

LANITIS GOLF PUBLIC CO LIMITED
INTERIM UNAUDITED FINANCIAL
STATEMENTS
FOR THE PERIOD FROM 01 JANUARY
2015 TO 30 JUNE 2015

LANITIS GOLF PUBLIC CO LIMITED

INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

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LANITIS GOLF PUBLIC CO LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Platon E. Lanitis
Costas E. Lanitis
Marios E. Lanitis

Company Secretary:

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

Independent Auditors:

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

Registered office:

Agathangelos Court
10 Georgiou Gennadiou Street
3600, Limassol

Banker:

Bank of Cyprus Public Company Ltd

Registration number:

HE196800

LANITIS GOLF PUBLIC CO LIMITED

EXPLANATORY STATEMENT FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

The Directors of the Company present the explanatory statement and unaudited financial statements of the Company for the period ended 30 June 2015.

Incorporation

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

Principal activities

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

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

The Company is the owner of land of about 1.600 decares near the villages of Tserkezoi and Asomatos, in Limassol. The land is located next to the shopping center, My Mall Limassol, and the Fasouri Waterpark and is mainly covered by citrus plantations.

The Company aims to develop a fully integrated golf and real estate development project on the site of its existing citrus plantations. One of the main goals of the masterplan is to create a contemporary designed, integrated leisure and residential community project that includes luxurious villas and apartments, an 18-hole championship golf course, a golf club, spa and sports center and commercial and retail facilities, such as restaurants and shops.

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory. The loss attributable to the shareholders for the first six months of 2015, dropped to €151.489 from €160.768 of the corresponding period in 2014. The Company, at present, has no revenues since the project is under development and there is no other type of revenue. The expenses are mainly operational expenses and relate to the maintenance of the immovable property. The consultancy fees, administration operation fees, financing and other expenses related to the development of the project, are capitalized in the Statement of Financial Position, under Investment Property. As a result of the losses during the period the net assets value of the business as at 30 June 2015, decreased to €61.469.426 from €61.620.915 which was as at 30 June 2014.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 16 and 21 of the financial statements.

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



Platon E. Lanitis
Chairman

Limassol, 14 August 2015

LANITIS GOLF PUBLIC CO LIMITED

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE FINANCIAL STATEMENTS

In accordance with Article 140(i) of the Laws and Regulations of the Cyprus Stock Exchange we, the members of the Board of Directors and the Company official responsible for the drafting of the Company's interim unaudited financial statements of Lanitis Golf Public Co Limited for the period ended 30 June 2015, on the basis of our knowledge, declare that:

(a) The interim unaudited financial statements which are presented on pages 4 to 20:

(i) Have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union, and

(ii) Provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of Lanitis Golf Public Co Limited.

(b) The Board of Directors' report provides a fair view of the developments and the performance as well as the position of Lanitis Golf Public Co Limited, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Platon E. Lanitis	Director	
Costas E. Lanitis	Director	
Marios E. Lanitis	Director	

Responsible for drafting the financial statements

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Adonis Soteriou	Chief Financial Officer	

Limassol, 14 August 2015

LANITIS GOLF PUBLIC CO LIMITED

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

		Six months period ended 30/06/2015	Six months period ended 30/06/2014
	Note	€	€
Turnover		-	-
Other operating income	5	50.021	48.750
Administration expenses		<u>(122.469)</u>	<u>(126.782)</u>
Operating loss		<u>(72.448)</u>	<u>(78.032)</u>
Finance costs	7	<u>(79.041)</u>	<u>(82.736)</u>
Loss for the period		<u>(151.489)</u>	<u>(160.768)</u>
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>(151.489)</u>	<u>(160.768)</u>
Loss per share attributable to equity holders of the parent	8	<u>(6,06)</u>	<u>(6,43)</u>

See accompanying notes on pages 8 to 20 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED


UNAUDITED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30/06/2015 €	Audited 31/12/2014 €
ASSETS			
Non-current assets			
Property, plant and equipment	9	1.520.050	1.490.955
Investment property	10	<u>68.515.631</u>	<u>68.515.631</u>
		<u>70.035.681</u>	<u>70.006.586</u>
Current assets			
Receivables	11	54.829	88.004
Cash and bank balances		<u>9.520</u>	<u>8.068</u>
		<u>64.349</u>	<u>96.072</u>
TOTAL ASSETS		<u>70.100.030</u>	<u>70.102.658</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	12	4.275.019	4.275.019
Share premium		19.113.436	19.113.436
Retained earnings		<u>38.080.971</u>	<u>38.232.460</u>
Total equity		<u>61.469.426</u>	<u>61.620.915</u>
Non-current liabilities			
Borrowings	13	1.191.091	1.153.043
Deferred tax liabilities	14	<u>5.689.454</u>	<u>5.689.454</u>
		<u>6.880.545</u>	<u>6.842.497</u>
Current liabilities			
Trade and other payables	15	707.991	637.980
Borrowings	13	<u>1.042.068</u>	<u>1.001.266</u>
		<u>1.750.059</u>	<u>1.639.246</u>
Total liabilities		<u>8.630.604</u>	<u>8.481.743</u>
TOTAL EQUITY AND LIABILITIES		<u>70.100.030</u>	<u>70.102.658</u>

On 14 August 2015 the Board of Directors of Lanitis Golf Public Co Limited authorised these interim unaudited financial statements for issue.



 Platon E. Lanitis
 Director



 Marios E. Lanitis
 Director

See accompanying notes on pages 8 to 20 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2014	4.275.000	19.113.436	41.436.580	64.825.016
Comprehensive income				
Net loss for the year	-	-	(3.204.120)	(3.204.120)
Transactions with owners				
Issue of share capital	19	-	-	19
Balance as at 31 December 2014	4.275.019	19.113.436	38.232.460	61.620.915
Balance at 1 January 2014	4.275.000	19.113.436	41.436.580	64.825.016
Net loss for the period ended 30 June 2014	-	-	(160.768)	(160.768)
Transactions with owners				
Issue of share capital	19	-	-	19
Balance at 30 June 2014	4.275.019	19.113.436	41.275.812	64.664.267
Balance at 1 January 2015	4.275.019	19.113.436	38.232.460	61.620.915
Net loss for the period ended 30 June 2015	-	-	(151.489)	(151.489)
Balance at 30 June 2015	4.275.019	19.113.436	38.080.971	61.469.426

Share premium is not available for distribution.

See accompanying notes on pages 8 to 20 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

UNAUDITED CASH FLOW STATEMENT

FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

		Six months period ended 30/06/2015 €	Six months period ended 30/06/2014 €
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(151.489)	(160.768)
Adjustments for:			
Depreciation and amortisation expense	9	391	551
Proceeds from sale of property, plant and equipment		1.331	-
Interest expense	7	79.041	82.736
Cash flows used in operations before working capital changes		(70.726)	(77.481)
Decrease/(increase) in receivables		33.175	(31.192)
Increase in trade and other payables		70.011	212.457
Cash flows from operations		32.460	103.784
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	9	(30.817)	(64.712)
Net cash flows used in investing activities		(30.817)	(64.712)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	19
Proceeds from borrowings from parent		78.850	55.352
Interest paid		(79.041)	(82.736)
Net cash flows used in financing activities		(191)	(27.365)
Net increase in cash and cash equivalents		1.452	11.707
Cash and cash equivalents:			
At beginning of the period		8.068	(11.657)
At end of the period		9.520	50

See accompanying notes on pages 8 to 20 to these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

1. Incorporation and principal activities

Country of incorporation

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

2. Unaudited financial statements

The interim financial statements for the six months ended on 30 June 2015 and 30 June 2014 respectively, have not been audited by the external auditors of the Company.

3. Significant accounting policies

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

Basis of preparation

The interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards (IFRSs), IAS 34 "Interim Financial Reporting", as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property. These interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

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

Adoption of new and revised IFRSs

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

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

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

3. Significant accounting policies (continued)

Borrowing costs

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

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

Foreign currency translation

(1) Functional and presentation currency

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

(2) Transactions and balances

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

Tax

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

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

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

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

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

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

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

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

3. Significant accounting policies (continued)

Property, plant and equipment

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

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

	%
Computer software	33,33
Computer hardware	20

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

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

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

Investment property

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

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

Impairment of tangible and intangible assets excluding goodwill

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

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

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

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

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

3. Significant accounting policies (continued)

Financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Bank borrowings

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

Share capital

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

Non-current liabilities

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

Comparatives

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

4. Critical accounting estimates and judgments

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

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

- **Income taxes**

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

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

4. Critical accounting estimates and judgments (continued)

• Fair value of financial assets

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

5. Other income

	Six months period ended 30/06/2015 €	Six months period ended 30/06/2014 €
Income from citrus plantations	-	18.750
Income from services rendered to related companies (Note 17.1)	50.021	30.000
	50.021	48.750

6. Staff costs

	Six months period ended 30/06/2015 €	Six months period ended 30/06/2014 €
Wages and salaries	65.145	65.145
Social insurance costs etc	3.511	3.511
Social cohesion fund	1.292	1.292
	69.948	69.948
Average number of employees	1	1

7. Finance costs

	Six months period ended 30/06/2015 €	Six months period ended 30/06/2014 €
Interest expense	79.041	82.736
	79.041	82.736

8. Loss per share attributable to equity holders of the parent

	Six months period ended 30/06/2015	Six months period ended 30/06/2014
Loss attributable to shareholders (€)	(151.489)	(160.768)
Weighted average number of ordinary shares in issue during the year	2.500.011	2.500.011
Loss per share attributable to equity holders of the parent	(6,06)	(6,43)

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

9. Property, plant and equipment

	Computer software	Plant and machinery	Furniture, fixtures and office equipment	Golf Development expenses	Total
	€	€	€	€	€
Cost					
Balance at 1 January 2014	3.303	-	1.970	1.346.128	1.351.401
Additions	-	5.276	-	138.241	143.517
Balance at 31 December 2014	3.303	5.276	1.970	1.484.369	1.494.918
Balance at 1 January 2015	3.303	5.276	1.970	1.484.369	1.494.918
Additions	-	-	-	30.817	30.817
Disposals	-	-	(1.970)	-	(1.970)
Balance at 30 June 2015	3.303	5.276	-	1.515.186	1.523.765
Depreciation					
Balance at 1 January 2014	2.543	-	320	-	2.863
Charge for the year	253	528	319	-	1.100
Balance at 31 December 2014	2.796	528	639	-	3.963
Balance at 1 January 2015	2.796	528	639	-	3.963
Charge for the period	127	264	-	-	391
Disposals	-	-	(639)	-	(639)
Balance at 30 June 2015	2.923	792	-	-	3.715
Net book amount					
Balance at 30 June 2015	380	4.484	-	1.515.186	1.520.050
Balance at 31 December 2014	507	4.748	1.331	1.484.369	1.490.955

The golf development expenses represent mainly consultancy, professional and other fees relating to the project referred to in note 10.

10. Investment property

	Unaudited 30/06/2015	Audited 31/12/2014
	€	€
Balance at 1 January	68.515.631	71.653.872
Loss on property revaluation	-	(3.138.241)
Balance at the end of the period	68.515.631	68.515.631

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

10. Investment property (continued)

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

The fair value of the Company's investment property as at 30 June 2015 has been arrived at on the basis of a valuation carried out by independent valuers for the year ended 31 December 2014 not connected with the Company who have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The directors consider that no change in fair value since the year ended 31 December 2014. The valuation, which conforms to International Valuation Standards, was arrived at by reference to the cash method (Discounted Cashflow), on the basis that potential real estate development entrepreneur will acquire the whole project with the purpose of developing, selling and gaining profits.

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

11. Receivables

	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Receivables from related companies (Note 17)	11.134	36.222
Deposits and prepayments	1.161	255
Refundable VAT	42.534	51.527
	54.829	88.004

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

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

12. Share capital

	Unaudited 30/06/2015 Number of shares	Unaudited 30/06/2015 €	Audited 31/12/2014 Number of shares	Audited 31/12/2014 €
Authorised				
Ordinary shares of €1,71 each	3.000.000	5.130.000	3.000.000	5.130.000
Issued and fully paid				
Balance at 1 January	2.500.011	4.275.019	2.500.000	4.275.000
Issue of shares	-	-	11	19
Balance at the end of the period	2.500.011	4.275.019	2.500.011	4.275.019

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

LANITIS GOLF PUBLIC CO LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 TO 30 JUNE 2015

13. Borrowings

	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Current borrowings		
Short term loans	<u>1.042.068</u>	<u>1.001.266</u>
Non current borrowings		
Loan from parent company (Note 17)	<u>1.191.091</u>	<u>1.153.043</u>
	<u>1.191.091</u>	<u>1.153.043</u>
Total	<u>2.233.159</u>	<u>2.154.309</u>
 Maturity of borrowings:		
	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Within one year	1.042.068	1.001.266
Between one and five years	1.191.091	1.153.043
	<u>2.233.159</u>	<u>2.154.309</u>

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

The bank loans are secured as follows:

- By floating charge on the Company's assets for €1.000.000 (2014: €1.000.000).
- Guarantees given by the holding company for €1.000.000 (2014: €1.000.000)

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

	Unaudited 30/06/2015	Audited 31/12/2014
Short term loans	5,75%	6,75%

14. Deferred tax

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

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14. Deferred tax (continued)

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Fair value gains on investment property €
Balance at 1 January 2014	6.081.734
Charged/(credited) to:	
Deferred tax charge due to change in fair value of investment property.	(392.280)
Balance at 31 December 2014	<u>5.689.454</u>
Balance at 1 January 2015	<u>5.689.454</u>
Balance at 30 June 2015	<u>5.689.454</u>

15. Trade and other payables

	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Social insurance and other taxes	7.200	10.518
Shareholders' current accounts - credit balances (Note 17)	137.379	137.379
Other payables	34.643	34.094
Accruals	36.504	6.582
Payables to related companies (Note 17)	492.265	449.407
	<u>707.991</u>	<u>637.980</u>

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

16. Operating Environment of the Company

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

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

The capital restrictions have now been fully relaxed.

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

17. Related party transactions

The Company is controlled by Lanitis Farm Ltd, incorporated in Cyprus, which owns 100% of the Company's shares. The ultimate shareholder of the Company is Lanitis E.C. Holdings Limited.

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17. Related party transactions (continued)

The following transactions were carried out with related parties:

17.1 Sales of goods and services (Note 5)

<u>Name</u>	<u>Nature of transactions</u>	Six months period ended 30/06/2015 €	Six months period ended 30/06/2014 €
Lanitis Farm Limited	Income from citrus plantations	-	18.750
Cybarco Limited	Management fees	50.021	30.000
		50.021	48.750

17.2 Purchases of goods and services

<u>Name</u>	<u>Nature of transactions</u>	Six months period ended 30/06/2015 €	Six months period ended 30/06/2014 €
Lanitis E.C. Holdings Limited	Administration services	30.000	45.430
		30.000	45.430

17.3 Receivables from related parties (Note 11)

<u>Name</u>	<u>Nature of transactions</u>	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Cybarco Development Limited	Trade	6.041	6.041
Cybarco Limited	Trade	5.093	30.181
		11.134	36.222

17.4 Payables to related parties (Note 15)

<u>Name</u>	<u>Nature of transactions</u>	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Lanitis E.C. Holdings Limited	Trade	492.265	449.407
		492.265	449.407

17.5 Shareholders' loan account (Note 13)

	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Lanitis Farm Limited	1.191.091	1.153.043
	1.191.091	1.153.043

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

17.6 Shareholders' current accounts - credit balances (Note 15)

	Unaudited 30/06/2015 €	Audited 31/12/2014 €
Lanitis Farm Limited	137.379	137.379
	137.379	137.379

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

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18. Participation of directors in the Company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors, their spouses and their minor children, as at 31/12/2014 and 30/06/2015 were as follows:

	30/06/2015	31/12/2014
	%	%
Platon E. Lanitis (*)	99,99	99,99
Costas E. Lanitis	-	-
Marios E. Lanitis	-	-

(*) The total share held by Mr. Platon E. Lanitis includes his indirect participation resulting from family relationships and direct and indirect interest through companies which they control.

At the date of approval of these financial statements these percentages remained the same.

19. Shareholders holding more than 5% of share capital

The shareholders holding more than 5% of the share capital of the Company as at 31/12/2014 and 30/06/2015 were as follows:

	30/06/2015	31/12/2014
	%	%
Lanitis Farm Limited	99,99	99,99

At the date of approval of these financial statements these percentages remained the same.

20. Significant agreements with management

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

21. Financial risk management

Financial risk factors

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

21.1 Interest rate risk

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

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

	Unaudited 30/06/2015	Audited 31/12/2014
	€	€
Variable rate instruments		
Financial liabilities	(2.233.159)	(2.154.309)
	<u>(2.233.159)</u>	<u>(2.154.309)</u>

LANITIS GOLF PUBLIC CO LIMITED

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21. Financial risk management (continued)

21.2 Credit risk

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

21.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

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

30 June 2015	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Bank loans	1.042.068	1.042.068	1.042.068	-	-	-	-
Trade and other payables	34.643	34.643	34.643	-	-	-	-
Payables to related parties	629.644	629.644	629.644	-	-	-	-
Loan from parent company	1.191.091	1.676.468	-	100.000	400.000	600.000	576.468
	2.897.446	3.382.823	1.706.355	100.000	400.000	600.000	576.468
31 December 2014	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Short term loans	1.001.266	1.001.266	1.001.266	-	-	-	-
Trade and other payables	34.094	34.094	34.094	-	-	-	-
Payables to related parties	586.786	586.786	586.786	-	-	-	-
Loan from parent company	1.153.043	1.523.755	-	-	400.000	600.000	523.755
	2.775.189	3.145.901	1.622.146	-	400.000	600.000	523.755

20.4 Fair value measurements

Fair value estimation

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

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21. Financial risk management (continued)

Fair value measurements recognised in statement of financial position

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

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

30 June 2015	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Land	-	-	68.515.631	68.515.631
Total	-	-	68.515.631	68.515.631
Financial liabilities				

There were no transfers between Level 1, 2 and 3 during the year.

31 December 2014	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
Land	-	-	68.515.631	68.515.631
Total	-	-	68.515.631	68.515.631

22. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2015.

23. Commitments

The Company had no capital or other commitments as at 30 June 2015.

24. Significant events after the end of the financial period

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