Lanitis Golf Public Co. Ltd
Γραφείο Γραμματέα

Γεωργίου Γενναδίου αρ. 10
Αγαθάγγελος Κωρτ, 3ος όροφος
Γραφείο 303
3041 Λεμεσός – Κύπρος

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Ανακοίνωση

κ. Νώντα Μεταξά
Γενικό Διευθυντή
Χ.Α.Κ.
Λευκωσία

24 Απριλίου, 2019

Αγαπητέ κ. Μεταξά,

Θέμα: Έγκριση και ανακοίνωση των Ελεγμένων Οικονομικών Καταστάσεων της Lanitis Golf Public Co Limited, για το έτος που έληξε στις 31 Δεκεμβρίου 2018

Συμφώνως των κανονισμών της Αναδυομένης Αγοράς του Χρηματιστηρίου Αξιών Κύπρου («Χ.Α.Κ.»), δια της παρούσης μας επιθυμούμε να σας πληροφορήσουμε ότι το διοικητικό συμβούλιο της Lanitis Golf Public Co Limited (η «Εταιρεία»), στη συνεδρίαση που έγινε στις 24 Απριλίου 2019, μελέτησε και έχει εγκρίνει τις Ετήσιες Οικονομικές Καταστάσεις για το έτος που έληξε στις 31 Δεκεμβρίου 2018 (η «Έκθεση»), η οποία ετοιμάστηκε σύμφωνα με τα Διεθνή Λογιστικά Πρότυπα και τα Διεθνή Πρότυπα Οικονομικής Αναφοράς, η οποία επισυνάπτεται στην παρούσα ανακοίνωση.

Η πλήρης Έκθεση θα είναι διαθέσιμη στα γραφεία της Εταιρείας, στην οδό Αρχιεπισκόπου Κυπριανού αρ.21, Λεμεσός και στην ιστοσελίδα του Χρηματιστηρίου Αξιών Κύπρου (www.cse.com.cy).

Με εκτίμηση,
Εκ μέρους της Εταιρείας

Παναγιώτης Μ. Χαραλάμπους για
P&D Secretarial Services Ltd
Γραμματέας

LANITIS GOLF PUBLIC CO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

LANITIS GOLF PUBLIC CO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Platon E. Lanitis (Chairman) Costas E. Lanitis Marios E. Lanitis Valentina Panagi Pappou
Company Secretary:	P & D Secretarial Services Limited
Independent Auditors:	Deloitte Limited Certified Public Accountants and Registered Auditors Maximos Plaza, Tower 1, 3rd Floor 213 Arch. Makariou III Avenue 3030 Limassol
Legal Advisers:	Charalambous, Kountouris & Co LLC
Registered office:	10 Georgiou Gennadiou Street Agathangelos Court 3041, Limassol
Registration number:	HE196800

LANITIS GOLF PUBLIC CO LIMITED

MANAGEMENT REPORT

The Board of Directors of Lanitis Golf Public Co Limited (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2018.

Incorporation
The Company Lanitis Golf Public Co Limited was incorporated in Cyprus on 18 April 2007 as a limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 28 February 2014, the Company was converted from a private limited liability company to a public liability company under the Cyprus Companies Law, Cap.113 and is listed on the Emerging Companies Market of the Cyprus Stock Exchange ("CSE").

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

Review of current position, future developments and performance of the Company's business
The Company is the owner of land of about 1.400 decares near the villages of Tserkezoi and Asomatos, in Limassol. The land is located next to the shopping center, My Mall Limassol, the Fasouri Waterpark and the forthcoming development of the Casino.

The Company aims to develop a fully integrated golf and real estate development project on its land. One of the main goals of the master plan 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.

In March 2017, the Company has been granted the revised Town Planning Permit of the Golf Course Development and Land Sub-division to 501 building plots for residential development as well as the Club House and related maintenance facilities. The total buildable area is 150.000 m2.

The loss attributable to the shareholders for the year ended 31 December 2018, is €353.376 (2017: loss of €188.564). The Company, at present, has no income relating to its business activities since the project is under development. The consultancy fees, financing and other expenses related to the development of the project, are capitalized in the Statement of Financial Position, under Property, Plant and Equipment. As a result of the loss during the period, the net assets value of the Company as at 31 December 2018, decreased to €62.760.633 from €63.114.009 which was as at 31 December 2017.

On 15 January 2015, the Company obtained the approval from the CSE to trade its shares on the Emerging Companies Market. The trading of the shares commenced on 20 January 2015 and the CSE will undertake the observance of the above Registry in the Central Depositary/ Registry of CSE.

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

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 5 and 6 of the financial statements.

Existence of branches
The Company does not maintain any branches.

Results
The Company's results for the year are set out on page 8.

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

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

Implementation and compliance to the Code of Corporate Governance
The Company recognises the importance of implementing sound corporate governance policies, practices and procedures. As a company listed on the Cyprus Stock Exchange (CSE), Lanitis Golf Public Co Limited has adopted CSE's Corporate Governance Code and applies its principles.

MANAGEMENT REPORT

In March 2006 the CSE issued a revised Code of Corporate Governance. The Company complies with all the provisions of the revised Code

Board of Directors
The members of the Company's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2018.

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

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

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

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

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

By order of the Board of Directors,

Platon E. Lanitis
Chairman

Limassol, 24 April 2019

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

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of Lanitis Golf Public Co Limited (the "Company") for the year ended 31 December 2018, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company which are presented on pages 8 to 28:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Company and the entities included in the financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Company as a whole, together with α description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Name	Position	Signature
Platon E. Lanitis (Chairman)	Director	....
Costas E. Lanitis	Director	....
Marios E. Lanitis	Director	....
Valentina Panagi Pappou	Director	....

Responsible for drafting the financial statements

Name	Position	Signature
Adonis Soteriou	Chief Financial Officer	....

Limassol, 24 April 2019

Deloitte.

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Independent Auditor's Report

To the Members of Lanitis Golf Public Co Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lanitis Golf Public Co Limited (the "Company"), which are presented in pages 8 to 28 and comprise the statement of financial position as at 31 December 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the "International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants" (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key Audit Matters	How the matter was addressed in our audit
Valuation of investment properties The carrying value of the Company's investment properties amounted to €70.911.576. Significant judgment is required by management in determining the fair value of investment property and for the purposes of our audit. Accordingly the valuation of investment properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgment associated with determining the fair value. The management determines the fair value of its portfolio of properties using independent property valuers. Such valuations are prepared once a year at the instruction of the management. The inputs with the most significant impact on these valuations are disclosed in Note 12.	We have reviewed the report prepared by property valuer on which the management based its assessment. We assessed the competence, capabilities and objectivity of management's third party valuer, as well as his independence, and verified his qualifications. We have assessed the valuation methodology and main assumptions as well as the mathematical accurancy of the calculations, by making comparisons to market data and economic expectations, in order to assess whether these judgments are within reasonably acceptable levels. We have assessed the adequacy of the disclosures in the financial statements in relation to investment properties. The above procedures were completed in a satisfactory manner.

Deloitte.

Independent Auditor's Report (continued)

To the Members of Lanitis Golf Public Co Limited

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Deloitte.

Independent Auditor's Report (continued)

To the Members of Lanitis Golf Public Co Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

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 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Demetris Papapericleous.

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

Limassol, 24 April 2019

LANITIS GOLF PUBLIC CO LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	**2018** €	2017 €
Administration expenses		**(249.886)**	(89.780)
Operating loss	7	**(249.886)**	(89.780)
Net finance costs	8	**(103.490)**	(98.784)
Loss before tax		**(353.376)**	(188.564)
Tax	9	**-**	-
Loss for the year		**(353.376)**	(188.564)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(353.376)**	(188.564)
Loss per share attributable to equity holders of the parent (cent)	10	**(14,13)**	(7,54)

The notes on pages 12 to 28 form an integral part of these financial statements.

LANITIS GOLF PUBLIC CO LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Note	2018 €	2017 €
ASSETS			
Non-current assets			
Property, plant and equipment	11	**5.249.324**	4.213.700
Investment property	12	**70.911.576**	70.911.576
		76.160.900	75.125.276
Current assets			
Receivables	14	**43.568**	28.760
Cash and cash equivalents		**373.304**	786
		416.872	29.546
TOTAL ASSETS		**76.577.772**	75.154.822
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**4.275.019**	4.275.019
Share premium		**19.113.436**	19.113.436
Retained earnings		**39.372.178**	39.725.554
Total equity		**62.760.633**	63.114.009
Non-current liabilities			
Borrowings	16	**2.856.490**	2.680.010
Trade and other payables	18	**4.405.784**	2.805.544
Deferred tax liabilities	17	**5.988.947**	5.988.947
		13.251.221	11.474.501
Current liabilities			
Trade and other payables	18	**565.918**	566.312
		565.918	566.312
Total liabilities		**13.817.139**	12.040.813
TOTAL EQUITY AND LIABILITIES		**76.577.772**	75.154.822

On 24 April 2019 the Board of Directors of Lanitis Golf Public Co Limited authorised these financial statements for issue.

....
Platon E. Lanitis
Director

....
Valentina Panagi Pappou
Director

The notes on pages 12 to 28 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 1 January 2017	**4.275.019**	**19.113.436**	**39.914.118**	**63.302.573**
Comprehensive income				
Net loss for the year	-	-	(188.564)	(188.564)
Balance at 31 December 2017/ 1 January 2018	**4.275.019**	**19.113.436**	**39.725.554**	**63.114.009**
Comprehensive income				
Net loss for the year	-	-	(353.376)	(353.376)
Balance at 31 December 2018	**4.275.019**	**19.113.436**	**39.372.178**	**62.760.633**

Share premium is not available for distribution.

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(353.376)**	(188.564)
Adjustments for:			
Depreciation of property, plant and equipment	11	**528**	528
Interest expense	8	**102.846**	98.591
		(250.002)	(89.445)
Changes in working capital:			
Increase in receivables		**(14.808)**	(8.827)
(Decrease)/increase in trade and other payables		**(223.674)**	687.038
Cash (used in)/generated from operations		**(488.484)**	588.766
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	11	**(536.152)**	(622.111)
Net cash used in investing activities		**(536.152)**	(622.111)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**1.500.000**	131.372
Interest paid		**(102.846)**	(98.591)
Net cash generated from financing activities		**1.397.154**	32.781
Net increase/(decrease) in cash and cash equivalents		**372.518**	(564)
Cash and cash equivalents at beginning of the year		**786**	1.350
Cash and cash equivalents at end of the year		**373.304**	786

The notes on pages 12 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 provisions of the Cyprus Companies Law, Cap. 113. On 28 February 2014, the Company was converted from a private limited liability company to a public limited liability company under the Cyprus Companies Law, Cap.113. Its registered office is at 10 Georgiou Gennadiou Street, Agathangelos Court, 3041, Limassol. Its registered office is at 10 Georgiou Gennadiou Street, Agathangelos Court, 3041, Limassol.

Principal activities

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

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of and investment property.

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.

3. Adoption of new or revised standards and interpretations

As explained below, in accordance with the transition provisions of IFRS 9 and IFRS 15, the Company has elected the simplified approach for adoption of the standards. Accordingly, IFRS 9 and IFRS 15 were adopted without restating the comparative information. The comparative information is prepared in accordance with IAS 39 and IAS 18 and IAS 11, and the impact of adoption has been recognised in the opening retained earnings.

Impact of adoption

In accordance with the transition provisions in IFRS 9, the Company has elected the simplified transition method for adopting the new standard. Accordingly, the effect of transition to IFRS 9 was recognised as at 1 January 2018 as an adjustment to the opening retained earnings (or other components of equity, as appropriate). In accordance with the transition method elected by the Company for implementation of IFRS 9 the comparatives have not been restated but are stated based on the previous policies which comply with IAS 39. Consequently, the revised requirements of IFRS 7 "Financial Instruments: Disclosures" have only been applied to the current period. The comparative period disclosures repeat those disclosures made in the prior year.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated. The adoption of these accounting policies did not have any material impact to the financial statements of the Company.

Going concern basis

The Company incurred a loss of €353.376 for the year ended 31 December 2018 (2017 : loss of €188.564) and as of that date the Company's current liabilities exceeded its current assets by €149.046.The Company is not currently carrying out any trading activities and is reliant on the financial support of its parent company, Lanitis Farm Limited and its ultimate parent, Lanitis E.C. Holdings Limited. The majority of the Company's liabilities amounting to €6.053.581 (2017: €4.318.632) relate to financing balances with Lanitis E.C. Holdings group of Companies. Both Lanitis Farm Limited and Lanitis E.C. Holdings Limited have confirmed their intention to continue to provide the Company all the necessary financial support to realize its assets and meet its obligations as they fall due.

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.

4. Significant accounting policies (continued)

Tax (continued)

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

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

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

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

Property, plant and equipment

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

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
Furniture, fixtures and office equipment	10
Plant and machinery	10

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

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

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

Investment property

The land owned by the Company was temporarily categorised as investment property, as it is held for a currently undetermined future use and is regarded as held for capital appreciation, 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.

Investment property, principally comprising shops and office buildings, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

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.

4. Significant accounting policies (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use and included within administrative expenses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset 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.

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

4. Significant accounting policies (continued)

Financial assets - Classification (continued)

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income.

Debt instruments measured at amortized cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

4. Significant accounting policies (continued)

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.Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

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).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

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.

5. 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:

5.1 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:

	2018	2017
	€	€
Variable rate instruments		
Financial liabilities	**4.411.066**	2.680.010
	4.411.066	2.680.010

5.2 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 no trading activities and trading transactions with counterparties. 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.

5.3 Liquidity risk

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

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

31 December 2018	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1.208.693	1.401.518	-	-	-	-	1.401.518
Trade and other payables	502.998	502.998	502.998	-	-	-	-
Payables to related parties (i)	4.459.319	4.459.319	-	53.535	-	-	4.405.784
Loan from parent company (i)	1.647.797	2.177.220	-	-	-	-	2.177.220
	7.818.807	**8.541.055**	**502.998**	**53.535**	**-**	**-**	**7.984.522**

5. Financial risk management (continued)

5.3 Liquidity risk (continued)

31 December 2017	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1.166.922	1.588.563	-	-	-	-	1.588.563
Trade and other payables	536.429	536.429	536.429	-	-	-	-
Payables to related parties (i)	2.805.544	2.805.544	-	-	-	-	2.805.544
Loan from parent company (i)	1.513.088	2.059.808	-	-	-	-	2.059.808
	6.021.983	6.990.344	536.429	-	-	-	6.453.915

(i) The payables to related parties relate to financing balances with the ultimate parent company, Lanitis E.C. Holdings Limited and Cybraco Development Limited who have confirmed that they will not request repayment of the balance due to them until the Company has the financial ability to repay this balance. The same applies for the loan from parent company.

6. Critical accounting estimates, judgments and assumptions

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.

Critical accounting estimates and assumptions

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.

Critical judgements in applying the Company's accounting policies

- **Fair value of investment property**

  The Company's investment property is measured at fair value for financial reporting purposes. The fair value of investment property is determined on the basis of a valuation carried out by an independent valuer and judgment is used to select a variety of valuation techniques and make assumptions that are mainly based on market conditions existing at each reporting date. Furthermore, in estimating the fair value of the investment property, the valuer uses market observable data to the extent it is available. The uncertain economic conditions in Cyprus together with the limited number of sale transactions and availability of data for similar development projects, makes it difficult to predict all developments which could have an impact on the real estate property prices. In performing the valuations, in addition to the available historical data, the independent valuers use their professional judgment, as well as their recent experience in the valuation of properties in the relevant locations and similar projects and transactions. The management of the Company works closely with the qualified independent valuer to establish the appropriate valuation technique and inputs to the model, as well as assesses whether these model and inputs are applicable for the determination of the fair value of the investment property.

6. Critical accounting estimates, judgments and assumptions (continued)

- **Impairment of intangible assets**

  Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

7. Operating loss

	2018	2017
	€	€
Operating loss is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 11)	**528**	528
Auditors' remuneration	**6.750**	6.750

8. Finance costs

	2018	2017
	€	€
Interest expense	**102.846**	98.591
Sundry finance expenses	**644**	193
Finance costs	**103.490**	98.784

9. Tax

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

	2018	2017
	€	€
Loss before tax	**(353.376)**	(188.564)
Tax calculated at the applicable tax rates	**(44.172)**	(23.571)
Tax effect of expenses not deductible for tax purposes	**5.597**	6.333
Tax effect of allowances and income not subject to tax	**(132)**	(131)
Tax effect of tax loss for the year	**38.707**	17.369
Tax charge	**-**	-

The Company is subject to corporation tax on taxable profits at the rate of 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018	2017
Loss attributable to shareholders (€)	**(353.376)**	(188.564)
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 (cent)	**(14,13)**	(7,54)

11. Property, plant and equipment

	Plant and machinery	Golf Development expenses	Total
	€	€	€
Cost			
Balance at 1 January 2017	5.276	3.588.424	3.593.700
Additions	-	622.111	622.111
Balance at 31 December 2017/ 1 January 2018	**5.276**	**4.210.535**	**4.215.811**
Additions	-	1.036.152	1.036.152
Balance at 31 December 2018	**5.276**	**5.246.687**	**5.251.963**
Depreciation			
Balance at 1 January 2017	1.583	-	1.583
Charge for the year	528	-	528
Balance at 31 December 2017/ 1 January 2018	**2.111**	**-**	**2.111**
Charge for the year	528	-	528
Balance at 31 December 2018	**2.639**	**-**	**2.639**
Net book amount			
Balance at 31 December 2018	**2.637**	**5.246.687**	**5.249.324**
Balance at 31 December 2017	**3.165**	**4.210.535**	**4.213.700**

12. Investment property

	2018	2017
	€	€
Balance at 1 January	**70.911.576**	70.911.576
Balance at 31 December	**70.911.576**	70.911.576

12. Investment property (continued)

Fair value hierarchy

The Company is the owner of land of about 1.400 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 the forthcoming development of the casino. 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 master plan 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 fair value of the Company's investment property as at 31 December 2018 has been arrived at on the basis of a valuation carried out by an independent valuer not connected with the Company. The independent valuer, who is a member of the Royal Institution of Chartered Surveyors (R.I.C.S.) and the Technical Chamber of Cyprus (ETEK), has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to the Income Approach (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. Considering the said valuation as well as other factors, the management of the Company determined the value of the land on which a fully integrated golf and real estate development will be developed, to be €76.158.263 This amount includes the up to date "Golf Development Expenses" of €5.246.687 which are presented under property, plant and equipment (note 11).

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.

Details of the Company's investment property and information about the fair value hierarchy as at the end of the reporting period are as follows:

	2018	2017
	€	€
Level 3		
Land	**70.911.576**	70.911.576
	70.911.576	70.911.576

For the investment property categorized into Level 3 of the fair value hierarchy, the following information is relevant :

Investment property	Valuation technique	Significant unobservable inputs
Land	Income approach (Discounted Cashflow)	Fair value of plots for development of residential properties at €1.000 per square meter
		Fair value of buildable area for mixed developments and commercial projects at an average of €600 per square meter
		Selling and marketing costs of 12%
		Developers profit and other expenses of 35%
		Funding costs of 4%
		Discount rate of 5%

12. Investment property (continued)

Sensitivity analysis:

Any increase/decrease in the fair value per square meter for plots for development and/or the buildable area for mixed developments or any increase/decrease of the growth rate, discount rate and the promotional expenses and developers profit would affect the fair value of the investment property accordingly.

13. Intangible assets

	Computer software €
Cost	
Balance at 1 January 2017	3.303
Balance at 31 December 2017/ 1 January 2018	**3.303**
Balance at 31 December 2018	**3.303**
Amortisation	
Balance at 1 January 2017	3.303
Balance at 31 December 2017/ 1 January 2018	**3.303**
Balance at 31 December 2018	**3.303**
Net book amount	
Balance at 31 December 2018	**-**

14. Receivables

	2018 €	2017 €
Receivables from related companies (Note 19.2)	-	4.485
Refundable VAT	**43.568**	24.275
	43.568	28.760

The fair values of 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 receivables is reported in note 5 of the financial statements.

15. Share capital

	2018 Number of shares	2018 €	2017 Number of shares	2017 €
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**	2.500.011	4.275.019
Balance at 31 December	**2.500.011**	**4.275.019**	2.500.011	4.275.019

16. Borrowings

	2018 €	2017 €
Non-current borrowings		
Bank loans	**1.208.693**	1.166.922
Loan from parent company	**1.647.797**	1.513.088
	2.856.490	2.680.010

Maturity of non-current borrowings:

	2018 €	2017 €
Between one and five years	**2.856.490**	2.680.010

On 30 December 2015, the ultimate parent company, Lanitis E.C. Holdings Limited, together with its subsidiaries, Lanitis Farm Limited and Lanitis Golf Public Co Limited, signed an agreement with their key lender to restructure their credit facilities. The total credit facilities of Lanitis E.C. Holdings Limited, Lanitis Farm Limited and Lanitis Golf Public Co Limited (together the "Obligors") of an amount of €165,8 million were restructured in accordance to two loan agreements. The first loan agreement, the senior term facility, covers credit facilities of an amount of €100 million and the second loan agreement, the subordinated term facility, covers credit facilities of an amount of €65,8 million. The main source of repayment of both of these loans will be the sale of assets of the Lanitis E.C. Holdings Limited Group, including real estate assets of the Obligors.

The above credit facilities are secured through corporate guarantees, pledges and mortgages of assets and floating charges over the net assets of the Obligors, including the immovable property of the Company (note 11 and note 12).

As at the date of signing these financial statements, Lanitis E.C. Holdings made loan repayments amounting to €75,5 million towards the senior term facility, which covers the repayment obligations of the Obligors, including the bank loan of the Company which is part of the senior term facility, referred to above, up to December 2022.

The first scheduled repayment for the subordinated term facility is due by December 2023.

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

	2018	2017
Bank loans	**3,5%**	3,5%
Loan from parent company	**4,0%**	4,0%

17. Deferred tax

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

Deferred tax liability

	2018 €	2017 €
Balance at 1 January	**5.988.947**	5.988.947
Balance at 31 December	**5.988.947**	5.988.947

18. Trade and other payables

	2018	2017
	€	€
Other payables	**502.998**	536.429
Accruals	**9.385**	29.883
Payables to related companies	**4.459.319**	2.805.544
	4.971.702	3.371.856
Less non-current payables	**(4.405.784)**	(2.805.544)
Current portion	**565.918**	566.312

Other payables include an amount of €500.000 relating to the annual installments payable as at the year end to the Town Planning and housing Department of the Ministry of Interior with respect to the permit for the development of the golf resort (Note 24).

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

19. Related party balances and transactions

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

The related party balances and transactions are as follows:

19.1 Related parties transactions

		2018	2017
	Nature of transactions	€	€
Lanitis E.C. Holdings	Management fees	**(186.000)**	(36.600)
Lanitis Farm Limited	Interest Expense	**(115.650)**	(58.260)
		(301.650)	(94.860)

19.2 Receivables from related parties (Note 14)

		2018	2017
Name	Nature of transactions	€	€
Cybarco Limited	Trade	**-**	4.485
		-	4.485

19.3 Payables to related parties

		2018	2017
	Nature of transactions	€	€
Lanitis E.C. Holdings Limited (i)	Loan	**2.905.784**	2.805.544
Cybarco Ltd	Current account	**53.535**	-
Cybarco Development Ltd (ii)	Loan	**1.500.000**	-
		4.459.319	2.805.544

(i) The loan payable to Lanitis E.C. Holdings Limited is interest free and has no fixed day of repayment.

(ii) The loan from Cybarco Development Ltd is interest free and has no fixed day of repayment.

19. Related party balances and transactions (continued)

19.4 Shareholders' loan account (Note 17)

	2018	2017
	€	€
Lanitis Farm Limited	1.647.797	1.513.088
	1.647.797	1.513.088

The loan from parent company bears interest at the rate of 4,0% annually and has no fixed day of repayment.

20. 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 December 2018 and 31 December 2017 were as follows:

	31 December 2018	31 December 2017
	%	%
Platon E. Lanitis	99,99	99,99

21. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 31 December 2018 and 31 December 2017 were as follows:

	31 December 2018	31 December 2017
	%	%
Lanitis Farm Limited	99,99	99,99

22. Significant agreements with management

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

23. Contingent liabilities

As disclosed in note 16, the Company together with its parent company, Lanitis Farm Limited and its ultimate parent company, Lanitis E.C. Holdings Limited are joint obligors to the credit facilities that these entities hold with a certain bank. As per agreements, these credit facilities are secured through corporate guarantees, pledges and mortages of assets and floating charges over the net assets of the obligors.

The Company had no contingent liabilities as at 31 December 2018.

24. Commitments

An amount of €5 million is payable to the Town Planning and housing Department of the Ministry of interior in the period of 10 years for the permit to develop the golf resort project for the Company.

In accordance with the resolution taken by the Ministry Cabinet of the Republic on 22 June 2016, the Company need to pay annual installemnts of €0.5 million each, until full repayment of the above noted €5 million.

The Company has already settled the liabilities for the years 2013, 2014, 2015, 2016 and 2017. The commitment for the year 2018 was settled post year end, in March 2019.

The Company had no capital or other commitments as at 31 December 2018.

25. Events after the reporting period

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

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