

**LOULIS INTERNATIONAL FOODS
ENTERPRISES (BULGARIA) LTD**

REPORT AND FINANCIAL STATEMENTS
31 December 2014

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

REPORT AND FINANCIAL STATEMENTS

31 December 2014

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LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

A.T.S DIRECTORS LIMITED(appointed on 5/6/2014)
A.T.S MANAGERS LIMITED(appointed on 5/6/2014)
L.M.N.T DIRECTORS LIMITED(appointed on 5/6/2014)
L.M.N.T. MANAGERS LIMITED(appointed on 5/6/2014)
Arta Antoniou(resigned on 5/6/2014)
Spyroulla Papairakleous(resigned on 5/6/2014)
Nina Iosif(resigned on 5/6/2014)
Constantinos Loulis
Nikolaos Fotopoulos
Spyridon Hatjinicolaou(resigned on 5/6/2014)
Stefanos Krommidas

Company Secretary:

A.T.S Services Ltd

Independent Auditors:

Baker Tilly Klitou
Corner C Hatzopoulou &
30 Griva Digeni Avenue
1066 Nicosia
Cyprus

Registered office:

2-4 Arch. Makarios Avenue
Capital Center, 9th floor
1505 Nicosia
Cyprus

Bankers:

Pireaus Bank
United Bulgarian Bank - NBG Group
Hellenic Bank Public Company Ltd

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

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 financing and participating in investment activities of companies operating in the production and marketing of flour and related products.

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.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 17 of the financial statements.

Results

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

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 31 December 2014 and at the date of this report are presented on page 1. On 5 June 2014 Mr Spyridon Hatjinicolaou, Ms Arta Antoniou, Ms Nina Iosif and Ms Spyridoulla Papairakleous resigned and on the same date A.T.S DIRECTORS LIMITED, A.T.S MANAGERS LIMITED, L.M.N.T DIRECTORS LIMITED, L.M.N.T. MANAGERS LIMITED were appointed in their place.

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.

Independent Auditors

The Independent Auditors, Baker Tilly Klitou, 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,

A.T.S DIRECTORS LIMITED
Director

Nicosia, 27 March 2015

Independent auditor's report

To the Members of Loulis International Foods Enterprises (Bulgaria) Ltd

Report on the financial statements

We have audited the financial statements of the parent company Loulis International Foods Enterprises (Bulgaria) Ltd (the "Company") on pages 5 to 17 which comprise the statement of financial position as at 31 December 2014, and the statements of 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 Loulis International Foods Enterprises (Bulgaria) Ltd 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 Loulis International Foods Enterprises (Bulgaria) Ltd

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 19 of the financial statements that refer to the unanimous decision of the Board of Directors to reduce the share premium of € 13.850.971 to € 1.850.971 with the return of €12,000,000 to the shareholders of the Company for the years 2007 and 2008. Until the date of signature of this report the relevant resolutions have not been validated by the Court and the Registrar of Companies.

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.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2014.

Panicos K. Charalambous
Certified Public Accountant and Registered Auditor
for and on behalf of
Baker Tilly Klitou
Εγκεκριμένοι Λογιστές και Εγγεγραμμένοι Ελεγκτές

Λευκωσία, 27 March 2015

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	2014 €	2013 €
Amounts written - off	5	228.656	-
Administration expenses	6	(245.289)	(24.213)
Operating loss	7	(16.633)	(24.213)
Finance income	8	116.055	128.662
Finance costs	8	(1.615)	(5.669)
Profit before tax		97.807	98.780
Tax	9	(4.904)	-
Net profit for the year		92.903	98.780
Other comprehensive income		-	-
Total comprehensive income for the year		92.903	98.780

The notes on pages 9 to 17 form an integral part of these financial statements.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

STATEMENT OF FINANCIAL POSITION

31 December 2014

	Note	2014 €	2013 €
ASSETS			
Non-current assets			
Investments in subsidiaries	10	600	25.557
Non-current loans receivable	11	<u>1.683.000</u>	<u>1.683.000</u>
		1.683.600	1.708.557
Current assets			
Trade and other receivables	12	2.546.649	2.897.775
Cash at bank and in hand	13	<u>487.059</u>	<u>226.130</u>
		3.033.708	3.123.905
Total assets		<u>4.717.308</u>	<u>4.832.462</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	1.637.539	1.637.539
Other reserves		(1.695.418)	(1.695.418)
Retained earnings		<u>4.585.310</u>	<u>4.492.407</u>
Total equity		<u>4.527.431</u>	<u>4.434.528</u>
Current liabilities			
Trade and other payables	15	127.364	329.669
Current tax liabilities	16	<u>62.513</u>	<u>68.265</u>
		189.877	397.934
Total equity and liabilities		<u>4.717.308</u>	<u>4.832.462</u>

On 27 March 2015 the Board of Directors of Loulis International Foods Enterprises (Bulgaria) Ltd authorised these financial statements for issue.

.....
A.T.S DIRECTORS LIMITED
Director

.....
L.M.N.T DIRECTORS LIMITED
Director

The notes on pages 9 to 17 form an integral part of these financial statements.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Share capital €	Share premium €	Translation reserve €	Retained earnings €	Total €
Balance at 1 January 2013	1.637.539	1.850.971	(3.546.389)	4.393.627	4.335.748
Comprehensive income					
Net profit for the year	-	-	-	98.780	98.780
Balance at 31 December 2013/ 1 January 2014	1.637.539	1.850.971	(3.546.389)	4.492.407	4.434.528
Comprehensive income					
Net profit for the year	-	-	-	92.903	92.903
Balance at 31 December 2014	1.637.539	1.850.971	(3.546.389)	4.585.310	4.527.431

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 17 form an integral part of these financial statements.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

CASH FLOW STATEMENT

Year ended 31 December 2014

	Note	2014 €	2013 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		97.807	98.780
Adjustments for:			
Interest income	5 & 8	(90.498)	(128.662)
Interest expense	8	-	503
Cash flows from/(used in) operations before working capital changes		7.309	(29.379)
Decrease/(increase) in trade and other receivables		351.126	(142.520)
(Decrease)/increase in trade and other payables		(176.748)	454
Cash flows from/(used in) operations		181.687	(171.445)
Tax paid		(10.656)	(1)
Net cash flows from/(used in) operating activities		171.031	(171.446)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investments in subsidiaries	10	(600)	-
Loans granted		-	(1.683.000)
Interest received		90.498	128.662
Net cash flows from/(used in) investing activities		89.898	(1.554.338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		-	(503)
Net cash flows used in financing activities		-	(503)
Net increase /(decrease) in cash and cash equivalents		260.929	(1.726.287)
Cash and cash equivalents:			
At beginning of the year		226.130	1.952.417
At end of the year	13	487.059	226.130

The notes on pages 9 to 17 form an integral part of these financial statements.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

1. Incorporation and principal activities

Country of incorporation

The Company Loulis International Foods Enterprises (Bulgaria) Ltd (the "Company") was incorporated in Cyprus on 1st April 2000 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 2-4 Arch. Makarios Avenue, Capital Center, 9th floor, 1505 Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are financing and participating in investment activities of companies operating in the production and marketing of flour and related products.

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.

Going concern basis

Even though the Company has made a profit of €92.903 for the year ended 31 December 2014, as at that date its current liabilities exceeded its current assets by €(2.843.831). These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Basis of preparation

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

The Company is not obliged by the Companies Law, Cap. 113, to prepare consolidated financial statements because the ultimate parent publishes consolidated financial statements according to Generally Acceptable 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 European Directive allows the preparation of consolidated financial statements in accordance with the Directive or in a manner equivalent to the Directive and where the Companies Law, Cap. 113 provides the above exception, the requirement of International Accounting Standard 27 "Consolidated and separate financial statements" to notify the entity of the group that publishes consolidated financial statements in accordance with IFRS does 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.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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.

Subsidiary companies

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

Revenues of the Company are recognized on an accrual basis.

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

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

Cash and cash equivalents

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

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, 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 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	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	5.214	-	-	5.214	-	-
Payables to related parties	120.000	-	-	120.000	-	-
	125.214	-	-	125.214	-	-

31 December 2013	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	5.156	-	-	5.156	-	-
Payables to related parties	322.462	-	-	322.462	-	-
	327.618	-	-	327.618	-	-

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. Financial risk management (continued)

3.3 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.

3.4 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.

Fair value estimation

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

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.

- **Valuation of non-listed investments**

The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

5. Amounts written - off

	2014	2013
	€	€
Investment in Loulis Mel Blg written off	(25.557)	-
Receivable with Loulis Mel Blg written off	(72.173)	-
Loan payable to Loulis Mel Blg	322.462	-
Liquidation share	3.924	-
	<u>228.656</u>	<u>-</u>

The above amounts with Loulis Mel Blg have been written - off since Loulis Mel Blg is in the process of liquidation.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6. Administration expenses

	2014	2013
	€	€
Auditors' remuneration	3.400	3.200
Legal fees	6.156	3.952
Overseas travelling	1.933	1.804
Consulting services	233.450	14.907
Tax levy	350	350
	<u>245.289</u>	<u>24.213</u>

7. Operating loss

	2014	2013
	€	€
Operating loss is stated after charging the following items:		
Auditors' remuneration	<u>3.400</u>	<u>3.200</u>

8. Finance income/cost

	2014	2013
	€	€
Interest income	<u>116.055</u>	128.662
Finance income	<u>116.055</u>	128.662
Interest expense	-	(503)
Sundry finance expenses	<u>(1.615)</u>	(5.166)
Finance costs	<u>(1.615)</u>	(5.669)
Net finance income	<u>114.440</u>	<u>122.993</u>

9. Tax

	2014	2013
	€	€
Corporation tax - prior years	<u>4.904</u>	-
Charge for the year	<u>4.904</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:

	2014	2013
	€	€
Profit before tax	<u>97.807</u>	98.780
Tax calculated at the applicable tax rates	12.226	12.348
Tax effect of expenses not deductible for tax purposes	12.646	10.625
Tax effect of allowances and income not subject to tax	(31.286)	-
Tax effect of tax losses brought forward	-	(22.973)
Tax effect of tax loss for the year	6.414	-
Prior year tax	<u>4.904</u>	-
Tax charge	<u>4.904</u>	-

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

9. Tax (continued)

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.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2014, the balance of tax losses which is available for offset against future taxable profits amounts to €943.567 for which no deferred asset is recognised in the statement of financial position.

10. Investments in subsidiaries

	2014	2013
	€	€
Balance at 1 January	25.557	25.557
Additions	600	-
Investment written - off	<u>(25.557)</u>	<u>-</u>
Balance at 31 December	<u>600</u>	<u>25.557</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 %	2014 €	2013 €
Loulis Mel Blg	Bulgaria	Investing activities in the field of marketing flour and related products	100	100	-	25.557
Lafco Leader Asian Food Company Ltd	Cyprus	Trade	40		<u>600</u>	-
					<u>600</u>	<u>25.557</u>

The subsidiary company Louis Mel Blg reduced its capital to 50.000 Blg (€ 25.557). The Company is in the process of dissolution.

The Company has the management and control of Lafco Leader Asian Food Company Ltd and therefore is categorised as a subsidiary company.

11. Non-current loans receivable

	2014	2013
	€	€
Loan to related party (Note 18)	<u>1.683.000</u>	1.683.000
	<u>1.683.000</u>	<u>1.683.000</u>

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

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

12. Trade and other receivables

	2014	2013
	€	€
Receivables from associate company (Note 18)	8.246	-
Receivables from related companies (Note 18)	1.482.291	2.087.489
Loan to related party (Note 18)	647.214	748.180
Deposits and prepayments	358.013	12.000
Other receivables	41.868	41.868
Refundable VAT	9.017	8.238
	<u>2.546.649</u>	<u>2.897.775</u>

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

13. Cash at bank and in hand

Cash balances are analysed as follows:

	2014	2013
	€	€
Cash in hand	200.000	200.000
Cash at bank	287.059	26.130
	<u>487.059</u>	<u>226.130</u>

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

14. Share capital

	2014	2014	2013	2013
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1,71 each	<u>1.167.625</u>	<u>1.996.639</u>	<u>1.167.625</u>	<u>1.996.639</u>
Issued and fully paid				
Balance at 1 January	<u>957.625</u>	<u>1.637.539</u>	<u>957.625</u>	<u>1.637.539</u>
Balance at 31 December	<u>957.625</u>	<u>1.637.539</u>	<u>957.625</u>	<u>1.637.539</u>

15. Trade and other payables

	2014	2013
	€	€
Accruals	2.150	2.051
Other creditors	5.214	5.156
Payables to own subsidiaries (Note 18)	-	322.462
Payables to related companies (Note 18)	120.000	-
	<u>127.364</u>	<u>329.669</u>

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

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

16. Current tax liabilities

	2014	2013
	€	€
Corporation tax	13.021	13.021
Special contribution for defence	49.492	55.244
	<u>62.513</u>	<u>68.265</u>

17. Operating Environment of the Company

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

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

18. Related party transactions

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

The following transactions were carried out with related parties:

18.1 Receivables from related parties (Note 12)

Name	Nature of transactions	2014	2013
		€	€
Loulis Mel Blg	Trade	-	72.173
Bikecor Grain Consultants Ltd	Trade and Finance	1.480.694	2.013.719
Nikolaos Fotopoulos	Trade	1.597	1.597
		<u>1.482.291</u>	<u>2.087.489</u>

Loan with Bikecor bears 5% interest and is repayable until 31.12.2015.

Loan payable to Loulis Mel Blg has been written - off since Loulis Mel Blg is in the process of liquidation.

18.2 Loans to related parties (Note 11) , (Note 12)

	2014	2013
	€	€
Flour Mills Loulis S.A.	1.683.000	1.683.000
Mary Lane Ltd	647.214	748.180
	<u>2.330.214</u>	<u>2.431.180</u>

The loan to related company Flour Mills Loulis S.A. was provided on 24.01.2013 interest free, and is to be repaid until 2018.

Loan with Mary Lane Ltd bears 5% interest and is repayable until 31.12.2015.

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

18. Related party transactions (continued)

18.3 Payables to related parties (Note 15)

<u>Name</u>	<u>Nature of transactions</u>	2014 €	2013 €
Mary Lane Ltd	Consulting services	120.000	-
Loulis Mel Blg	Finance	-	322.462
		<u>120.000</u>	<u>322.462</u>

Payable with Loulis Mel Blg has been written - off since Loulis Mel Blg is in the process of liquidation.

18.4 Loan to associate company (Note 12)

	2014 €	2013 €
Lafco Leader Asian Food Company Ltd	8.246	-
	<u>8.246</u>	<u>-</u>

Loan with Lafco Leader Asian Food Co Ltd bears 4% and is repayable until 31.12.2016.

19. Reduction of share premium

The Board of Directors decided to reduce the share premium of €13.850.971 to €1.850.971 with the return of €12,000,000 to the shareholders of the Company for the years 2007 and 2008. Until the date of signature of this report the relevant resolutions have not been validated by the Court and the Registrar of Companies.

20. Contingent liabilities

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

21. Commitments

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

22. 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.

The subsidiary company Loulis Mel Blg is in the process of dissolution.

Independent auditor's report on pages 3 and 4

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

DETAILED INCOME STATEMENT

Year ended 31 December 2014

	Page	2014 €	2013 €
Other operating income			
Amounts written - off		<u>228.656</u>	-
		228.656	-
Operating expenses			
Administration expenses		<u>(245.289)</u>	(24.213)
Operating loss		(16.633)	(24.213)
Finance income	19	116.055	128.662
Finance costs	19	<u>(1.615)</u>	(5.669)
Net profit for the year before tax		<u>97.807</u>	<u>98.780</u>

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

FINANCE INCOME/COST

Year ended 31 December 2014

	2014 €	2013 €
Finance income		
Other interest income	<u>116.055</u>	128.662
	<u>116.055</u>	<u>128.662</u>
 Finance costs		
Interest expense		
Other interest	-	503
 Sundry finance expenses		
Bank charges	<u>1.615</u>	5.166
	<u>1.615</u>	<u>5.669</u>

LOULIS INTERNATIONAL FOODS ENTERPRISES (BULGARIA) LTD

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2014

	Page	€	€
Net profit per income statement	18		97.807
<u>Add:</u>			
Tax levy		350	
Notional interest on loan receivable with related party		75.735	
Consultancy fees		3.450	
Amounts written - off non tax deductible		<u>21.633</u>	
			<u>101.168</u>
			198.975
<u>Less:</u>			
Amount written - off non taxable		<u>250.289</u>	
			<u>(250.289)</u>
Net loss for the year			<u>(51.314)</u>
Loss brought forward			<u>(1.132.230)</u>
			(1.183.544)
Losses not available to be carried forward			<u>239.977</u>
Net loss carried forward			<u>(943.567)</u>

CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

Tax year	2009	2010	2011	2012	2013	2014
	€	€	€	€	€	€
Profits/(losses) for the tax year	(239.977)	(598.045)	(226.422)	(67.786)	-	(51.314)
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (943.567)