Europe Private Wealth
Multi-Family Office

TERNA OVERSEAS LIMITED

REPORT AND FINANCIAL STATEMENTS
31 December 2014

TERNA OVERSEAS LIMITED

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31 December 2014

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TERNA OVERSEAS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Alexis Hadjinicolaou Despina Georgiou Myrto Achnioti Panayiotis Pothos Konstantinos Iliadis
Company Secretary:	Alexis Hadjinikolaou
Independent Auditors:	EPW Europe Private Wealth & Multi Family Office Ltd Certified Puplic Accountants and Registered Auditors
Registered office:	Annis Komninis, 37 Elenion Building, 2nd floor Flat/Office 7, Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Bank of Cyprus Greece National Bank of Greece (Cyprus) Ltd Emporiki Bank Cyprus Ltd EFG Bank Mashreq Bank
Registration number:	HE177105

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2014.

Principal activities
The principal activities of the Company, which are unchanged from last year, are the provision of consultancy services in the construction field, the execution and supervision of public and private technical projects and land development including any interest earning activities.

The Company did not operate through any branches during the period.

Review of current position, future developments and significant risks
The net loss for the year attributable to the shareholders of the Company amounted to €1.319.716 (2013: €11.451.992). On 31 December 2014 the total assets of the Company were €99.684.711 (2013: €57.691.836) and the net assets of the Company were €91.703.440 (2013: €50.690.276). The financial position, development and performance of the Company as presented in these financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 23 of the financial statements.

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

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

Share capital
During 2014, the Company increased its share capital from 167.034 to 349.255 ordinary shares, by issuing 182.221 ordinary shares of a nominal value of €10 each, at a premium of €230 each, totalling €43.733.040.

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

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

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

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 28 to the financial statements.

REPORT OF THE BOARD OF DIRECTORS

Independent Auditors
During the year the Independent Auditors of the Company, APO Audit Services Ltd, resigned and EPW Europe Private Wealth & Multi Family Office Ltd was appointed in their place.

The Independent Auditors, EPW Europe Private Wealth & Multi Family Office Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Alexis Hadjinicolaou
Director

Nicosia, 17 March 2015

Independent auditor's report

To the Members of Terna Overseas Limited

Report on the financial statements

We have audited the financial statements of the parent company Terna Overseas Limited (the "Company") on pages 6 to 28 which comprise the statement of financial position as at 31 December 2014, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company Terna Overseas Limited as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Independent auditor's report (continued)

To the Members of Terna Overseas Limited

Report on other legal requirements

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

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

Other matter

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

Comparative figures

The financial statements of the Company for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 March 2014.

George Theocharous
Certified Public Accountant and Registered Auditor
for and on behalf of
EPW Europe Private Wealth & Multi Family Office Ltd
Certified Puplic Accountants and Registered Auditors

Nicosia, 17 March 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2014

	Note	**2014** **€**	2013 €
Revenue	5	**5.729.957**	7.839.951
Cost of sales		**(6.902.607)**	(7.909.539)
Gross loss		**(1.172.650)**	(69.588)
Other income	6	**-**	1.135.489
Administration expenses		**(99.261)**	(69.803)
Other expenses	7	**-**	(12.634.697)
Operating loss		**(1.271.911)**	(11.638.599)
Finance income	10	**327.657**	891.759
Finance costs	10	**(134.371)**	(417.860)
Loss before tax		**(1.078.625)**	(11.164.700)
Tax	11	**(241.091)**	(287.292)
Net loss for the year		**(1.319.716)**	(11.451.992)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**(1.319.716)**	(11.451.992)

The notes on pages 10 to 28 form an integral part of these financial statements.

TERNA OVERSEAS LIMITED

STATEMENT OF FINANCIAL POSITION
31 December 2014

	Note	2014 €	2013 €
Assets			
Non-current assets			
Investments in subsidiaries	14	**51.387.868**	23.787.868
Investments in associates	15	**13.514.401**	7.674.849
		64.902.269	31.462.717
Current assets			
Receivables	17	**34.092.310**	20.241.303
Loans receivable	16	**-**	5.839.467
Cash and cash equivalents	18	**690.132**	148.349
		34.782.442	26.229.119
Total assets		**99.684.711**	57.691.836
EQUITY AND LIABILITIES			
Equity			
Share capital	19	**3.492.550**	1.670.340
Share premium	19	**80.098.650**	38.187.820
Other reserves		**600.000**	2.000.160
Retained earnings		**7.512.240**	8.831.956
Total equity		**91.703.440**	50.690.276
Non-current liabilities			
Borrowings	20	**576.630**	536.630
Trade and other payables	21	**3.521.701**	2.396.779
		4.098.331	2.933.409
Current liabilities			
Trade and other payables	21	**3.416.456**	3.822.066
Current tax liabilities	22	**466.484**	246.085
		3.882.940	4.068.151
Total liabilities		**7.981.271**	7.001.560
Total equity and liabilities		**99.684.711**	57.691.836

On 17 March 2015 the Board of Directors of Terna Overseas Limited authorised these financial statements for issue.

.....
Alexis Hadjinicolaou
Director

.....
Despina Georgiou
Director

The notes on pages 10 to 28 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2014

	Note	Share capital €	Share premium €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2013		**1.796.350**	**41.086.050**	**-**	**20.283.951**	**63.166.351**
Comprehensive income						
Net loss for the year		-	-	-	(11.451.992)	(11.451.992)
Transactions with owners						
Issue of share capital	19	19.710	453.330	-	-	473.040
Issue of share capital		270.950	6.231.850	-	-	6.502.800
Reduction of share capital and premium		(416.670)	(9.583.410)	-	-	(10.000.080)
Advances from owners for future share capital increase		-	-	2.000.160	-	2.000.160
Balance at 31 December 2013/ 1 January 2014		**1.670.340**	**38.187.820**	**2.000.160**	**8.831.956**	**50.690.276**
Comprehensive income						
Net loss for the year		-	-	-	(1.319.716)	(1.319.716)
Transactions with owners						
Issue of share capital	19	1.822.210	41.910.830	-	-	43.733.040
Advances from owners for future share capital increase		-	-	42.332.880	-	42.332.880
Tranfer to share capital		-	-	(43.733.040)	-	(43.733.040)
Balance at 31 December 2014		**3.492.550**	**80.098.650**	**600.000**	**7.512.240**	**91.703.440**

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

TERNA OVERSEAS LIMITED

CASH FLOW STATEMENT
Year ended 31 December 2014

	Note	2014 €	2013 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(1.078.625)**	(11.164.700)
Adjustments for:			
Unrealised exchange (profit)		**(99.359)**	(96.729)
Impairment charge - investments in subsidiaries	14	**-**	12.634.697
Interest income	10	**(156.968)**	(598.459)
Interest expense	10	**40.000**	59.914
Cash flows (used in)/from operations before working capital changes		**(1.294.952)**	834.723
Increase in receivables		**(13.751.648)**	(7.394.206)
Increase/(decrease) in trade and other payables		**719.312**	(1.639.099)
Cash flows used in operations		**(14.327.288)**	(8.198.582)
Withholding tax		**(15.697)**	-
Tax paid		**(4.995)**	(225.697)
Net cash flows used in operating activities		**(14.347.980)**	(8.424.279)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investments in subsidiaries	14	**(27.600.000)**	-
Payment for purchase of investments in associated undertakings	15	**(5.839.552)**	-
Loans repayments received		**5.839.467**	-
Interest received		**156.968**	76
Net cash flows (used in)/from investing activities		**(27.443.117)**	76
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**43.733.040**	6.975.840
Advances from shareholders		**(1.400.160)**	2.000.160
Repayments of borrowings		**-**	(4.143.796)
Proceeds from borrowings		**40.000**	3.200.000
Interest paid		**(40.000)**	(14.260)
Net cash flows from financing activities		**42.332.880**	8.017.944
Net increase /(decrease) in cash and cash equivalents		**541.783**	(406.259)
Cash and cash equivalents:			
At beginning of the year		**148.349**	554.608
At end of the year	18	**690.132**	148.349

The notes on pages 10 to 28 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

1. Incorporation and principal activities

Country of incorporation

The Company Terna Overseas Limited (the "Company") was incorporated in Cyprus on 20 May 2006 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at Annis Komninis, 37, Elenion Building, 2nd floor, Flat/Office 7, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the provision of consultancy services in the construction field, the execution and supervision of public and private technical projects and land development including any interest earning activities.

2. Accounting policies

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

Basis of preparation

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

These financial statements are the separate financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 10 of IAS27, "Consolidated and Separate Financial Statements", has been used. The Company's parent TERNA S.A., a Company incorporated in Greece produced consolidated financial statements available for public use that comply with International Financial Reporting Standards as issued by the IASB.

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

As from 1 January 2014, the Company adopted all the following IFRSs and International Accounting Standards (IAS), which are relevant to its operations. The adoption of these Standards did not have a material effect on the financial statements.

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

(i) Adopted by the European Union
New standards

- *IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2014).*
- *IFRS 12 "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2014).*

Amendments

IFRS Interpretations Committee

- *IAS 27 (Revised): "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2014).*

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

(i) Adopted by the European Union (continued)

- *IAS 28 (Revised): "Investments in Associates" (effective for annual periods beginning on or after 1 January 2014).*
- *Amendment to IAS32 "Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2014).*
- *Amendment to IAS 36 "Recoverable Amount - Disclosures for Non-Financial Assets" (effective for annual periods beginning on or after 1 January 2014).*
- *Amendment to IAS 39 "Financial Instruments: Recognition and Measurement", Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014).*
- *Investment Entities amendments to IFRS 10, IFRS 12, and IAS 27 (effective for annual periods beginning on or after 1 January 2014).*

(ii) Not adopted by the European Union
Amendments

- *Amendments to IAS 19 - "Defined Benefit Plans: Employee Contributions" (effective for annual periods beginning on or after 1 July 2014).*
- *IFRS 9 "Financial Instruments" (issued 12 November 2009) and subsequent amendments (amendments to IFRS 9 and IFRS 7 issued 16 December 2011) (effective for annual periods beginning on or after 1 January 2015).*
- *Annual Improvements to IFRSs 2010–2012 Cycle (issued on 12 December 2013) (effective for annual periods beginning on or after 1 July 2014)*
- *Annual Improvements to IFRSs 2011–2013 Cycle (issued on 12 December 2013) (effective for annual periods beginning on or after 1 July 2014)*

The Board of Directors expects that the adoption of these standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

2. Accounting policies (continued)

Investments in associates (continued)

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When an entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

Revenue recognition

Revenue comprises the invoiced amount for the sale of products net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Commission income**

  Commission income is recognised when the right to receive payment is established.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as 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. Accounting policies (continued)

(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

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Financial instruments

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

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Financial assets

(1) Classification

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Loans and receivables

  Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

(2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. 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 risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. Accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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.

Comparatives

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

3. Financial risk management

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

3.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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

	2014	2013
	€	€
Fixed rate instruments		
Financial assets	**-**	5.839.467
Financial liabilities	**(576.630)**	(534.630)
	(576.630)	5.304.837

3. Financial risk management (continued)

3.2 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.

3.3 Liquidity risk

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

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

31 December 2014	Carrying amounts	Contractual cash flows	On demand	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	2.133.463	2.134.363	-	2.134.363	-	-
Payables to related parties	4.031.518	4.030.618	4.030.618	-	-	-
Loans from related companies	576.630	576.630	-	-	576.630	-
	6.741.611	**6.741.611**	**4.030.618**	**2.134.363**	**576.630**	**-**

31 December 2013	Carrying amounts	Contractual cash flows	On demand	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	2.723.162	2.274.062	-	2.274.062	-	-
Payables to related parties	2.417.229	2.416.329	2.416.329	-	-	-
Loans from related companies	536.630	536.630	-	-	536.630	-
	5.677.021	**5.227.021**	**2.416.329**	**2.274.062**	**536.630**	**-**

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3. Financial risk management (continued)

3.5 Capital risk management

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

the Company's gearing ratio is calculated as follows:

	2014	2013
	€	€
Total borrowings (Note 20)	**576.630**	536.630
Less: Cash and cash equivalents (Note 18)	**(690.132)**	(148.349)
Net debt	**(113.502)**	388.281
Total equity	**91.703.440**	50.690.276
Total capital	**91.589.938**	51.078.557
Gearing ratio	**(0,12)%**	0,76%

The decrease in the gearing ratio during year ended 31 December 2014 resulted primarily from the issue of share capital at premium within the year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate to their carrying amounts at the reporting date except as disclosed in note 16 and 20.

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.

4. Critical accounting estimates and judgments (continued)

- **Impairment of investments in subsidiaries/associates**

  The Company periodically evaluates the recoverability of investments in subsidiaries/associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Revenue

	2014	2013
	€	€
Rendering of services	**5.729.957**	6.625.810
Rent of machinery	**-**	1.214.141
	5.729.957	7.839.951

6. Other income

	2014	2013
	€	€
Sundry operating income	**-**	1.135.489
	-	1.135.489

7. Other expenses

	2014	2013
	€	€
Impairment charge - investments in subsidiaries	**-**	12.634.697
	-	12.634.697

8. Expenses by nature

	2014	2013
	€	€
Staff costs (Note 9)	**4.173.140**	4.971.425
Auditors' remuneration for the statutory audit of annual accounts	**6.000**	5.000
Other expenses	**2.822.728**	15.637.614
Total expenses	**7.001.868**	20.614.039

9. Staff costs

	2014	2013
	€	€
Wages and salaries	**4.170.336**	4.965.722
Social insurance costs and other funds	**2.326**	4.655
Social cohesion fund	**478**	1.048
	4.173.140	4.971.425

Wages and salaries consist of €23.900 (2013: €50.412) wages and salaries to cypriot employees and €4.146.436 (2013: €4.915.310) wages and salaries to foreign employees.

10. Finance income/cost

	2014	2013
	€	€
Interest income	**156.968**	598.459
Exchange profit	**170.689**	293.300
Finance income	**327.657**	891.759
Net foreign exchange transaction losses	**(71.330)**	(338.236)
Interest expense	**(40.000)**	(59.914)
Sundry finance expenses	**(23.041)**	(19.710)
Finance costs	**(134.371)**	(417.860)
Net finance income	**193.286**	473.899

11. Tax

	2014	2013
	€	€
Corporation tax - current year	**225.394**	192.764
Overseas tax	**15.697**	94.517
Defence contribution - current year	**-**	11
Charge for the year	**241.091**	287.292

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2014	2013
	€	€
Loss before tax	**(1.078.625)**	(11.164.700)
Tax calculated at the applicable tax rates	**(134.828)**	(1.395.588)
Tax effect of expenses not deductible for tax purposes	**-**	1.744.216
Tax effect of allowances and income not subject to tax	**353.676**	(126.154)
10% additional charge	**6.546**	11.842
Defence contribution current year	**-**	11
Prior year tax	**-**	35.156
Overseas tax in excess of credit claim used during the year	**15.697**	17.809
Tax charge	**241.091**	287.292

The corporation tax rate is 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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

12. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2014	Loans and receivables	Total
	€	**€**
Assets as per statement of financial position:		
Receivables	34.035.374	34.035.374
Financial assets	64.902.269	64.902.269
Cash and cash equivalents	690.132	690.132
Total	**99.627.775**	**99.627.775**

	Borrowings and other financial liabilities	Total
	€	**€**
Liabilities as per statement of financial position:		
Borrowings	576.630	576.630
Trade and other payables	6.164.981	6.164.981
Total	**6.741.611**	**6.741.611**

31 December 2013	Loans and receivables	Total
	€	**€**
Assets as per statement of financial position:		
Receivables	20.184.809	20.184.809
Loans granted	5.839.467	5.839.467
Financial assets	31.462.717	31.462.717
Cash and cash equivalents	148.349	148.349
Total	**57.635.342**	**57.635.342**

	Borrowings and other financial liabilities	Total
	€	**€**
Liabilities as per statement of financial position:		
Borrowings	536.630	536.630
Trade and other payables	2.651.681	2.651.681
Total	**3.188.311**	**3.188.311**

13. Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2014	2013
	€	€
Fully performing other receivables		
Group 4	**33.862.910**	25.769.856
Group 5	**166.500**	253.920
Group 6	**5.464**	500
	34.034.874	26.024.276

13 Credit quality of financial assets (continued)

Cash at bank and short term bank deposits [1]		
Ca	**5.078**	18.894
Caa1	**3.936**	4.161
Caa2	**623.341**	87.999
Baa2	**57.590**	36.957
No rating	**187**	338
	690.132	148.349

The rest of the statement of financial position item "Cash and cash equivalents" is cash in hand.

Group 1 - new customers (less than 6 months).

Group 2 - existing customers (more than 6 months) with no defaults in the past.

Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Group 4 - companies within the group, common control companies and associates with no defaults in the past.

Group 5 - Directors, shareholders and key management personnel.

Group 6 - new receivables (less than 6 months).

None of the financial assets that are fully performing has been renegotiated.

14. Investments in subsidiaries

	2014	2013
	€	€
Balance at 1 January	**23.787.868**	33.608.837
Additions	**27.600.000**	19.793.228
Impairment charge	**-**	(12.634.697)
Return of capital contribution	**-**	(16.979.500)
Balance at 31 December	**51.387.868**	23.787.868

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	**2014 Holding %**	2013 Holding %	**2014 €**	2013 €
Terna Bahrain Holding W.L.L.	Bahrain	Services	**99,99**	99,99	**1.700.000**	1.700.000
Terna Qatar LLC (1)	Qatar	Services	**35**	35	**47.436.799**	19.836.799
Malcem Construction Materials Ltd	Malta	Construction	**75**	75	**2.250.000**	2.250.000
Terna Contracting W.L.L. (2)	Bahrain	Services	**0,01**	0,01	**169**	169
QE Energy Europe Ltd	Cyprus	Supply of gas	**90**	90	**900**	900
					51.387.868	23.787.868

(1) During the current and prior year, the Company granted to the subsidiary temporary financing with the intention to capitalise the total amount into the cost of the investment. Taking into consideration the Qatari Law and its specific provisions, a share capital increase cannot take place. Consequently, the temporary financing was converted into an interest free subordinated loan based on an agreement conlcuded between the parties during the year, and the total of €27.600.000 was capitalised into the cost of the investment as capital contribution.

The Company, based on an agreement, holds control of the management.

(2) The Company also has 99,99% indirect shareholding in Terna Contracting W.L.L. through its 99,99% investment in Terna Bahrain Holding W.L.L.

15. Investments in associates

	2014	2013
	€	€
Balance at 1 January	**7.674.849**	-
Additions	**5.839.552**	7.674.849
Balance at 31 December	**13.514.401**	7.674.849

15. Investments in associates (continued)

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	**2014** Holding %	2013 Holding %	**2014** €	2013 €
Icon Borovets EOOD (2)	Bulgaria	Real estate	41,01	43,57	**7.674.849**	7.674.849
Icon EOOD (1)	Bulgaria	Real estate	19,35	0	**5.839.552**	-
					13.514.401	7.674.849

(1) On 28 April 2014, 1.142.117 newly issued shares with a nominal value of BGN10 each were alloted to the Company, against in kind contribution of receivable from Icon Eood arising from the Loan Agreement dated 16 December 2010. The receivable represents the obligation for repayment of the unpaid loan due, amounting to EUR 5.200.000 together with the accrued contractual interest due until 31 December 2013.

(2) An increase in the share capital of Icon Borovets EOOD during the year, resulding in the reduction of our shareholding percentage.

16. Non-current loans receivable

	2014 €	2013 €
Balance at 1 January	**5.839.467**	14.708.417
Interest charged	**156.968**	598.383
Against capital contribution (Note 15)	**(5.839.551)**	(7.674.849)
Transferred to account receivable	**(141.187)**	(1.721.168)
Witholding tax	**(15.697)**	(94.518)
Foreign exchange	-	23.202
Balance at 31 December	-	5.839.467

	2014 €	2013 €
Loans to related companies (Note 24)	-	5.839.467
	-	5.839.467

The exposure of the Company to credit risk is reported in note 3 of the financial statements.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

17. Receivables

	2014 €	2013 €
Receivables from own subsidiaries (Note 24)	**23.507.403**	9.880.931
Receivables from related companies (Note 24)	**10.355.507**	10.049.458
Receivables from parent (Note 24)	**166.500**	253.920
Deposits and prepayments	**50.000**	50.000
Other receivables	**5.964**	500
Refundable VAT	**6.936**	6.494
	34.092.310	20.241.303

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

17. Receivables (continued)

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

18. Cash and cash equivalents

Cash balances are analysed as follows:

	2014	2013
	€	€
Cash at bank and in hand	**690.132**	148.349
	690.132	148.349

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

19. Share capital and share premium

Issued and fully paid	**Number of shares**	**Share capital €**	**Share premium €**	**Total €**
Balance at 1 January 2013	179.635	1.796.350	41.086.050	42.882.400
Issue of shares on 15 March 2013	1.971	19.710	453.330	473.040
Share capital and premium reduction on 13 December 2013	(41.667)	(416.670)	(9.583.410)	(10.000.080)
Issue of shares on 19 December 2013	27.095	270.950	6.231.850	6.502.800
Balance at 31 December 2013/ 1 January 2014	**167.034**	**1.670.340**	**38.187.820**	**39.858.160**
Issue of shares in March 2014	49.794	497.940	11.452.620	11.950.560
Issue of shares in May 2014	40.419	404.190	9.296.370	9.700.560
Issue of shares in November 2014	71.173	711.730	16.369.790	17.081.520
Issue of shares in December 2014	20.835	208.350	4.792.050	5.000.400
Balance at 31 December 2014	**349.255**	**3.492.550**	**80.098.650**	**83.591.200**

20. Borrowings

	2014	2013
	€	€
Balance at 1 January	**536.630**	1.420.512
Additions	-	3.200.000
Repayments	-	(4.143.796)
Interest charged	**40.000**	59.914
Balance at 31 December	**576.630**	536.630

	2014	2013
	€	€
Non current borrowings		
Loans from related companies (Note 24)	**576.630**	536.630

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2014

21. Trade and other payables

	2014	2013
	€	€
Trade payables	**2.125.477**	2.651.681
Social insurance and other taxes	**797**	1.311
Payables to parent (Note 24)	**3.521.701**	2.396.779
Accruals	**772.379**	1.077.143
Other creditors	**7.986**	71.481
Payables to related companies (Note 24)	**509.817**	20.450
	6.938.157	6.218.845
Less non-current payables	**(3.521.701)**	(2.396.779)
Current portion	**3.416.456**	3.822.066

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

22. Current tax liabilities

	2014	2013
	€	€
Corporation tax	**466.484**	246.085
	466.484	246.085

23. Recent volatility in global financial markets

The ongoing global liquidity crisis which commenced in the middle of 2007 and is still continuing, resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and higher interbank lending rates. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere. Such circumstances could affect the ability of the Company to obtain borrowings or re-finance its existing operations at terms and conditions similar to those applied to earlier transactions. Indeed the full extent of the impact of the ongoing financial crisis is proving to be impossible to anticipate or completely guard against.

The debtors or borrowers of the Company may also be affected by the lower liquidity situation which could in turn impact their ability to repay their amounts owed. Deteriorating operating conditions for debtors or borrowers may also have an impact on Management's cash flow forecasts and assessment of the impairment of financial and non-financial assets.

To the extent that information is available, Management has reflected revised estimates of expected future cash flows in its impairment assessments. Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

24. Related party transactions

The Company is controlled by Terna S.A., incorporated in Greece, which owns 100% of the Company's shares. The Company's ultimate controlling party is Gek Terna S.A., which is listed in the Athens Stock Exchange.

24. Related party transactions (continued)

The following transactions were carried out with related parties:

24.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2014	2013
	€	€
Directors' fees	**2.400**	1.680
	2.400	1.680

24.2 Receivables from related parties (Note 17)

Name	Nature of transactions	**2014**	2013
		€	€
Malcem Construction Material Ltd	Finance	**76.819**	76.819
Terna Qatar LLC	Trade + Finance	**12.954.066**	934.066
Terna Bahrain Holding WLL	Finance	**9.445.689**	7.945.689
Terna Contracting WLL	Finance	**87.500**	87.500
QE Energy Europe Ltd	Finance	**668.652**	562.180
Icon Borovets Eood	Finance	**274.677**	274.677
Terna S.A. Sharjah Branch	Finance	**-**	354.932
Terna S.A. Libya Branch	Finance	**533.272**	533.272
Icon Eood	Finance	**141.187**	-
Terna S.A. Abu Dhabi Branch	Finance	**44.482**	44.482
Terna S.A. Ogranak	Trade	**7.947.035**	8.871.208
Terna Energy Overseas Ltd	Finance	**2.074**	874
Valeplus Ltd	Finance	**1.955**	755
Terna S.A. Branch Bulgaria	Finance	**243.935**	243.935
Terna S.A. Iraq Branch	Finance	**1.441.567**	-
Terna S.A. Greece	Finance	**166.500**	253.920
		34.029.410	20.184.309

24.3 Loans to associates (Note 16)

	2014	2013
	€	€
Icon Eood (principal amount)	**-**	5.200.000
Icon Eood (interest amount)	**-**	639.467
	-	5.839.467

The loan to the related company Icon Eood was capitalized during the year.

24.4 Payables to related parties (Note 21)

Name	Nature of transactions	**2014**	2013
		€	€
Valeplus Ltd	Finance	**19.550**	19.550
Terna SA Sharjah Branch	Finance	**489.367**	-
Terna S.A. Greece	Finance	**3.521.701**	2.396.779
QE Energy Europe Limited	Finance	**900**	900
		4.031.518	2.417.229

24. Related party transactions (continued)

24.5 Loans from related undertakings (Note 20)

	2014	2013
	€	€
Terna Energy Overseas Ltd	**576.630**	536.630
	576.630	536.630

The loan bears interest at the rate of 8% and is repayable by 31 December 2015.

24.6 Shareholders' current accounts - debit balances (Note 17)

	2014	2013
	€	€
Terna S.A.	**166.500**	253.920
	166.500	253.920

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

24.7 Shareholders' current accounts - credit balances (Note 21)

	2014	2013
	€	€
Terna S.A.	**3.521.701**	2.396.779
	3.521.701	2.396.779

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

25. Parent company

The Company is controlled by Terna S.A., incorporated in Greece, which owns 100% of the Company's shares.

26. Contingent liabilities

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

27. Commitments

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

28. 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 auditor's report on pages 4 and 5

DETAILED INCOME STATEMENT
Year ended 31 December 2014

	Page	**2014** **€**	2013 €
Revenue			
Rendering of services		**5.729.957**	6.625.810
Rent of machinery		**-**	1.214.141
Cost of sales	30	**(6.902.607)**	(7.909.539)
Gross loss		**(1.172.650)**	(69.588)
Other operating income			
Sundry operating income		**-**	1.135.489
		(1.172.650)	1.065.901
Operating expenses			
Administration expenses	31	**(99.261)**	(69.803)
		(1.271.911)	996.098
Other operating expenses			
Impairment charge - investments in subsidiaries		**-**	(12.634.697)
Operating loss		**(1.271.911)**	(11.638.599)
Finance income	32	**327.657**	891.759
Finance costs	32	**(134.371)**	(417.860)
Net loss for the year before tax		**(1.078.625)**	(11.164.700)

COST OF SALES
Year ended 31 December 2014

	2014	2013
	€	€
Direct costs		
Wages and salaries	**4.170.336**	4.965.722
Social insurance	**2.326**	4.655
Social cohesion fund	**478**	1.048
Rent of equipment	**-**	1.156.331
Telephone and postage	**16.213**	8.907
Subcontracted work	**196.025**	-
Electricity and fuel	**10.103**	-
Services received	**1.198.729**	1.157.346
Transportation expenses	**195.532**	147.964
Financial Charges	**1.112.865**	467.566
	6.902.607	7.909.539

OPERATING EXPENSES
Year ended 31 December 2014

	2014 €	2013 €
Administration expenses		
Rent	**23.457**	5.200
Registrar annual fee	**350**	1.400
Electricity	**672**	645
Insurance	**5.265**	-
Repairs and maintenance	**1.250**	2.720
Sundry expenses	**16.020**	19.382
Courier expenses	**1.139**	188
Stationery and printing	**3.638**	1.655
Subscriptions and contributions	**430**	430
Newspapers and publications	**10.640**	-
Certification and legalisation expenses	**340**	3.162
Auditors' remuneration for the statutory audit of annual accounts	**6.000**	5.000
Accounting fees	**2.200**	12.492
Other professional fees	**13.484**	6.044
Directors' fees	**2.400**	1.680
Revenue stamps	**-**	15
Fines	**345**	9.335
Inland travelling and accommodation	**1.200**	455
Marketing Research Expenses	**10.431**	-
	99.261	69.803

FINANCE INCOME/COST
Year ended 31 December 2014

	2014	2013
	€	€
Finance income		
Bank interest	-	76
Other interest income	**156.968**	598.383
Realised exchange profit	-	25.969
Unrealised exchange profit	**170.689**	267.331
	327.657	891.759
Finance costs		
Interest expense		
Loan interest	**40.000**	59.914
Sundry finance expenses		
Bank charges	**23.041**	19.710
Net foreign exchange transaction losses		
Realised exchange loss	-	167.634
Unrealised exchange loss	**71.330**	170.602
	134.371	417.860