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**LUELLA ENTERPRISES COMPANY
LIMITED**

REPORT AND FINANCIAL STATEMENTS
31 December 2014

LUELLA ENTERPRISES COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2014

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LUELLA ENTERPRISES COMPANY LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Vasilios Trikoupis
Alexandra Michaelides

Company Secretary:

Adam Montanios
16 Panteli Katelari street
Diagoras House, 7th floor
1097 Nicosia, Cyprus

Independent Auditors:

Horwath DSP Limited
Certified Public Accountants and Registered Auditors
Photiades Business Centre
1st floor, 8 Stassinos Avenue
P.O. Box 22545
1522 Nicosia

Registered office:

16 Panteli Katelari street
Diagoras House 7th floor
1097 Nicosia, Cyprus

LUELLA ENTERPRISES COMPANY LIMITED

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 holding of investments, the provision of finance and the provision of consultancy services.

Review of current position, future developments and significant risks

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

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results

The Company's results for the year are set out on page 5.

Dividends

In 2014 the Board of Directors approved the payment of dividends of €1.632.469 (2013: €885.000).

Share capital

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

Board of Directors

The members of the Company's Board of Directors as 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.

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

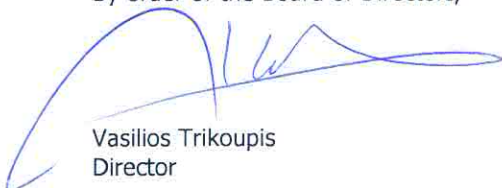
Events after the reporting period

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, Horwath DSP Limited, 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,



Vasilios Trikoupis
Director

Nicosia, 7 March 2016

Independent auditor's report

To the Members of Luella Enterprises Company Limited

Report on the financial statements

We have audited the accompanying financial statements of the parent company Luella Enterprises Company Limited (the "Company"), 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 Luella Enterprises Company 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 Luella Enterprises Company 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.



Chrysis Pegasiou FCA
Certified Public Accountant and Registered Auditor
for and on behalf of
Horwath DSP Limited
Certified Public Accountants and Registered Auditors

Nicosia, 7 March 2016

LUELLA ENTERPRISES COMPANY LIMITED

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

	Note	2014 €	2013 €
Loan interest income		47.331	-
Net gain on investing activities	5	4.213.108	912.277
Administration expenses	6	(3.639)	(1.251)
Operating profit		4.256.800	911.026
Finance income	7	466.110	-
Finance costs	7	(8.018)	(2.257)
Profit before tax		4.714.892	908.769
Tax	8	(6.297)	(18)
Net profit for the year		4.708.595	908.751
Other comprehensive income		-	-
Total comprehensive income for the year		4.708.595	908.751

The notes on pages 9 to 18 form an integral part of these financial statements.

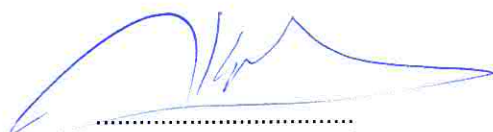
LUELLA ENTERPRISES COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2014

	Note	2014 €	2013 €
ASSETS			
Non-current assets			
Investments in subsidiaries	10	18.088.061	18.710.052
Non-current loans receivable	11	3.693.372	-
		21.781.433	18.710.052
Current assets			
Receivables	12	23.015	22.813
Cash at bank	13	10.752	1
		33.767	22.814
Total assets		21.815.200	18.732.866
EQUITY AND LIABILITIES			
Equity			
Share capital	14	183.825	183.825
Share premium		18.548.465	18.548.465
Retained earnings		3.076.595	469
Total equity		21.808.885	18.732.759
Current liabilities			
Borrowings	15	-	89
Current tax liabilities	16	6.315	18
		6.315	107
Total equity and liabilities		21.815.200	18.732.866

On 7 March 2016 the Board of Directors of Luella Enterprises Company Limited authorised these financial statements for issue.



Vasilios Trikoupis
Director



Alexandra Michaelides
Director

The notes on pages 9 to 18 form an integral part of these financial statements.

LUELLA ENTERPRISES COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2013		182.825	17.926.425	(23.282)	18.085.968
Comprehensive expense					
Net profit for the year		-	-	908.751	908.751
Transactions with owners					
Issue of share capital	14	1.000	622.040	-	623.040
Dividends	9	-	-	(885.000)	(885.000)
Balance at 31 December 2013/ 1 January 2014		183.825	18.548.465	469	18.732.759
Comprehensive income					
Net profit for the year		-	-	4.708.595	4.708.595
Transactions with owners					
Dividends	9	-	-	(1.632.469)	(1.632.469)
Balance at 31 December 2014		183.825	18.548.465	3.076.595	21.808.885

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.

The notes on pages 9 to 18 form an integral part of these financial statements.

LUELLA ENTERPRISES COMPANY LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2014

	2014	2013
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4.714.892	908.769
Adjustments for:		
Interest expense	7 <u>423</u>	<u>213</u>
Cash flows from operations before working capital changes	4.715.315	908.982
Increase in receivables	(202)	(22.813)
Decrease in payables	<u>-</u>	<u>(1.114)</u>
Cash flows from operations	4.715.113	885.055
Tax paid	<u>(1)</u>	<u>-</u>
Net cash flows from operating activities	<u>4.715.112</u>	<u>885.055</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in subsidiaries	10 (1.048)	(623.039)
Loans granted	(3.693.372)	-
Proceeds from sale of investments in subsidiary undertakings	<u>623.039</u>	<u>-</u>
Net cash flows used in investing activities	<u>(3.071.381)</u>	<u>(623.039)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	623.040
Interest paid	(422)	(213)
Dividends paid	<u>(1.632.469)</u>	<u>(885.000)</u>
Net cash flows used in financing activities	<u>(1.632.891)</u>	<u>(262.173)</u>
Net increase /(decrease) in cash and cash equivalents	10.840	(157)
Cash and cash equivalents:		
At beginning of the year	<u>(88)</u>	<u>69</u>
At end of the year	13 <u>10.752</u>	<u>(88)</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. Incorporation and principal activities

Country of incorporation

The Company Luella Enterprises Company Limited (the "Company") was incorporated in Cyprus on 6 May 2006 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at 16 Panteli Katelari street, Diagoras House 7th floor, 1097 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments, the provision of finance and the provision of consultancy services.

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.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the holding company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2014.

Since the 7th Directive of the European Union permits the preparation of consolidated financial statements in accordance with the Directive or in a manner equivalent to the Directive, and since the Cyprus Companies Law, Cap. 113, provides the aforementioned exemption, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

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

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

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

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

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.

Revenue recognition

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

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 31 December 2014 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

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) **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.

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

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

Interim dividends are recognised in equity in the year in which they are approved by the Company's directors. 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.

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.

Investments

(1) Classification

The Company classifies its financial assets in the following categories: investments at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale investments. 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.

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

Financial instruments (continued)

Investments (continued)

(2) Recognition and measurement

Regular way purchases and sales of investments 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 investments not carried at fair value through profit or loss. Investments carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Investments are derecognised when the rights to receive cash flows from the investments 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 "investments at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from investments 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.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of investments 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 investments 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 investments 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.

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

Financial instruments (continued)

Investments (continued)

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 bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Receivable from shareholder

Receivable from shareholder are stated at their transacted value as they are on demand. Management believes that their fair value is not materially different from their transacted value.

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.

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.

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.

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.

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. Financial risk management (continued)

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. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

4. Critical accounting estimates and judgments

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

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

- **Income taxes**

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

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries 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 may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Net gain on investing activities

	2014	2013
	€	€
Dividend income	652.843	-
Net gain on investing activities	-	912.277
Profit on liquidation of subsidiaries	3.560.265	-
	<u>4.213.108</u>	<u>912.277</u>

6. Expenses by nature

2014	2013
€	€

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6. Expenses by nature (continued)

Auditors' remuneration - current year	5.000	4.000
Auditors' remuneration - prior years	(1.620)	(800)
Administration expenses	10.309	2.101
Recharges to holding company	(10.400)	(4.400)
Annual levy	350	350
Total expenses	3.639	1.251

7. Net finance income/ (costs)

	2014	2013
	€	€
Exchange profit	466.110	-
Finance income	466.110	-
Interest expense	(423)	(213)
Sundry finance expenses	(7.595)	(2.044)
Finance costs	(8.018)	(2.257)
Net finance income/(costs)	458.092	(2.257)

8. Tax

	2014	2013
	€	€
Corporation tax - current year	6.297	18
Charge for the year	6.297	18

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

	2014	2013
	€	€
Profit before tax	4.714.892	908.769
Tax calculated at the applicable tax rates	589.362	113.596
Tax effect of expenses not deductible for tax purposes	1.265	455
Tax effect of allowances and income not subject to tax	(584.902)	(114.035)
10% additional charge	572	2
Tax charge	6.297	18

The corporation tax rate is 12,5% (2012:10%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

9. Dividends

	2014	2013
	€	€
Interim dividend paid	<u>1.632.469</u>	885.000
	<u>1.632.469</u>	<u>885.000</u>

In 2014 the Board of Directors approved the payment of dividends of €1.632.469 (2013: €885.000).

Dividends are subject to a deduction of special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter for individual shareholders that are residents of Cyprus.

10. Investments in subsidiaries

	2014	2013
	€	€
Balance at 1 January	18.710.052	18.087.013
Additions	1.048	623.039
Liquidation of subsidiaries	(623.039)	-
Balance at 31 December	<u>18.088.061</u>	<u>18.710.052</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2014 Holding %	2013 Holding %
North Haven Limited	Hong Kong	Holding of investments	100	100
Harvard Investments Corporation	Panama	Holding of investments	-	100
World Spirit Ltd SA	Liberia	Holding of investments	-	100
Markelia Enterprises Company Limited	Cyprus	Provision of finance	100	-

11. Non-current loans receivable

	2014	2013
	€	€
Loans to own subsidiaries (Note 17)	<u>3.693.372</u>	-
	<u>3.693.372</u>	<u>-</u>

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.

12. Receivables

	2014	2013
	€	€
Shareholders' current accounts - debit balances (Note 17)	<u>23.015</u>	22.813
	<u>23.015</u>	<u>22.813</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

13. Cash at bank

For the purposes of the cash flow statement, the cash and cash equivalents include the following

	2014	2013
	€	€
Cash at bank	10.752	1
Bank overdrafts (Note 15)	-	(89)
	<u>10.752</u>	<u>(88)</u>

14. Share capital

	2014	2014	2013	2013
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>200.000</u>	<u>200.000</u>	200.000	200.000
Issued and fully paid				
Balance at 1 January	183.825	183.825	182.825	182.825
Issue of shares	-	-	1.000	1.000
Balance at 31 December	<u>183.825</u>	<u>183.825</u>	183.825	183.825

15. Borrowings

	2014	2013
	€	€
Current borrowings		
Bank overdrafts (Note 13)	<u>-</u>	<u>89</u>

16. Current tax liabilities

	2014	2013
	€	€
Corporation tax	<u>6.315</u>	<u>18</u>
	<u>6.315</u>	<u>18</u>

17. Related party transactions

The following transactions were carried out with related parties:

17.1 Loan receivable from own subsidiary (Note 11)

	2014	2013
	€	€
As at 31 December	<u>3.693.372</u>	-
	<u>3.693.372</u>	-

Loan receivable from own subsidiary amounting to € 3.693.372 (2013: € NIL) carries interest at the rate of 3month US libor plus 2,65% per annum and it is repayable by 30th June 2017.

LUELLA ENTERPRISES COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

17. Related party transactions (continued)

17.2 Shareholders' current accounts - debit balances (Note 12)

	2014	2013
	€	€
As at 31 December	<u>23.015</u>	22.813
	<u><u>23.015</u></u>	<u><u>22.813</u></u>

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

18. 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 3 and 4