



**Horwath DSP Limited**  
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**LUELLA ENTERPRISES COMPANY  
LIMITED**

REPORT AND FINANCIAL STATEMENTS  
31 December 2015



# LUELLA ENTERPRISES COMPANY LIMITED

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## REPORT AND FINANCIAL STATEMENTS

31 December 2015

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# LUELLA ENTERPRISES COMPANY LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Vasilios Trikoupis  
Alexandra Michaelidou

**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

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## 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 2015.

### **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 results of this year are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses. Despite the loss this year the Company's development to date and the financial position as reflected in the financial statements are 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 2015 the Board of Directors approved the payment of dividends of €1.535.000 (2014: €1.632.469).

### **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 2015.

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**

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 2015, 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 2015, 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 Pegasidou 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 2015

	Note	2015 €	2014 €
<b>Loan interest income</b>		<b>36.778</b>	47.331
Net (loss) / gain on investing activities	5	-	4.213.108
Administration expenses	7	<b>(7.387)</b>	(3.639)
Other expenses	6	<b>(23.015)</b>	-
<b>Operating profit</b>		<b>6.376</b>	4.256.800
Net finance income	8	<b>378.835</b>	458.092
<b>Profit before tax</b>		<b>385.211</b>	4.714.892
Tax	9	<b>(5.030)</b>	(6.297)
<b>Net profit for the year</b>		<b>380.181</b>	4.708.595
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive (expenses)/ income for the year</b>		<b>380.181</b>	4.708.595

The notes on pages 9 to 16 form an integral part of these financial statements.

# LUELLA ENTERPRISES COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2015

	Note	2015 €	2014 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	11	<b>18.088.061</b>	18.088.061
Non-current loans receivable	12	<b>2.557.284</b>	3.693.372
<b>Current assets</b>			
Receivables	13	-	23.015
Cash at bank	14	<b>16.151</b>	10.753
		<b>16.151</b>	33.768
<b>Total assets</b>		<b>20.661.496</b>	21.815.201
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	<b>183.825</b>	183.825
Share premium		<b>18.548.465</b>	18.548.465
Retained earnings		<b>1.921.776</b>	3.076.595
<b>Total equity</b>		<b>20.654.066</b>	21.808.885
<b>Current liabilities</b>			
Payables	16	<b>2.382</b>	1
Current tax liabilities	17	<b>5.048</b>	6.315
		<b>7.430</b>	6.316
<b>Total equity and liabilities</b>		<b>20.661.496</b>	21.815.201

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



Vasilios Trikoupis  
Director



Alexandra Michaelidou  
Director

The notes on pages 9 to 16 form an integral part of these financial statements.

# LUELLA ENTERPRISES COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
<b>Balance at 1 January 2014</b>		<b>183.825</b>	<b>18.548.465</b>	<b>469</b>	<b>18.732.759</b>
<b>Comprehensive expense</b>					
Net profit for the year		-	-	4.708.595	4.708.595
<b>Transactions with owners</b>					
Dividends	10	-	-	(1.632.469)	(1.632.469)
<b>Balance at 31 December 2014/ 1 January 2015</b>		<b>183.825</b>	<b>18.548.465</b>	<b>3.076.595</b>	<b>21.808.885</b>
<b>Comprehensive income</b>					
Net profit for the year		-	-	380.181	380.181
<b>Transactions with owners</b>					
Dividends	10	-	-	(1.535.000)	(1.535.000)
<b>Balance at 31 December 2015</b>		<b>183.825</b>	<b>18.548.465</b>	<b>1.921.776</b>	<b>20.654.066</b>

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 16 form an integral part of these financial statements.

# LUELLA ENTERPRISES COMPANY LIMITED

## CASH FLOW STATEMENT

Year ended 31 December 2015

	Note	2015 €	2014 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>385.211</b>	4.714.892
Adjustments for:			
Unrealised exchange (profit)		<b>(1.225)</b>	-
Interest expense	8	<b>681</b>	423
		<b>384.667</b>	4.715.315
<b>Changes in working capital:</b>			
Decrease/(increase) in receivables		<b>23.015</b>	(202)
Increase in payables		<b>2.381</b>	1
		<b>410.063</b>	4.715.114
<b>Cash generated from operations</b>		<b>(6.297)</b>	-
Tax paid		<b>403.766</b>	4.715.114
<b>Net cash generated from operating activities</b>		<b>403.766</b>	4.715.114
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of investments in subsidiaries	11	-	(1.048)
Loans granted		-	(3.693.372)
Loans repayments received		<b>1.136.088</b>	-
Proceeds from sale of investments in subsidiary undertakings		-	623.039
		<b>1.136.088</b>	(3.071.381)
<b>Net cash generated from/(used in) investing activities</b>		<b>1.136.088</b>	(3.071.381)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Unrealised exchange profit		<b>1.225</b>	-
Interest paid		<b>(681)</b>	(423)
Dividends paid		<b>(1.535.000)</b>	(1.632.469)
		<b>(1.534.456)</b>	(1.632.892)
<b>Net cash used in financing activities</b>		<b>(1.534.456)</b>	(1.632.892)
<b>Net increase in cash and cash equivalents</b>		<b>5.398</b>	10.841
Cash and cash equivalents at beginning of the year		<b>10.753</b>	(88)
<b>Cash and cash equivalents at end of the year</b>	14	<b>16.151</b>	10.753

The notes on pages 9 to 16 form an integral part of these financial statements.

# LUELLA ENTERPRISES COMPANY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 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 2015. At the time of approval of these separated financial statements of the Company, the holding company has not yet prepared consolidated financial statements in accordance with General Accepted Accounting Principles in Greece.

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 Financial Reporting Standard 10 'Consolidated 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 2015. 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

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 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:

- **Loan interest income**

Loan interest income is recognised on a time-proportion basis using the effective interest method.

#### 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.

#### 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.

# LUELLA ENTERPRISES COMPANY LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 2. Accounting policies (continued)

#### 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.

#### Cash and cash equivalents

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

#### Receivable from shareholder

Receivable from shareholder is stated at its transacted value as it is on demand. Management believes that its fair value is not materially different from its 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.

# LUELLA ENTERPRISES COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 3. Financial risk management (continued)

#### 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.

#### 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 judgements

Estimates and judgements 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 (loss) / gain on investing activities

	2015	2014
	€	€
Dividend income	-	652.843
Profit from liquidation of subsidiaries	-	3.560.265
	<u>-</u>	<u>4.213.108</u>



# LUELLA ENTERPRISES COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 6. Other expenses

	2015 €	2014 €
Bad debts written off	<u>23.015</u>	-
	<u><b>23.015</b></u>	<u>-</u>

### 7. Expenses by nature

	2015 €	2014 €
Auditors' remuneration - current year	2.380	5.000
Auditors' remuneration - prior years	-	(1.620)
Administration expenses	17.047	10.309
Recharges to holding company	(12.390)	(10.400)
Annual levy	350	350
Other expenses	<u>23.015</u>	-
<b>Total expenses</b>	<u><b>30.402</b></u>	<u>3.639</u>

### 8. Net finance income

	2015 €	2014 €
Exchange profit	<u>484.180</u>	466.110
<b>Finance income</b>	<u><b>484.180</b></u>	<u>466.110</u>
Net foreign exchange transaction losses	(99.825)	-
Interest expense	(681)	(423)
Sundry finance expenses	<u>(4.839)</u>	(7.595)
<b>Finance costs</b>	<u><b>(105.345)</b></u>	<u>(8.018)</u>
<b>Net finance income</b>	<u><b>378.835</b></u>	<u>458.092</u>

### 9. Tax

	2015 €	2014 €
Corporation tax - current year	<u>5.030</u>	6.297
<b>Charge for the year</b>	<u><b>5.030</b></u>	<u>6.297</u>

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

	2015 €	2014 €
Profit before tax	<u>385.211</u>	4.714.892
Tax calculated at the applicable tax rates	48.151	589.362
Tax effect of expenses not deductible for tax purposes	16.944	1.265
Tax effect of allowances and income not subject to tax	(60.522)	(584.902)
10% additional charge	<u>457</u>	572
<b>Tax charge</b>	<u><b>5.030</b></u>	<u>6.297</u>

# LUELLA ENTERPRISES COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 9. Tax (continued)

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.

### 10. Dividends

	2015	2014
	€	€
Interim dividends paid	<u>1.535.000</u>	1.632.469
	<u>1.535.000</u>	<u>1.632.469</u>

In 2015 the Board of Directors approved the payment of dividends of €1.535.000 (2014: €1.632.469).

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.

### 11. Investments in subsidiaries

	2015	2014
	€	€
Balance at 1 January	<b>18.088.061</b>	18.710.052
Additions	-	1.048
Liquidation of subsidiaries	-	(623.039)
<b>Balance at 31 December</b>	<b><u>18.088.061</u></b>	<b><u>18.088.061</u></b>

On 11 September 2015 the Board of Directors of North Haven Limited, a Hong Kong registered company, decided to put the company into voluntary liquidation. The Company expects to receive in 2016, liquidation proceeds which will outweigh the cost of investment.

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2015 Holding %	2014 Holding %
North Haven Limited	Hong Kong	Holding of investments	100	100
Markelia Enterprises Company Limited	Cyprus	Provision of finance	100	100

### 12. Non-current loans receivable

	2015	2014
	€	€
Loans to own subsidiaries (Note 18.1)	<u>2.557.284</u>	3.693.372
	<u>2.557.284</u>	<u>3.693.372</u>

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

# LUELLA ENTERPRISES COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 13. Receivables

	2015	2014
	€	€
Shareholders' current accounts - debit balances (Note 18.2)	-	23,015
	<u>-</u>	<u>23,015</u>

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

### 14. Cash at bank

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

	2015	2014
	€	€
Cash at bank	<u>16,151</u>	10,753
	<u>16,151</u>	<u>10,753</u>

### 15. Share capital

	2015	2015	2014	2014
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1 each	<u>200,000</u>	<u>200,000</u>	200,000	200,000
<b>Issued and fully paid</b>				
Balance at 1 January	<u>183,825</u>	<u>183,825</u>	183,825	183,825
<b>Balance at 31 December</b>	<u>183,825</u>	<u>183,825</u>	183,825	183,825

### 16. Payables

	2015	2014
	€	€
Accruals	<u>2,382</u>	1
	<u>2,382</u>	<u>1</u>

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

### 17. Current tax liabilities

	2015	2014
	€	€
Corporation tax	<u>5,048</u>	6,315
	<u>5,048</u>	<u>6,315</u>

# LUELLA ENTERPRISES COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 18. Related party transactions

The following transactions were carried out with related parties:

#### 18.1 Loan to own subsidiary (Note 12)

	2015	2014
	€	€
As at 31 December	<u>2.557.284</u>	<u>3.693.372</u>
	<u>2.557.284</u>	<u>3.693.372</u>

Loan to own subsidiary amounting to €2.557.284 (2014: €3.693.372) carries interest at the rate of 3month US libor plus 2,65% per annum and is repayable by the 30th June 2017.

#### 18.2 Shareholders' current account - debit balances (Note 13)

	2015	2014
	€	€
As at 31 December	<u>-</u>	<u>23.015</u>
	<u>-</u>	<u>23.015</u>

The shareholders' current accounts was of a finance nature, was interest free and was written off during the year.

### 19. Events after the reporting period

On 11 September 2015 the Board of Directors of North Haven Limited, a Hong Kong registered company, decided to put the company into voluntary liquidation. Further to a resolution, dated 2 February 2016, signed by the Board of Directors of North Haven Limited, the Company is entitled to receive (upon North Haven Limited's liquidation):

i) A distribution in specie of the Interest in Subsidiary of total value US\$ 25.867.575 or the equivalent of approximately US\$ 3.315,93065 per share in relation to the 7.801 shares held by the Company.

ii) A distribution of the Cash at Bank of total value EUR 885,08 and RS\$ 0,63 or the equivalent of the approximately Euro 0,11346 and RS\$ 0,000081 per share in relation to the 7.801 shares held by the company.

**Independent auditor's report on pages 3 and 4**