, net	(2.984)	70.094
Disposal of subsidiaries	(6.583)	-
Transfer to receivables	-	(913.230)
Revaluation deficit	(296.169)	(69.236)
Balance 31 December	5.807.646	6.113.382

From the above investments, an amount of €81.399 (2010: €150.743) comprises investments in listed companies. During the year ended 31 December 2011 an impairment loss of €88.261 was recognised on the available for sale financial assets (2010: €Nil).

On 1 October 2010, the Board of Directors of Lemissoler Maritime Company WLL ("Maritime") approved capital repayments to shareholders of $12.045.506. Therefore, the amount of €913.230 was transferred out from the investment cost of Maritime in these financial statements and was recognized in trade and other receivables until the repayment date.

In the opinion of the Board of Directors, the accounting value of the available for sale financial assets, approximates their fair value.

22. Goodwill

	2011 €	2010 €
Cost		
At the beginning of the year	6.488.931	6.353.147
From the acquisition of share in subsidiaries	72.020	135.784
Goodwill disposed	-	-
At the end of the year	6.560.951	6.488.931
Accumulated impairment loss		
At the beginning of the year	3.476.849	3.341.065
Impairment loss of goodwill	2.398.415	135.784
At the end of the year	5.875.264	3.476.849
Net book value at the end of the year	685.687	3.012.082

During 2011, the Group recognized goodwill of €72.020 that resulted from the acquisition of subsidiary company Conmer Limited. At the same time, the Group recognized an impairment loss of €72.020 due to the estimated decrease in the results of the subsidiary company.

During 2010, the Group recognized goodwill of €135.784 that resulted from the acquisition of additional share in the associate company White Wise Limited, in which the Group already held a 40% share on 31 December 2009. At the same time, the Group recognized an impairment loss of €135.784 due to the expected decrease in the results of the subsidiary company.

The recoverable amount of goodwill at 31 December 2011 was calculated based on the value in use of the relevant cash generating units. The goodwill of the Group at 31 December 2011 has been allocated to the following cash generating units:

Carrying value of goodwill

	2011 €	2010 €
Import and sale of tools	270.742	270.742
Investment in property holding and land development	-	2.326.395
Entertainment sector	408.304	408.304
Provision of financial services	6.641	6.641
	685.687	3.012.082

Goodwill is tested for impairment by the Group annually or earlier if there is an indication for impairment.

The recoverable amounts of the cash generating units are determined through value in use calculations. The main assumptions used for the calculation of value in use are directly attributed to the increase in the Cyprus Stock Exchange index, the discount factor, the growth level and the expected variations of disposal prices and direct costs during the period. The Board of Directors calculates the discount factor using pre-tax interest rate reflecting its current estimations of market conditions, the time value of money and the risks associated with specific cash generating units. The growth level is based on the projections on the commercial activities and the growth in the shipping and immovable property market. Variations in the disposal prices and direct costs are mainly based on prior experience and future market expectations.

The main assumptions used by management for the calculation of the projected future cash flows of the cash generating units of the commercial activities, were the annual average increase/(decrease) in turnover by 0% to 5% (2010: 0% to 5%) and the increase in gross margin percentage by 0% to 5% (2010: 0% to 5%). The main assumption used, for the investment in property holding and development of land, was the increase of the selling price of Investment Property. The assumptions are mainly based on prior experience and property market trends.

As a result of the review of goodwill for impairment, the Group recognised an impairment loss of €2.326.395 which was related to investment in property.

23. Intangible Assets

	Computer software €	Total €
Cost		
Balance 1.1.2010	2.033.165	2.033.165
Disposal of subsidiaries	(135.905)	(135.905)
Additions	9.322	9.322
Disposals	(10.815)	(10.815)
Balance 1.1.2011	1.895.767	1.895.767
Disposal of subsidiaries	(44.258)	(44.258)
Additions	37.962	37.962
Balance 31.12.2011	1.889.471	1.889.471
Accumulated Amortisation		
Balance 1.1.2010	1.860.381	1.860.381
Disposal of subsidiaries	(73.454)	(73.454)
Charge for the year	69.584	69.584
Disposals	(10.815)	(10.815)
Balance 1.1.2011	1.845.696	1.845.696
Disposal of subsidiaries	(30.683)	(30.863)
Charge for the year	45.086	45.086
Balance 31.12.2011	1.860.099	1.860.099
Net Book Value		
31 December 2011	29.372	29.372
31 December 2010	50.071	50.071

Computer software has a finite useful economic life during which it is amortised at an annual rate of 33%.

24. Investment in Subsidiaries

The main subsidiaries of the Group are:

Name	Principal activity	Country of Incorpo-ration	Percentage of ownership Direct		Percentage of ownership Indirect		Percentage of voting rights Direct		Percentage of voting rights indirect		Nominal value of issued share capital	
			2011	2010	2011	2010	2011	2010	2011	2010	2011 €	2010 €
Sharelink Securities and Financial Services Limited	Cyprus Regulated Financial Services	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	2.565.000	2.565.000
Sharelink Administration Management Limited	Company Administration Services	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	3.420	3.420
CyPensions Limited	Dormant	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	18.810	18.810
SFS Custodian & Trust Services Limited	Custodian and Secretarial Services	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	3.420	3.420
SFS Corporate Management Limited	Private Equity Management	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	5.147	5.147
First Elements Ventures Limited	Venture Capital Management and Business Consulting	Cyprus	100,00%	100,00%	-	-	100,00%	100,00 %	-	-	1.881	1.881
USFS Overseas Services Limited	Provision of international services	Jersey	100,00%	100,00%	-	-	100,00%	100,00%	-	-	1.557	1.557
White Knight Holdings Limited	Holding and Investments	Cyprus	87,63%	87,63%	12,37%	12,37%	87,63%	87,63%	12,37%	12,37%	184.183.668	184.183.668
AAA United Property Consultants Limited	Real Estate Agency	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	17.117	17.117
Franston Limited	Investment holding	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	12.312	12.312
CyVenture Capital Public Company Limited	Venture capital investments	Cyprus	70,55%	77,52%	7,74%	8,51%	70,55%	77,52%	7,74%	8,51%	6.438.379	5.859.647
M.H. Value Added Online Limited	Financial services agents	Cyprus	-	-	80,00%	80,00%	-	-	80,00%	80,00%	299	299
Triena Investments Public Company Ltd	Investment Company	Cyprus	84,32%	84,32%	-	-	84,32%	84,32%	-	-	5.798.876	5.798.876
SFS Property Services Ltd	Real Estate Agency	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	1.700	1.700
SFS Ledra Properties Ltd	Acquisition, development, sale and rental of immovable property	Cyprus	100,00%	100,00%	-	-	100,00%	100,00%	-	-	5.131.881	5.131.710

24. Investment in Subsidiaries (Continued)

The main subsidiaries of the Group are: (Continued)

Name	Principal activity	Country of Incorpo-ration	Percentage of ownership				Percentage of voting rights				Nominal value of issued share capital	
			Direct		Indirect		Direct		Indirect			
			2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
											€	€
Worldpremier Entertainment Limited	Entertainment sector	Cyprus	-	-	90,00%	90,00%	-	-	90,00%	90,00%	17.100	17.100
Carmount Limited	Import and sale of tools	Cyprus	-	-	100,00%	100,00%	-	-	100,00%	100,00%	3.372.120	3.372.120
Ocean Challenge Limited	Investments in shipping industry	Cyprus	-	-	100,00%	100,00%	-	-	100,00%	100,00%	8.550.000	8.550.000
Lemissoler Shipping Group Public Company Limited	Shipping sector	Cyprus	-	-	52,73%	52,73%	-	-	52,73%	52,73%	11.849.152	11.849.152
White Knight Properties Limited	Acquisition, development, sale and rental of immovable property	Cyprus	-	-	100,00%	100,00%	-	-	100,00%	100,00%	51.300.000	51.300.000
Regis Milk Industries Limited	Import, production and distribution of dairy products	Cyprus	-	-	-	51,00%	-	-	-	51,00%	-	1.441.766
Coyio Limited	Import, production and distribution of dried nuts	Cyprus	-	-	70,00%	70,00%	-	-	70,00%	70,00%	1.368.171	1.368.171
Chrikar Trading Company Limited	Import and distribution of foodstuff and catering consumables	Cyprus	-	-	70,00%	70,00%	-	-	70,00%	70,00%	1.231.200	1.231.200
M. Kalimera Dairies Limited	Investment property	Cyprus	-	-	100,00%	100,00%	-	-	100,00%	100,00%	2.445.250	2.445.250
Vastuat Farm Limited	Farming sector	Cyprus	-	-	68,75%	68,75%	-	-	68,75%	68,75%	34.200	34.200
Vastuat Limited	Farming sector	Cyprus	-	-	100,00%	100,00%	-	-	100,00%	100,00%	1.201.302	1.201.302
White Wise Ltd	Investment in immovable property	Cyprus	-	-	100,00%	-	-	-	100,00%	-	1.710	-
Conmer Limited	Acquisition, development, sale and rental of immovable property	Cyprus	-	-	100,00%	-	-	-	100,00%	-	1.881	-

24. Investment in Subsidiaries (Continued)

All the above subsidiaries of the Group are private limited liability companies except for the subsidiary companies, CyVenture Capital Public Company Limited and Triena Investments Public Company Limited which are public limited liability companies.

The share capital of USFS Overseas Services Limited is denominated in Sterling Pounds £1.000 (2010: Sterling Pounds £1.000).

The main acquisitions and disposals of subsidiaries are described below:

Conmer Limited
On 19 April 2011, the subsidiary company Assenso Trading Limited acquired 1.100 shares with nominal value of €1 each in Conmer Limited for the total amount of €1.080.000. Assenso Trading Limited's share in Conmer Limited amounts to 100%.

Jogecy Limited
On 20 April 2011, the Company acquired 1.000 shares with nominal value of €1 each in Jogecy Limited for the total amount of €1.000. The Company's share in Jogecy Limited amounts to 100%.

Cyventure Capital Public Company Limited
During the year ended 31 December 2010, Cyventure Capital Public Company Limited issued 1.345.887 ordinary shares of nominal value of €0,43 each for the total amount of €834.450 to a third party. As consideration for the above transaction, the Group acquired shares in public companies. As a result of the above transaction, the Group's share in Cyventure Capital Public Company Limited decreased from 86,03% to 78,29%. In addition, the Group's indirect participation in associated companies TFI Public Company Ltd and A. Phillis Holdings Ltd decreased to 7,61% and 35,97% respectively. As a result of the above transaction, a profit was recognized from the decrease of the share in the subsidiary company of €273.380.

Chrikar Olives Limited
On 13 October 2010, the subsidiary company Chrikar Trading Company Limited increased its share in Chrikar Olives Limited to 99,98% with the purchase of 1.000 additional shares resulting in an increase in the indirect ownership of the Group from 56% to 70%. The acquisition cost was €1.

Carmount Limited
On 12 March 2010 the subsidiary company Carmount Limited purchased 63.750 additional shares in Crolantaco Limited for €420.000 increasing the share of Carmount Limited and the Group's in the Company from 70% to 85%.

Forumfront Limited
During 2010 the subsidiary Worldpremier Entertainment Limited acquired an additional 9% share in the company Forumfront Limited. Specifically on 25 February 2010 it acquired a 3,38% stake for an amount of €200.000 and on 29 September 2010 the remaining 5,62% for an additional amount of €480.000, of which €360.000 is payable during 2011. On 31 December 2010, the share of Worldpremier Entertainment Limited in Forumfront Limited is 99%, increasing also its indirect share in Monte Caputo Properties Limited to 99%. The Group's share in both companies increased to 89,1%.

In accordance with the revised IFRS3, any differences arising from changes in Group ownership interest in subsidiaries where the Group already had control are included in the profit and loss reserve. Consequently, differences of €493.067 resulting from the purchase of additional share in Chrikar Olives Limited, Forumfront Limited and Carmount Limited were debited in the profit and loss reserve.

SFS Ledra Properties Limited
On 30 December 2010, SFS Ledra Properties Limited issued to the Company 100 ordinary shares of nominal value of €1,71 each for a total amount of €2.353.038. No goodwill has arisen from the above transaction and the Group's share remained at 100%.

White Wise Limited
During the year ended 31 December 2010, the subsidiary company White Knight Holdings Ltd acquired an additional share of 60% in the associate company White Wise Ltd. No consideration was transferred for the above transaction, and goodwill of €135.784 was recognised which was written off to the profit and loss account. During 2009, the subsidiary company White Knight Holdings Ltd owned 40% of the share capital of White Wise Ltd.

24. Investment in Subsidiaries (Continued)

The value of the assets and liabilities of the subsidiary companies acquired by the Group during 2011 and 2010 were as follows:

	2011 Fair value €	2011 Carrying amount €	2010 Fair value €	2010 Carrying amount €
Investment property	1.500.000	1.500.000	-	-
Deferred taxation	(94.556)	(94.556)	-	-
Trade and other receivables	1.000	1.000	798.852	798.852
Investments in associates	-	-	90.520	90.520
Property, plant and equipment – net	-	-	589	589
Trade and other payables	(42.939)	(42.939)	(261.413)	(261.413)
Bank overdrafts	(354.525)	(354.525)	(749.385)	(749.385)
Taxation payable	-	-	(14.947)	(14.947)
	1.008.980	1.008.980	(135.784)	(135.784)
Goodwill	72.020		135.784	
Acquisition cost	1.081.000		-	

	2011 **Δίκαιη αξία** €	2010 Δίκαιη αξία €
Covered by:		
Cash	200.000	-
Trade and other payables	1.000	-
Inventories	880.000	-
Cash flow from acquisition of subsidiaries:		
Cash paid	(200.000)	-
Bank overdrafts acquired	(354.525)	(749.385)
Cash acquired	(554.525)	(749.385)

During the year ended 31 December 2011 the group disposed the following subsidiaries:

Regis Milk Industries Limited

On 29 June 2011 the subsidiary company of the Group White Knight Holding Limited proceeded with the disposal of 430.001 shares of Regis Milk Industries Limited with nominal value of €1,71 each for the total amount of €100. The disposal of Regis Milk Industries Limited resulted to a profit of €144.464.

Lemissoler Shipmanagement Limited

On 1st January 2010 the subsidiary company Lemissoler Shipmanagement Limited was sold to Mr. Philip Filis who was a shareholder of Lemissoler Shipmanagement Limited and director of the company Lemissoler Shipping Group Public Co Ltd.

The Group paid a total amount of €773.141 to the non-controlling interest shareholder, in exchange for the disposal of the shares since the subsidiary was in a net liability position as at 1 January 2010. From the above transaction a loss of €291.068 was recognized in the income statement.

Lemissoler Ukraine S.C. and Argo Travel Limited were sold as part of the disposal of Lemissoler Shipmanagement Limited.

24. Investment in Subsidiaries (Continued)

Dinos & Sons Engineering Supplies Limited and C&C Toolbox Limited
On 1st September 2010, the subsidiary of the Group Carmount Limited disposed 100% of its holding in Dinos & Sons Engineering Supplies Limited and C&C Toolbox Limited. The consideration received amounted to €1 for each company. From the disposal of Dinos & Sons Engineering Supplies Limited a profit of €1.743 has resulted, whilst from the disposal of C&C Toolbox Limited a loss of €7.156 has resulted.

The fair value of assets and liabilities of subsidiaries disposed by the Group, was as follows:

	2011 €	2010 €
Cash in hand and at bank – net	48.071	566.859
Trade and other receivables	347.072	779.114
Property, plant and equipment – net	3.586.113	252.482
Inventories	945.276	-
Intangible assets	13.577	62.451
Financial assets available for sale	6.583	-
Trade and other payables	(2.858.103)	(2.545.958)
Bank overdrafts	(1.670.766)	-
Bank loans	(148.534)	-
Deferred taxation	(419.022)	-
Taxation	(1.398)	(55.008)
Non-controlling interests	6.767	463.402
Profit/(loss) on disposal	144.464	(296.481)
Disposal proceeds	100	(773.139)

	2011 €	2010 €
Covered by:		
Balance included in receivables	100	2
Loans receivable waived	-	(592.258)
Cash	-	(180.883)
	100	(773.139)
Cash flow from disposal of subsidiaries:		
Cash paid	(100)	(180.883)
Cash held by the company disposed	(48.071)	(566.859)
Bank overdrafts held by the company disposed	1.670.766	-
	1.622.595	(747.742)

On 16 March 2011 the subsidiary of the Group Coyio Limited disposed its operations for the total amount of €260.000. The result of the disposal was a profit of €136.021.

25. Trade and Other Payables

	2011 €	[Adjusted] 2010 €	[Adjusted] 1.1.2010 €
Trade payables	3.745.903	5.688.566	7.872.844
Accruals and deferred income	405.859	1.597.617	7.685.406
Prepayment from disposal of immovable property	1.639.988	1.361.988	5.311.530
Other payables	2.849.098	2.557.343	2.070.144
Provision for contingent liabilities	4.214.455	4.028.900	7.772.163
	12.855.303	15.234.414	30.712.087

The average credit period on purchases is 30 to 91 days. No interest is charged on the trade payables. The Group enforces financial risk management policies to ensure that payables are repaid within the credit period allowed.

25. Trade and Other Payables (Continued)

The above amounts are payable within one year.

An amount of €4.076.796 (2010: €4.028.900), which is included in the provision for contingent liabilities, relates to probable liabilities that may result from legal cases and other contingent liabilities of the Group. The factors affecting the amount as well as the repayment period are the outcome of the legal cases and other events in relation to the settlement of the liabilities.

The Board of Directors is of the opinion that the fair value of trade and other creditors approximates the amount presented in the balance sheet.

26. Long-term Loans and Bank Overdrafts

	2011 €	2010 €
Bank overdrafts	18.987.609	20.549.249
Bank loans	85.331.158	79.058.397
Hire purchase obligations	276.067	397.568
	104.594.834	100.005.214
The long-term loans of the Group are repayable as follows:		
Within one year	1.885.813	11.696.758
Between two to five years	69.371.698	53.029.092
After five years	14.073.647	14.332.547
	85.331.158	79.058.397
Less: Amounts due for settlement within one year	(1.885.813)	(11.696.758)
Amounts due for settlement after 12 months	83.445.345	67.361.639

The hire purchase obligations are repayable as follows:

	2011 €	2010 €
Within one year	109.745	133.551
Between two to five years	166.322	264.017
	276.067	397.568
Less: Amounts due for settlement within one year	(109.745)	(133.551)
Amounts due for settlement after 12 months	166.322	264.017

The average interest rates debited/paid were as follows:

	2011 %	2010 %
Bank overdrafts	7,26%	6,30%
Bank loans	6,71%	5,44%

The last loan instalment is repayable in 2022.

The bank overdrafts comprise of bank facilities repayable on demand.

The hire purchase obligations bear interest at 3,95% to 4,65% (2010: 5,5% to 6,00%) and expose the Group to fair value interest rate risk and they are secured by personal guarantees of directors of subsidiaries and corporate guarantees of the Group.

During the year, the Group proceeded to a restructuring agreement of bank loans obtaining a grace period for capital repayments of the loans.

26. Long-term Loans and Bank Overdrafts (Continued)

The repayment terms of the principal loans are as follows:

(i) Loan with balance on 31 December 2011 of €1.850.141 is repayable by 17 quarterly installments of €101.309 from March 2013 until March 2017.

(ii) Loan in foreign currency (multi currency option) with balance on 31 December 2011 of €2.838.550 is repayable by 17 quaterly instalments of €146.462 from Ferbruary 2013 until June 2015.

(iii) Loan in foreign currency (multi currency option) with balance on 31 December 2011 of €3.653.773 is repayable by 12 quarterly instalments from March 2013 until December 2015.

(iv) Loan with balance on 31 December 2011 of €12.904.395 is repayable in March 2015. The loan is repayable by quarterly instalments of interest of €236.926 from March 2012 until March 2013, and in quarterly instalments of capital and interest of €1.560.360 from March 2013, with final full repayment of capital and interest in July 2015.

(v) Loan with balance on 31 December 2011 of €1.863.700 is repayable by 11 quarterly instalments of €183.700 from November 2011 until November 2016.

(vi) Loan with balance on 31 December 2011 of €5.074.829 is repayable in March 2015. The loan is repayable by quarterly instalments of interest of €236.926 from March 2012 until March 2013, and by quarterly instalments of capital and interest of €605.817 from March 2013, with final full repayment of capital and interest in July 2015.

(vii) Loan with balance on 31 December 2011 of €1.249.692 is repayable in January 2015. The loan is repayable by quarterly instalments of interest of €76.167 from April 2012 until April 2013, and by quarterly instalments of interest and capital of €556.264 from April 2013, with final full repayment of capital and interest in January 2015.

(viii) Loan with balance on 31 December 2011 of €1.460.091 is repayable by 1 instalment in December 2013.

(ix) Loan with balance on 31 December 2011 of €223.632 is repayable by monthly instalments of €7.711 with final full repayment in November 2016.

(x) Loan with balance on 31 December 2011 of €399.464 is repayable by monthly instalments of €3.000 with final full repayment in October 2018.

(xi) Loan with balance on 31 December 2011 of €1.686.057 is repayable by monthly instalments of €203.841 with final full repayment in January 2015.

(xii) Loan with balance on 31 December 2011 of €1.686.073 is repayable by quarterly instalments of €203.844 with final full repayment in January 2015.

(xiii) Loan with balance on 31 December 2011 of €34.148 is repayable by montly installments of €5.749 with final full repayment in May 2012.

(xiv) Loan with balance on 31 December 2011 of €2.277.060 is repayable by montly installments of €33.301 with final full repayment in December 2018.

(xv) Loan with balance on 31 December 2011 of €1.056.500 is repayable by montly installments of €11.721 with final full repayment in December 2021.

(xvi) Loan with balance on 31 December 2011 of €860.776 is repayable by quarterly installments of €66.561 with final full repayment in September 2015.

(xvii) Loan with balance on 31 December 2011 of €3.473.613 is repayable by quarterly installments of USD350.964 with final full repayment in September 2015.

(xviii) Loan with balance on 31 December 2011 of €8.152.113 is repayable by quarterly installments of €280.068 with final full repayment in March 2022.

(xix) Loan with balance on 31 December 2011 of €403.552 is repayable by quarterly installments of €14.816 with final full repayment in June 2022.

26. Long-term Loans and Bank Overdrafts (Continued)

(xx) Loan with balance on 31 December 2011 of €6.392.210 is repayable by quarterly installments of €358.307 with final full repayment in December 2016.
(xxi) Loan with balance on 31 December 2011 of €2.780.493 is repayable by quarterly installments of €219.336 with final full repayment in September 2015.
(xxii) Loan with balance on 31 December 2011 of €2.936.701 is repayable by quarterly installments of €219.336 with final full repayment in September 2015.
(xxiii) Loan with balance on 31 December 2011 of €726.018 is repayable by monthly installments of €11.350 with final full repayment in March 2018.
(xxiv) Loan with balance on 31 December 2011 of €1.117.631 is repayable by quarterly installments of €38.393 with final full repayment in March 2022.
(xxv) Loan with balance on 31 December 2011 of €362.799 is repayable by monthly installments of €4.384 with final full repayment in June 2022.
(xxvi) Loan with balance on 31 December 2011 of €579.916 is repayable by monthly installments of €6.926 with final full repayment in September 2022.
(xxvii) Loan with balance on 31 December 2011 of €1.883.569 is repayable by quarterly installments of €36.326 with final full repayment in August 2017.
(xxviii) Loan with balance on 31 December 2011 of €14.900.176 is repayable by quarterly installments of €537.914 with final full repayment in December 2020.
(xxix) Loan with balance on 31 December 2011 of €487.800 is repayable by monthly installments of €10.252 with final full repayment in December 2016.
(xxx) Loan with balance on 31 December 2011 of €246.140 is repayable by monthly installments of €5.239 with final full repayment in December 2016.
(xxxi) Loan with balance on 31 December 2011 of €271.355 is repayable by monthly installments of €13.740 with final full repayment in September 2014.
(xxxii) Loan with balance on 31 December 2011 of €695.290 is repayable by monthly installments of €31.238 with final full repayment in January 2015.

The loans bear interest 0,50% to 2% in excess of the base interest rate or the one month Libor rate plus 6,25% or one month Euribor plus 5% to 6,30% or three month Euribor plus 6,25% or six month Euribor plus 3,50% to 4,95% which expose the Group to cash flow interest rate risk.

Collaterals

For the provision of bank facilities and loans to the Group at 31 December 2011 the following collaterals were in place:

(i) Mortgages in immovable property included in investment property and inventories with mortgaged value of €59.146.456 plus interest and fair value of €78.147.744 (2010: mortgaged value €110.341.754 plus interest, and fair value of €160.275.690).
(ii) Mortgages in immovable property included in the property, plant and equipment of the Group with mortgaged value of €2.929.198 and carrying accounting value of €4.500.270 (2010: mortgaged value €8.000.047 and carrying accounting value of €13.257.530).
(iii) Floating charges over the assets of the Group for the amount of €12.589.406 (2010: €11.533.067).
(iv) Corporate guarantees by companies of the Group for the amount of €172.195.958 (2010: €214.592.162).
(v) Bank deposits at 31 December 2011 of €1.000.000 were blocked (2010: €Nil).
(vi) Fire and earthquake insurance policies that cover the buildings of the Group of €13.943.268 (2010: €47.156), personal guarantees of €819.865 (2010: €1.496.609) and rental agreements of €326.650 (2010: €326.650) have been granted.
(vii) 87.100.000 (2010: 87.100.000) shares held by the Group in the subsidiary company White Knight Holdings Limited of nominal value €0,85 each were pledged.
(viii) In addition, written commitments have neen granted relating to the repayment of balances between Group companies and other personal guarantees of directors and non-controlling interest shareholders of subsidiaries.

27. Short Term Loans

	2011 €	2010 €
Bank loans	5.700.000	5.700.000
	5.700.000	5.700.000

Bank loans include:

(i) Loan of initial amount of €2.000.000 is repayable in one instalment in February 2012.
(ii) Loan of initial amount of €3.700.000 is repayable in one instalment in May 2012.

The loans bear interest the 6 month Euribor rate plus 0,40% - 1,10%.

The above loans were secured by bank deposits of €5.700.000 (Note 11) (2010: bank deposits of €5.700.000).

28. Deferred Taxation

The following are the main deferred tax liabilities and assets that have been recognized by the Group and the movements thereon, during the current and prior reporting period.

	Accelerated tax depreciation €	Revaluation of immovable property €	Other temporary differences €	Total €
Balance 1 January 2010	125.768	11.030.275	(99.324)	11.056.719
Charge in income statement	-	(151.876)	(10.882)	(162.758)
Foreign exchange difference on conversion of balances of subsidiaries that maintain accounting records in foreign currency	-	-	(17)	(17)
Charge in immovable property revaluation reserve	-	1.509.813	-	1.509.813
Balance 1 January 2011	125.768	12.388.212	(110.223)	12.403.757
Charge in income statement	(70.474)	(641.014)	-	(711.488)
Acquisition of subsidiary	-	-	94.556	94.556
Disposal of subsidiary	(33.640)	(385.382)	-	(419.022)
Charge in immovable property revaluation reserve	-	32.084	-	32.084
Balance 31 December 2011	21.654	11.393.900	(15.667)	11.399.887

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policies. The analysis of deferred tax balances (after offsetting) as shown in the balance sheet is as follows:

	2011 €	2010 €
Deferred tax liabilities	11.513.724	12.505.559
Deferred tax assets	(113.837)	(101.802)
	11.399.887	12.403.757

The amount of deductible temporary differences for which no deferred tax asset is recognized in the balance sheet is as follows:

	2011 €	2010 €
Tax losses carried forward	54.320.410	44.280.310

The losses for corporate tax purposes for the year 2011 are carried forward indefinitely for offset against future taxable profits.

29. Share Capital

	2011		2010	
	Number	€	Number	€
Authorised				
Ordinary shares of €1,00 each	343.333.334	343.333.334	343.333.334	343.333.334

	2011		2010	
	Number	€	Number	€
Issued and fully paid				
Ordinary shares of €1,00 each	66.520.075	66.520.075	66.520.075	66.520.075
Share capital to be issued	-	3.001	-	251.415

Details of shares issued during the year are shown below:

	Number of shares	Price of issue €	Issued share capital €	Share premium €
Balance 1 January and 31 December 2010	66.520.075	-	66.520.075	5.082.094
Balance 1 January and 31 December 2011	66.520.075	-	66.520.075	5.082.094

Share based – payments

Share Options Scheme

The Extraordinary General Meeting held on 12 April 2007 approved the introduction of a Share Option Scheme for the Group's staff and associates and the Company's Executive Directors, which will enable the Board of Directors to issue and allocate at its own discretion every year between 2007 and 2010 (including both) such number of Options that will give the right for the purchase of such number of shares that will not exceed 3% of the Company's issued share capital at the date of issue and allocation of the Share Options.

The issue and allocation will be carried out within the period of one month from the date of the announcement of the indicative results of the previous year.

A share option will give the right to its holder to purchase one ordinary share at a price of 10% above the average closing price of the last 5 sessions prior to the date of their issue and allocation, given that this will not be lower than the average closing price of the last 30 stock exchange sessions prior to the date of their issue and allocation.

The exercise of Options will be carried out gradually in three dates. The date of exercise will be on 31 May of each year or in case that this is not a business day, the day prior to 31 May (the "Exercise date"). The holder of share options will exercise his/her option as follows:

- up to 1/3 of the share Options held at the date of exercise of the year that follows their allocation,
- up to 2/3 of the share Options that were allocated initially at the date of exercise of the second year that follows their allocation, and
- all Options that were not exercised until the date of exercise of the third year that follows their allocation.

The share Options will not be transferable and will not be listed at the Cyprus Stock Exchange. The shareholders will waive all the pre-emption rights that they have or might have in relation to the issue and allocation of Options based on the Scheme.

29. Share Capital (Continued)

Share based – payments (continued)

Share Options Scheme (continued)
The Extraordinary General Meeting held on 3 June 2009 approved the amendment of the Regulations of the Share Option Scheme for the Group's staff and associates and the Company's Executive Board members, which was approved by the Extraordinary General Meeting on 12 April 2007 in relation to the exercise price and the time of issue and allocation of the options as follows:

- The issue and allocation can be carried out within 90 days from the announcement of the indicative results of the previous year, but not before the date of the price fixing.
- The date of price fixing will be the 30th day after the announcement of the indicative results for the previous year fixing if there was no CSE session during that day, the day before.
- The exercise price will be the price that will be 10% above the average closing price of the past 5 sessions prior to the price fixing, given that this price will not be lower than the average closing price of the past 30 sessions prior to the date of price fixing. In case that this price is lower than that of the past 30 sessions before the date of price fixing, then the acquisition price will be the average closing price of the past 30 sessions before the date of price fixing.
- The nominal value of the ordinary shares will be the minimum exercise price.

Share Options Scheme 2007-2010
The Board of Directors decided to issue and allocate 1.400.000 Share Options 2007-2010, whose first date of exercise will be on 31 May 2008. Each Option will give the right to its holder to acquire one share of nominal value €1,025 (£0,60) at the price of €1,83.

The fair value of the Share Options 2007-2010 was measured at the grant date, using the Black-Scholes valuation model. The main variables taken into account are the share price (€0,29 on 8 March 2007), the exercise price (€0,3058), the dividend yield (6%), the risk-free interest rate (4,12%), the duration of the Share Options and the expected volatility of the share price (47,5%) which was calculated using the historic volatility of the share. The fair value allocated to the 1/3 of the Share Options that can be exercised within the third year from the date of issue amounted to €196.110 and it has been recognized as an expense in the income statement for 2009 with a respective credit in the reserves in accordance with the provisions of IFRS2 ("Share Based Payments").

On 31 May 2010, which was the last day on which the share options 2007-2010 issued on 8 March 2007 could be exercised, none of these options had been exercised. According to the scheme, all the share options 2007-2010 not exercised will be cancelled and will no longer exist. As a result, an amount of €504.112 has been transferred from the "Share capital to be issued" reserve to "Retained earnings" reserve.

Share Options Scheme 2008-2011
On 28 March 2008 the Board of Directors of the Company decided the issue of 1.871.943 Share Options 2008-2011 (3% of the Company's issued share capital) of which the first date of exercise will be the 29th of May 2009 and their holders will be able to exercise up to 1/3 of the Share Options granted. The second date of exercise will be the 31st of May of 2010, date at which up to 2/3 of the share options granted could be exercised. The third and last date of exercise will be the 31st of May of 2011, date at which all the share options granted not exercised up to that date could be exercised. One Share Option grants to its holder the right to purchase one share of the Company of nominal value of €1,00 at the price of €1,45. The Board of Directors of the Company decided that 34% of the above Share Options be allocated to the Executive Directors, 33% be allocated to the Department Heads and Managers and the remaining 33% to the remaining staff and associates of the Group.

The fair value of share options 2008-2011 was measured at grant date, using the Black Scholes valuation model. The main variables taken into account are the share price (€1,31 on 26 March 2008), the exercise price (€1,45), the dividend yield (10%), the risk-free interest rate (4,24%), the duration of the Share Options and the expected volatility of the share price (36,6%) which was calculated using the historic volatility of the share. The fair value allocated to the 1/3 of the Share Options that can be exercised within the third year from the date of issue amounted to €95.141 and it has been recognized as an expense in the income statement for the year 2010 with a respective credit in the reserves in accordance with the provisions of IFRS2 ("Share Based Payments").

29. Share Capital (Continued)

Share based – payments (continued)

Share Options Scheme 2008-2011 (continued)
On 31 May 2011, the last day on which the share options 2008-2011 issued on 27 March 2008 could be exercised, none of these options had been exercised. According to the scheme, all the share options 2008-2011 which had not been exercised, had expired and ceased to exist. As a result, an amount of €251.415 has been transferred from the "Share capital to be issued" reserve to the "Retained earnings" reserve.

Share Options Scheme 2010-2013
On 17 May 2010, the Board of Directors of the Company by exercising its discretion granted to it by scheme 2 of the share options scheme that was approved by the Extraordinary General Meeting on 12 April 2007 decided the issue of 1.995.602 Share Options, of which the first date of exercise will be the 31st of May 2011. The second date of exercise will be the 31st of May of 2012, date at which up to 2/3 of the share options granted could be exercised. The third and last date of exercise will be the 31st of May of 2013, date at which all the share options granted not exercised up to that date could be exercised.

The fair value of share options 2010-2013 was measured at grant date, using the Black Scholes valuation model. The main variables taken into account are the share price (€0,26 on 14 May 2010), the exercise price (€1,00), the dividend yield (0%), the risk-free interest rate (4,68%), the duration of the Share Options and the expected volatility of the share price (45,7%) which was calculated using the historic volatility of the share. The fair value of all these Share Options amounted to €9.003. During 31 December 2011, an expense of €3.001 was recognized as an expense in the income statement with a respective credit in the reserves in accordance with the provisions of IFRS2 ("Share Based Payments").

For the year ended 31 December 2011, no share option 2010-2013 was exercised (2010: €Nil).

One share option grants its holder the right to purchase one share of the Company of nominal value of €1,00 at the price of €1,00. The exercise price has been set at the nominal value of the shares in accordance to the provisions of this scheme.

Authority for issuance of new shares
During the Extraordinary General Meeting of the shareholders of the Company held on 30 July 2010, a resolution was approved according to which the Board of Directors of the Company was authorised to proceed with the issue and distribution of up to 6.652.007 new ordinary shares of the Company at the nominal value of €1,00 each, for strategic alliances or for making acquisitions by the Company, to such persons and for such consideration that the Board of Directors decides at its discretion without having to prior offering these shares to the existing shareholders of the Company. The Company's members resigned from all pre-emption rights that have or might have in relation to the issue and distribution of Company's shares.

The new shares will have the same rights as the existing shares of the Company. The issue price of each new share will be equal at least with the average closing price of the last 20 stock exchange sessions prior to the date of their issue and allocation, with discount of up to 15%. In no circumstance the issue price can be lower of the nominal value of the ordinary shares of the Company. The Board of Directors was authorized to take all necessary actions for the implementation of the issue and distribution of the new shares.

Purchase of own shares
During the Extraordinary General Meeting held on 27 July 2011 the Board of Directors was authorized to proceed with the buyback of own shares, pursuant to the provisions of the Cyprus Companies' Law. This authorisation will be in place for 12 months from the date of the approval.

30. Reserves

The share premium reserve, the revaluation of financial assets available for sale reserve, the hedging and exchange difference reserve, the buyback of own shares reserve, the own shares held by associates reserve, the immovable property revaluation reserve and the deficit or surplus from own shares held by associates are not available for distribution.

31. Own Shares

During the year the following transactions were carried out by the Group regarding own shares:

	2011		2010	
	Number of shares of a nominal value of €1,00 each	€	Number of shares of a nominal value of €1,00 each	€
Own shares held by the Company				
Balance 1 January and 31 December	16	9	16	9
Share of own shares held by subsidiaries				
Balance 1 January	252.664	175.940	252.664	175.940
Increase from issue of bonus shares	-	-	-	-
Balance 31 December	252.664	175.940	252.664	175.940
Total own shares at 31 December	252.680	175.949	252.680	175.949

During the year ended 31 December 2010 the Company issued bonus shares to the shareholders and members of staff of the Group. As a result of the above issue the share of own shares held by subsidiaries increased by 12.615.

As at 31 December 2011, the own shares held by the Company, its subsidiaries and associates were as follows:

	2011		2010	
	Number of shares of a nominal value of €1,00 each	Percentage of issued share capital	Number of shares of a nominal value of €1,00 each	Percentage of issued share capital
Own shares held by the Company	16	0,00%	16	0,00%
Own shares held by subsidiaries	252.664	0,38%	252.664	0,38%
Own shares held by associates	33.602	0,05%	33.602	0,05%

32. Post Balance Sheet Events

There were no material events after the balance sheet date, which affect the financial statements as at 31 December 2011.

33. Contingent Liabilities, Contingent Assets, Capital Commitments and Other Guarantees

Litigation and claims
As of the date of this report, there were pending legal cases, or legal cases which are in the process of appeal and contingent liabilities against Group companies of a total amount of €44.358.930 plus interest (31.12.2011: €44.358.930) based on the claims of the plaintiffs. In addition, there were also legal cases against the Group, for which no claim has been filed and as a result, the amount of these claims cannot be estimated reliably at this stage. The companies of the Group have disputed the lawsuits and have filed for defence, depending on the circumstances of each case. The Board of Directors after assessing the situation and considering relevant legal advice, decided to book a provision of €1.900.000 for contingent liabilities which may arise in relation to the above legal actions.

Contingent Assets
On 1 March 2011, the Group received a bank guarantee of €451.845 due to the fact that a subsidiary company filed for an appeal in relation to a court decision against the subsidiary.

33. Contingent Liabilities, Contingent Assets, Capital Commitments and Other Guarantees (Continued)

IMCL Holdings Limited

On 6 November 2009, Lemissoler Shipping Group Public Company fulfilled the agreement for the disposal of 100% of its subsidiary IMCL Holdings Ltd and all its subsidiaries. In accordance with the terms of the sale and purchase agreement for the disposal of the 100% of the Share Capital of IMCL Holdings Ltd and its subsidiaries, the Group provided guarantees to the buyer based on statements made in line with specific conditions.

The Board of Directors of the Company, after taking into consideration the facts up to date, the communication with the buyer, the process of the transfer of IMCL Holdings Ltd and its subsidiaries to the buyer and the examination of the terms and conditions of the sale and purchase agreement, concluded that the possibility that the guarantees granted will result in liabilities is remote and therefore no provision was recognized in the financial statements regarding any contingent liabilities in regards to the above mentioned guarantees.

34. Operating Lease Agreements

The Group as a lessee
As at the balance sheet date, the Group had commitments from operating lease agreements with no possibility of terminating the relevant leasing agreement, which are payable as follows:

	2011 €	2010 €
Within one year	-	20.879
Between two to five years	-	7.074
	-	27.953

The operating lease payments represent rentals payable by the Group for certain buildings. Leases are negotiated for an average term of five years.

The Group as a lessor
The Group leases its investment property under operating leases. The total property rental earned during the year from property leases amounted to €1.440.734 (2010: €1.378.692).

35. Related Party Transactions

In the normal course of business, the Group provides services to associates on an arms-length basis. The transactions with associated companies consist of the following:

Transactions with associates

Revenue from associates

	2011 €	2010 €
Brokerage and selling commissions	32.711	48.209
Private equity management fees	3.061	598
Other fees	-	9.160
Dividends receivable	207.621	292.615
Technical support services	16.250	-
	259.643	350.582

35. Related Party Transactions (Continued)

Transactions with associates (Continued)

The balance sheet includes the following amounts resulting from transactions with associates:

	2011 €	2010 €
Trade and other receivables	28.921	118.164
Long term loans receivable	-	196.991
Trade and other payables	(63.064)	(140.792)
	(34.143)	174.363

During the year ended 31 December 2010, the Group granted a loan of US$ 275.000 or €196.991 to an associate company. This loan was written off in 2011.

Furthermore, during the year ended 31 December 2010, a long term loan of $2.000.000 (€1.407.219) that was due by an associate company to the Group was repaid in full. This loan carried interest at a rate of 5% in excess of the US 3-months Libor rate. The Group recognised interest income of €45.087.

In addition, during the year ended 31 December 2011, the Group received services and acquired fixed assets from associates of €213.968 (2010: €245.182) and paid commissions of €11.369 (2010: €22.422) and interest payable €Nil (2010: €8.683).

Transactions with Members of the Board of Directors

The transactions of the Group with members of the Board of Directors during the year were as follows:

	Remuneration of Executive Directors For the year ended 31 December2011					
	Christodoulos Ellinas €	Philip X. Larkos €	John Pistsillos €	Costas Kirkos €	Loizos A. Loizou €	Total €
Remuneration of Executive Directors:						
- Salary	218.500	210.900	196.458	172.500	78.000	876.358
- Fees	864	6.255	5.164	-	-	12.283
Contributions to the Group's defined pension plan, to the Group's provident fund and other contributions	33.452	34.594	27.327	23.030	9.889	128.292
Total	252.816	251.749	228.949	195.530	87.889	1.016.933

	Remuneration of Executive Directors For the year ended 31 December2010					
	Christodoulos Ellinas €	Philip X. Larkos €	John Pistsillos €	Costas Kirkos €	Loizos A. Loizou €	Total €
Remuneration of Executive Directors:						
- Salary	230.000	222.000	205.000	180.000	80.000	917.000
- Fees	864	6.255	5.164	-	-	12.283
Contributions to the Group's defined pension plan, to the Group's provident fund and other contributions	42.207	43.176	34.986	30.487	11.851	162.707
Total	273.071	271.431	245.150	210.487	91.851	1.091.990

35. Related Party Transactions (Continued)

	Non-Executive Directors Fees	
	2011	2010
	€	€
Kevork Mahdessian	11.200	16.000
Vaggelis Georgiou	8.640	12.800
Sotos Zakhaios	-	7.433
Kyriacos Koutsoftas	10.560	16.000
Vasos Georgiou	9.800	-
Total	40.200	52.233

The share options held by the executive directors are presented in the following table:

	Share options held by Executive Directors			
	Share options 2008-2011		Share options 2010-2013	
	2011	2010	2011	2010
Christodoulos Ellinas	-	216.209	220.000	220.000
Philip X. Larkos	-	205.914	210.000	210.000
Dr. John Pitsillos	-	195.618	190.000	190.000
Costas Kirkos	-	110.000	180.000	180.000
Loizos A. Loizou	-	-	30.000	30.000
Total	-	727.741	830.000	830.000

During the year ended 31 December 2010, 830.000 share options 2010-2013 were granted to the Executive Directors.

Other transactions with related parties of the Board of Directors

Other related parties of the Group, being related persons of the Board of Directors of the Company, the nature and volume of the transactions between these parties and the Group, which are carried out on an arm's length basis, and the balances with these parties are as follows:

		Income/(expenses)		Debit balance	
Nature of Transaction	Number of directors	2011 €	2010 €	2011 €	2010 €
Office rental	1	-	(84.840)	-	-
Security services	2	(38.179)	(40.953)	-	-
Debit balances	2	14.031	13.973	557.863	552.073

There were no other transactions during the year between the Company and the Members of the Board of Directors and with the key management employees, or related with them persons. The related persons include the spouse, minors and companies in which the Director or the key management employee holds directly or indirectly 20% of the voting rights in a general meeting.

36. Asset Management

The Group provides brokerage services and asset management services by investing in several financial instruments on behalf of its clients.

The total assets that are registered in the name of companies of the Group as custodians, which are held under management and are not included in the consolidated balance sheet amounted to €6.301.688 as at 31 December 2011 (2010: €8.252.504).

In addition, the Group as at 31 December 2010 held derivative financial instruments registered on the name of companies of the Group on behalf of clients that are kept off-balance sheet and amount to financial assets of €487.460 and financial liabilities of €187.378. On 31 December 2011 the Group did not hold any derivative financial instruments in the name of its clients.

37. Customers 'Bank Balances

The cash and bank balances maintained by the Group on behalf of its customers are deposited in Sharelink Securities and Financial Services Limited's (parent company of the investment services Group) bank accounts as clients 'money. The customers 'bank balances not included in the balance sheet amount to €7.250.309 on 31 December 2011 (2010: €11.569.261).

38. Employee Provident Fund

The Group operates an approved defined contribution employees 'provident fund in which the employees of the Company and the employees of some subsidiary companies participate. The contribution of the employees to the fund ranges from 5% to 10% and of the employer is 5%. The fund operates independently and submits separate financial statements. The Group's total contribution for the year 2011 was €125.234 (2010: €150.460).

Some of the subsidiary companies of the Group which do not participate in the above Provident Fund have their own defined contribution employees 'provident funds.

39. Staff and Management Bonus Scheme

According to the Staff and Management Bonus Scheme which was approved at the Extraordinary General Meeting of the Company on 25 May 2005, the Company may distribute to its staff and executive directors up to 25% of the Group profits before taxation and bonus but after minority interest based on the consolidated financial statements. The bonus for every financial year cannot exceed the 50% of dividend or other benefits and/or payments to the shareholders of the respective financial year. During the year ended 31 December 2011 no provision for staff and management bonus has been made (2010: €Nil).

40. Dividend

The Board of Directors of the Company does not propose the payment of dividend for the year ended 31 December 2011 and the loss for the year is transferred to reserves (2010: €Nil).