ANNUAL REPORT YEAR ENDED 31 DECEMBER 2014

Dolphin Capital Investors

DOLPHIN
CAPITAL
INVESTORS

inside...

01 Finance Director's report
03 Board of Directors
05 Independent Auditors' Report
06 Consolidated statement of profit or loss and other comprehensive income
07 Consolidated statement of financial position
08 Consolidated statement of changes in equity
10 Consolidated statement of cash flows
11 Notes to the consolidated financial statements
52 Valuation certificates
56 Management and administration

Finance Director's report

NET ASSET VALUE ('NAV')

The audited NAV as at 31 December 2014 is presented below:

	As at 31 December 2014		Variation since 31 December 2013		Variation since 30 June 2014	
	€	£	€	£	€	£
Total NAV before DITL (millions)	644	504	6.6%	(0.1)%	0.9%	(1.4)%
Total NAV after DITL (millions)	557	436	6.4%	(0.2)%	0.9%	(1.3)%
NAV per share before DITL	1.00	0.78	6.6%	(0.1)%	0.9%	(1.4)%
NAV per share after DITL	0.87	0.68	6.4%	(0.2)%	0.9%	(1.3)%

Notes:
1. Euro/GBP rate 0.78247 as at 31 December 2014, 0.83478 as at 31 December 2013 and 0.8005 as at 30 June 2014.
2. Euro/USD rate 1.2141 as at 31 December 2014, 1.37660 as at 31 December 2013 and 1.36452 as at 30 June 2014.
3. NAV per share has been calculated on the basis of 642,440,167 issued shares as at 31 December 2014, 31 December 2013 and as at 30 June 2014.
4. NAV before DITL includes the 49.8% shareholding in Aristo before DITL.

Consistent with the Company's valuation policy, the entire portfolio was revalued as at 31 December 2014, which resulted in a net increase in the overall portfolio valuation. Colliers International provided valuations for Playa Grande Club & Reserve, Pearl Island, La Vanta Resort and Livka Bay Resort, and the valuations on the Company's portfolio in Greece and Cyprus were conducted by American Appraisal.

More specifically, there were revaluation gains mainly in Amanzoe (due to the permits received for three more Villas and the hotel performance), Playa Grande Club & Reserve (based on final permits received for the hotel and comparables used for the remaining land), Pearl Island (based on comparable property valuations), Kea (due to permitting advancements) and Aristo (due to the increase in Venus Rock latest independent valuation, following the termination of the sale contract with the China Glory Investment Group).

Another factor that contributed to NAV growth was the revaluation gain following from the acquisition of an additional 9% stake in Plaka Bay Resort and the appreciation of the Americas properties in Euro terms due to the appreciation of the United States Dollar against the Euro by c. 13.6% during the period. NAV decline during 2014 was broadly driven by a valuation markdown mainly in Sitia Bay Golf Resort, Apollo Heights Polo Resort, Nikki Beach and Livka Bay Resort, as well as the effect of the regular operational and corporate expenses.

Sterling NAV per share before DITL as at 31 December 2014 remained almost unchanged at 78p, compared to 31 December 2013, as the effect of the above factors was counterbalanced by c. 6.3% Sterling appreciation versus the Euro, during the period.

The increase in the NAV after DITL resulted in an accounting gain of €22 million for the year ended 31 December 2014, implying earnings per share of €0.03.

Finance Director's report continued

FINANCIAL POSITION

Condensed consolidated statement of financial position

	31 December 2014 €'000	31 December 2013 €'000
ASSETS		
Real estate assets (investment and trading properties)	680,968	631,920
Equity accounted investees	265,203*	204,346*
Other assets	28,480	38,908
Cash and cash equivalents	30,978**	7,100
Total assets	1,005,629	882,274
EQUITY		
Equity attributable to Dolphin shareholders before DITL	643,608*	603,765*
Non-controlling interests	30,364	24,504
Total equity	673,972	628,269
LIABILITIES		
Interest-bearing loans and finance lease obligations	248,185	177,245
Other liabilities	83,472	76,760
Total liabilities	331,657	254,005
Total equity and liabilities	1,005,629	882,274

* Amounts include the 49.8% DITL of Aristo.
** Includes restricted cash of €23.9 million.

The Company's NAV before DITL, after deducting from total consolidated assets, non-controlling interests of €30 million, other liabilities of €84 million and total debt of €248 million, is set at €644 million as at 31 December 2014.

The Company's consolidated assets (including €975 million total assets plus €31 million of 49.8% DITL of Aristo) total €1,006 million and include €681 million of real estate assets, €265 million of investments in equity accounted investees and €60 million of other assets and cash. The €681 million figure represents the fair market valuation of Dolphin's real estate portfolio (both freehold and leasehold interests) as at 31 December 2014, assuming 100% ownership. The €265 million figure represents the 49.8% investment in Aristo and the 25% stake in Nikki Beach. The €29 million of other assets comprise mainly €6 million of VAT receivable, €3 million of deferred income tax assets, and €4 million of government grants.

The Company's consolidated liabilities total €332 million and comprise €84 million of other liabilities as well as €248 million of interest-bearing loans and finance lease obligations, out of which €50 million and US$9.17 million are convertible bonds that are held at Company level.

The remaining loans are held by Group subsidiaries and are non-recourse to Dolphin (except for the US$31 million Playa Grande convertible Bond and the US$19 million Playa Grande construction loan which are guaranteed by the Company).

The €84 million of other payables comprise mainly €25 million of option contracts to acquire land, €7.5 million deferred income from government grants and €17 million advances from villa sales.

Panos Katsavos
Finance Director
Dolphin Capital Partners
3 June 2015

Board of Directors

ROLE

Dolphin's Board of Directors (the 'Board') is the Company's absolute decision-making body, approving and disapproving all investment activity proposed by the Investment Manager. The Board is responsible for acquisitions and divestments, major capital expenditures and focuses upon the Company's long-term objectives, strategic direction and dividend policy.

COMPOSITION

The Board of Directors of the Company comprises eight members. The biographical details of all the Directors are given here.

LAURENCE GELLER

Independent Non-executive Chairman and chairman of the Strategy and Oversight Committee

Laurence Geller CBE, Chairman of Geller Investment Co., is an accomplished businessman and entrepreneur with extensive experience, having led multi-national corporations in the hospitality industry, most recently as President and Chief Executive Officer of Strategic Hotels & Resorts.

Prior to this, Laurence was Chairman and Chief Executive Officer of Geller & Co., a gaming, tourism and lodging advisory company he founded in 1989. Here he specialised in domestic and international hotel, corporate and real estate development, financing, structuring, restructuring, and asset management. Previously, Laurence held positions including Executive Vice President and Chief Operating Officer of Hyatt Development Corporation, Senior Vice President of Holiday Inns, Inc. and Director of Grand Metropolitan Hotels in London. In 2011, Laurence was named a Commander of the Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II.

JUSTIN RIMEL

Non-executive Director

Justin Rimel is Managing Director of Third Point's Real Estate division. At Third Point, he focuses on sourcing and managing direct real estate investments.

Prior to this, Justin was Development and Acquisitions Analyst, Associate, Vice President & First Vice President at CIM Group, Inc. Here he was responsible for opening the corporation's New York office, where he led investments between 2010 and 2014, focusing on investing in and managing development projects and stabilised assets in the USA, across a variety of asset types including land, office, hospitality and debt.

Previously, Justin was a consultant at Ernst & Young Kenneth Leventhal, specializing in strategy, capital markets and M&A work for real estate clients.

DAVID B. HELLER

Non-executive Director

Mr David B. Heller is a private investor whose holdings include stakes in the Philadelphia 76ers and the Standard East Village hotel. He is a former Co-Head of the Goldman Sachs Global Securities Division where he sat on the firm's Management Committee, Risk Committee, Business Practices Committee and Finance Committee. David joined Goldman in 1989 in New York as an equity derivatives trader. He worked for Goldman in Japan from 1993-1998, initially as an equity derivatives trader and latterly as the co-head of Goldman's Japanese equity business. David transferred to London in 1999 to become the global head of equity derivatives trading and returned to New York in 2002. In 2006 he was named global head of equity trading. He retired from Goldman in March, 2012.

ROGER LANE-SMITH

Senior Independent Non-executive Director and chairman of the Nomination and Governance Committee

Mr. Lane-Smith is a Non-Executive Director of a number of UK-quoted companies, including the Chairmanship of JJB Sports Plc. Until April 2005, Mr. Lane-Smith was Executive Chairman and Senior Partner of DLA Piper Rudnick Group Cary LLP, a major Professional Services firm, which under his leadership grew through acquisition and geographical expansion to global revenues exceeding US$1.2 billion.

ROBERT HELLER

Independent Non-executive Director and chairman of the Finance Committee

Robert Heller is co-founder and Chief Executive Officer of Spectrum Gaming Capital. Spectrum is a boutique advisory firm that provides transactional and valuation services to the global gaming industry, assisting developers in arranging strategic partnerships and raising capital; advising mid-market gaming companies with M&A and capital raising; and advising investors, governments, corporations and courts in matters of valuation and restructuring.

Prior to joining Spectrum, Robert was responsible for UBS Investment Bank's global gaming franchise. Previously, he was president of Heller Gaming & Leisure, a boutique investment banking and advisory firm specialising in casinos, hotels and resorts, during which time he led the development team, as President and Chief Financial Officer, for the Bahamar Resort, a US$3.5 billion integrated resort in Nassau, Bahamas. Before that, Robert spent 23 years in investment banking, having established and managed teams as a Managing Director of Lehman Brothers and Bear Stearns, and at Salomon Brothers.

GRAHAM WARNER

Non-executive Director and chairman of the Audit Committee

Graham Warner is a non-executive director at J O Hambro Capital Management Umbrella Fund plc, which continues to be a significant shareholder of the Company. Graham has nearly 40 years' experience in banking and financial services, most recently as finance director of J O Hambro Capital Management Group Limited, and extensive experience of statutory reporting and governance of publicly listed entities.

Prior to joining J O Hambro in 2000, Graham worked for Mercury Asset Management (subsequently Merrill Lynch Investment Managers), where he was responsible for Mercury's financial accounting and regulatory reporting. He has also worked for the National Bank of Kuwait Group and Hong Kong & Shanghai Banking Corporation in senior financial management roles.

Graham is a qualified Chartered Accountant.

Board of Directors continued

MARK TOWNSEND

Non-executive Director

Mark Townsend is Investment Consultant to Asset Value Investors Limited, a significant shareholder of the Company. Mark has nearly 40 years' experience investing in listed property companies and directly into property markets in Europe.

Mark has managed the French Property Trust and the European Asset Value Fund, along with discretionary US and European mandates, which focused on under researched, undervalued listed property companies throughout Europe. Mark was elected a Fellow of the Royal Institution of Chartered Surveyors in 1990.

MILTOS KAMBOURIDES

Non-Independent Director

Miltos Kambourides is the founder and Managing Partner of Dolphin Capital Partners (DCP), a private equity business founded in 2004, specialising in real estate investments. DCP's main investment vehicle is Dolphin Capital Investors (DCI), the largest real estate company by net assets listed on AIM (Alternative Investment Market) of the London Stock Exchange. Since its inception in 2005, DCI has raised almost €1 billion of equity funds and has grown to become a leading global real estate investor and developer of seaside integrated resorts. Today DCI controls 63 million m^2 fronted by 59 kilometers of coastline, has a large number of resorts under development and owns 50% of Aristo Developers, the biggest second home developer in Cyprus.

Miltos was previously a founding partner of Soros Real Estate Partners (SREP), a global real estate private equity business formed in 1999 by George Soros, which executed a number of complex real estate transactions in Western Europe and Japan.

While at SREP, he was primarily responsible for investments relating to property outsourcing in the UK and for the SREP investment strategy in Southeast Europe. He was the deal leader and founder of Mapeley Ltd, which went on to become the second largest real estate outsourcing company in the UK after winning two major 20-year multi-billion-GBP contracts: one with the Inland Revenue and Custom & Excise Departments of the UK and one with the Abbey National Bank.

Prior to joining Soros, Miltos spent two years at Goldman Sachs working on real estate private equity transactions in the UK, France and Spain. In 1998, he received a Goldman Sachs Global Innovation Award for his work at Trillium, the largest real estate outsourcing company in the UK.

He graduated from the Massachusetts Institute of Technology with a BS and MS in Mechanical Engineering and a BS in Mathematics. He has received several academic honours and participated twice in the International Math Olympiad (Beijing 1990, Moscow 1992) and once in the Balkan Math Olympiad (Sofia 1990) where he received a bronze medal.

Miltos sponsors the Kambourides Graduate Fellowship in the Center for Computational Engineering at MIT and heads Dolphin Capital Foundation, a charitable foundation active in Greece and elsewhere.

BOARD COMMITTEES

AUDIT COMMITTEE

Role

To provide oversight of the financial reporting process, the audit process, the system of internal controls, overall compliance with laws and regulations and review the budgetary process.

Members

Graham Warner (Chairman)
Rob Heller
Mark Townsend

FINANCE COMMITTEE

Role

To provide oversight in matters relating to the capital structure of the Company and matters of financial strategy.

Members

Rob Heller (Chairman)
Justin Rimel
Mark Townsend

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Role

To evaluate the Company's corporate governance policies and programmes and principles and recommend changes to the Board, identify, evaluate and recommend to the Board qualified nominees for Board election and review and evaluate the Board's performance.

Members

Roger Lane-Smith (Chairman)
David Heller
Laurence Geller

STRATEGY AND OVERSIGHT COMMITTEE

Role

To work with and monitor DCP in the execution of the Investing Policy.

Members

Laurence Geller (Chairman)
Graham Warner
Robert Heller

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Independent Auditors' Report

To the Members of Dolphin Capital Investors Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated financial statements of Dolphin Capital Investors Limited (the 'Company') and its subsidiaries (together with the Company, the 'Group') on pages 6 to 51, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with IFRS as adopted by the EU. This report, including the opinion, has been prepared for and only for the Company's members as a body 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.

KPMG Limited

Certified Public Accountants and Registered Auditors

14 Esperidon Street
1087 Nicosia
Cyprus

2 June 2015

Board Members:
N.G. Syrimis, A.K. Christofides, E.Z. Hadjizacharias, P.G. Loizou
A.M. Gregoriades, A.A. Demetriou, D.S. Vakis, A.A. Apostolou
S.A. Loizides, M.A. Loizides, S.G. Sofocleous, M.M. Antoniades
C.V. Vasiliou, P.E. Antoniades, M.J. Halios, M.P. Michael, P.A. Peleties
G.V. Markides, M.A. Papacosta, K.A. Papanicolaou, A.I. Shiammoutis
G.N. Tziortzis, H.S. Charalambous, C.P. Anayiotos, I.P. Ghalanos
M.G. Gregoriades, H.A. Kakoullis, G.P. Savva, C.A. Kalias, C.N. Kallis
M.H. Zavrou, P.S. Elia, M.G. Lazarou, Z.E. Hadjizacharias
P.S. Theophanous, M.A. Karantoni, C.A. Markides, G.V. Andreou
J.C. Nicolaou, G.S. Prodromou, A.S. Sofocleous, G.N. Syrimis
T.J. Yiasemides

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2014

	Note	31 December 2014 €'000	31 December 2013 €'000
CONTINUING OPERATIONS			
Valuation gain on investment property	12	18,576	22,605
Impairment loss on trading properties	14	(6,216)	(970)
Reversal of impairment loss on trading properties	14	–	778
Net operating profits	7	18,516	12,746
Total operating profits		**30,876**	**35,159**
Investment Manager fees	25.2	(13,671)	(13,780)
Personnel expenses	8	(8,305)	(6,974)
Depreciation charge	13	(3,239)	(2,447)
Professional fees		(10,547)	(8,746)
Administrative and other expenses		(10,205)	(10,114)
Total operating and other expenses		**(45,967)**	**(42,061)**
Results from operating activities		**(15,091)**	**(6,902)**
Finance income	9	325	417
Finance costs	9	(15,959)	(17,669)
Net finance costs		**(15,634)**	**(17,252)**
Gain on disposal of investment in subsidiaries	26	2,497	–
Profit on dilution in equity accounted investees	16	149	–
Share of profits/(losses) on equity accounted investees, net of tax	16	50,146	(77,239)
Impairment loss on property, plant and equipment	13	(13)	(342)
Reversal of impairment loss on property, plant and equipment	13	670	117
Total non-operating profits/(losses)		**53,449**	**(77,464)**
Profit/(loss) before taxation		**22,724**	**(101,618)**
Taxation	10	1,588	(11,256)
Profit/(loss) for the year		**24,312**	**(112,874)**
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss			
Revaluation of property, plant and equipment	13	6,322	(4,283)
Related tax	10	(555)	1,118
		5,767	(3,165)
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences	9	15,330	(939)
Translation differences to profit or loss due to disposal of subsidiary		(2,709)	–
Share of revaluation on equity accounted investees	16	(22)	205
Fair value adjustment on available-for-sale financial assets	15	(64)	321
		12,535	(413)
Other comprehensive income for the year, net of tax		**18,302**	**(3,578)**
Total comprehensive income for the year		**42,614**	**(116,452)**
Profit/(loss) attributable to:			
Owners of the Company		21,639	(111,910)
Non-controlling interests		2,673	(964)
Profit/(loss) for the year		**24,312**	**(112,874)**
Total comprehensive income attributable to:			
Owners of the Company		36,731	(113,700)
Non-controlling interests		5,883	(2,752)
Total comprehensive income for the year		**42,614**	**(116,452)**
EARNINGS/(LOSS) PER SHARE			
Basic and diluted earnings/(loss) per share (€)	11	**0.03**	**(0.17)**

The notes on pages 11 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2014

	Note	31 December 2014 €'000	31 December 2013 €'000
ASSETS			
Investment property	12	451,880	423,791
Property, plant and equipment	13	176,765	143,604
Equity accounted investees	16	234,223	180,862
Available-for-sale financial assets	15	2,201	2,265
Deferred tax assets	21	2,557	4,230
Other non-current assets		2,584	3,458
Non-current assets		**870,210**	**758,210**
Trading properties	14	52,323	64,524
Receivables and other assets	17	21,138	28,956
Cash and cash equivalents	18	30,978	7,100
Current assets		**104,439**	**100,580**
Total assets		**974,649**	**858,790**
EQUITY			
Share capital	19	6,424	6,424
Share premium	19	498,933	498,933
Retained earnings		28,821	10,056
Other reserves		23,270	8,259
Equity attributable to owners of the Company		**557,448**	**523,672**
Non-controlling interests		30,364	24,504
Total equity		**587,812**	**548,176**
LIABILITIES			
Loans and borrowings	20	213,923	153,044
Finance lease obligations	22	7,628	8,018
Deferred tax liabilities	21	55,180	56,610
Other non-current liabilities		21,393	23,536
Non-current liabilities		**298,124**	**241,208**
Loans and borrowings	20	26,166	15,760
Finance lease obligations	22	467	423
Trade and other payables	23	62,059	53,115
Current tax liabilities		21	108
Current liabilities		**88,713**	**69,406**
Total liabilities		**386,837**	**310,614**
Total equity and liabilities		**974,649**	**858,790**
Net asset value ('NAV') per share (€)	24	**0.87**	**0.82**

The notes on pages 11 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2014

	Attributable to owners of the Company							
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2013	6,424	498,933	1,483	8,533	120,108	635,481	32,293	667,774
TOTAL COMPREHENSIVE INCOME FOR THE YEAR								
Loss for the year	–	–	–	–	(111,910)	(111,910)	(964)	(112,874)
Other comprehensive income for the year								
Revaluation of property, plant and equipment, net of tax	–	–	–	(2,324)	–	(2,324)	(841)	(3,165)
Foreign currency translation differences	–	–	8	–	–	8	(947)	(939)
Share of revaluation on equity accounted investees	–	–	–	205	–	205	–	205
Fair value adjustment on available-for-sale financial asset	–	–	–	321	–	321	–	321
Depreciation transfer due to revaluation	–	–	–	33	(33)	–	–	–
Total other comprehensive income for the year	–	–	8	(1,765)	(33)	(1,790)	(1,788)	(3,578)
Total comprehensive income for the year	**–**	**–**	**8**	**(1,765)**	**(111,943)**	**(113,700)**	**(2,752)**	**(116,452)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Contributions and distributions								
Non-controlling interests on capital increases of subsidiaries	–	–	–	–	–	–	254	254
Total contributions and distributions	–	–	–	–	–	–	254	254
Changes in ownership interests								
Acquisition of non-controlling interests without a change in control	–	–	–	–	1,891	1,891	(5,291)	(3,400)
Total changes in ownership interests	–	–	–	–	1,891	1,891	(5,291)	(3,400)
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**1,891**	**1,891**	**(5,037)**	**(3,146)**
Balance at 31 December 2013	**6,424**	**498,933**	**1,491**	**6,768**	**10,056**	**523,672**	**24,504**	**548,176**

The notes on pages 11 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity continued

For the year ended 31 December 2014

	Attributable to owners of the Company							
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
Balance at 1 January 2014	6,424	498,933	1,491	6,768	10,056	523,672	24,504	548,176
TOTAL COMPREHENSIVE INCOME FOR THE YEAR								
Profit for the year	–	–	–	–	21,639	21,639	2,673	24,312
Other comprehensive income for the year								
Revaluation of property, plant and equipment, net of tax	–	–	–	5,661	–	5,661	106	5,767
Foreign currency translation differences	–	–	11,913	385	(72)	12,226	3,104	15,330
Translation differences to profit or loss due to disposal of subsidiary	–	–	(2,709)	–	–	(2,709)	–	(2,709)
Share of revaluation on equity accounted investees	–	–	–	(22)	–	(22)	–	(22)
Fair value adjustment on available-for-sale financial asset	–	–	–	(64)	–	(64)	–	(64)
Depreciation transfer due to revaluation	–	–	–	(153)	153	–	–	–
Total other comprehensive income for the year	–	–	9,204	5,807	81	15,092	3,210	18,302
Total comprehensive income for the year	**–**	**–**	**9,204**	**5,807**	**21,720**	**36,731**	**5,883**	**42,614**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests								
Acquisition of non-controlling interests without a change in control	–	–	–	–	(2,955)	(2,955)	(23)	(2,978)
Total changes in ownership interests	–	–	–	–	(2,955)	(2,955)	(23)	(2,978)
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**(2,955)**	**(2,955)**	**(23)**	**(2,978)**
Balance at 31 December 2014	**6,424**	**498,933**	**10,695**	**12,575**	**28,821**	**557,448**	**30,364**	**587,812**

The notes on pages 11 to 51 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2014

	31 December 2014 €'000	31 December 2013 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	24,312	(112,874)
Adjustments for:		
Valuation gain on investment property	(18,576)	(22,605)
Impairment loss on trading properties	6,216	970
Reversal of impairment loss on trading properties	–	(778)
Impairment loss on property, plant and equipment	13	342
Reversal of impairment loss on property, plant and equipment	(670)	(117)
Depreciation charge	3,239	2,447
Interest income	(325)	(417)
Interest expense	15,228	12,308
Exchange difference	(4,303)	5,278
Gain on disposal of investment in subsidiaries	(2,497)	–
Profit on dilution in equity accounted investees	(149)	–
Share of (profits)/losses on equity accounted investees, net of tax	(50,146)	77,239
Taxation	(1,588)	11,256
	(29,246)	(26,951)
Changes in:		
Receivables	3,400	14,247
Payables	6,853	20,595
Cash (used in)/from operating activities	(18,993)	7,891
Tax paid	(207)	(276)
Net cash (used in)/from operating activities	**(19,200)**	**7,615**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries, net of cash disposed of	10,047	–
Net acquisitions of investment property	(1,406)	(343)
Net acquisitions of property, plant and equipment	(23,412)	(25,598)
Acquisitions of available-for-sale financial assets	–	(1,944)
Net change in trading properties	4,510	(16,869)
Net change in equity accounted investees	(1,116)	–
Interest received	325	417
Net cash used in investing activities	**(11,052)**	**(44,337)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received from non-controlling interests	–	254
Acquisition of non-controlling interests without a change in control	(2,978)	(3,400)
Change in loans and borrowings	72,708	36,955
Change in finance lease obligations	(346)	(113)
Interest paid	(15,228)	(12,308)
Net cash from financing activities	**54,156**	**21,388**
Net increase/(decrease) in cash and cash equivalents	**23,904**	**(15,334)**
Cash and cash equivalents at the beginning of the year	4,861	19,993
Effect of exchange rate fluctuations on cash held	(26)	202
Cash and cash equivalents at the end of the year	**28,739**	**4,861**
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of the following:		
Cash in hand and at bank (see note 18)	30,978	7,100
Bank overdrafts (see note 20)	(2,239)	(2,239)
Cash and cash equivalents at the end of the year	**28,739**	**4,861**

The notes on pages 11 to 51 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. REPORTING ENTITY

Dolphin Capital Investors Limited (the 'Company') was incorporated and registered in the British Virgin Islands ('BVIs') on 7 June 2005. The Company is a real estate investment company focused on the early-stage, large-scale leisure-integrated residential resorts in south-east Europe and the Americas, and managed by Dolphin Capital Partners Limited (the 'Investment Manager'), an independent private equity management firm that specialises in real estate investments, primarily in south-east Europe. The shares of the Company were admitted to trading on the AIM market of the London Stock Exchange ('AIM') on 8 December 2005.

The consolidated financial statements of the Company as at 31 December 2014 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in associates and jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2014 are available at www.dolphinci.com.

2. BASIS OF PREPARATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The consolidated financial statements were authorised for issue by the Board of Directors on 2 June 2015.

b. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, with the exception of property (investment property, property, plant and equipment) and available-for-sale financial assets, which are stated at their fair values, and investments in associates and jointly controlled entities, which are accounted for in accordance with the equity method of accounting.

c. Adoption of new and revised standards and interpretations

As from 1 January 2014, the Group adopted all changes to IFRS which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements of the Company other than the disclosure effect explained below:

IFRS 12 Disclosure of interest in other entities

As a result of IFRS 12, the Group has expanded its disclosures about its interests in subsidiaries (see note 27) and equity accounted investees (see note 16).

The following standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on 1 January 2014. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. Although the Group continues to assess the potential impact on its consolidated financial statements resulting from the application of the following standards, it currently expects that their adoption in future periods will not have a significant effect on the consolidated financial statements of the Company.

(i) Standards and interpretations adopted by the EU

- IAS 19 (Amendments) 'Defined Benefit Plans: Employee Contributions' (effective for annual periods beginning on or after 1 July 2014).
- Improvements to IFRSs 2010-2012 (effective for annual periods beginning on or after 1 July 2014).
- Improvements to IFRSs 2011-2013 (effective for annual periods beginning on or after 1 July 2014).

(ii) Standards and interpretations not adopted by the EU

- IFRS 14 'Regulatory Deferral Accounts' (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10, IFRS 12 and IAS 28 (Amendments): Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016).
- IFRS 11 'Accounting for acquisitions of interests in Joint Operations' (Amendments) (effective for annual periods beginning on or after 1 January 2016
- IAS 1 (Amendments): Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).
- IFRS 10 and IAS 28 (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016).
- IAS 27 (Amendments) 'Equity method in separate financial statements' (effective for annual periods beginning on or after 1 January 2016).
- IAS 16 and IAS 41 (Amendments): 'Bearer plants' (effective for annual periods beginning on or after 1 January 2016).
- IAS 16 and IAS 38 (Amendments) 'Clarification of acceptable methods of depreciation and amortisation' (effective for annual periods beginning on or after 1 January 2016).
- Annual Improvements to IFRSs 2012-2014 Cycle (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2016).
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2017).
- IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018).

Notes to the consolidated financial statements

2. BASIS OF PREPARATION CONTINUED

d. Use of estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS requires from Management the exercise of judgement, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described below:

Work in progress

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

Revenue recognition

The Group applies the provisions of IAS 18 for accounting for revenue from sale of developed property, under which income and cost of sales are recognised upon delivery and when substantially all risks have been transferred to the buyer.

Provision for bad and doubtful debts

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through the consolidated statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

Income taxes

Significant judgement 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 Group 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.

Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Significant unobservable inputs and valuation adjustments are regularly reviewed and changes in fair value measurements from period to period are analysed.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

When applicable, further information about the assumptions made in measuring fair values is included in the notes specific to that asset or liability.

e. Functional and presentation currency

The consolidated financial statements are presented in euro (€), which is the functional currency of the Company, rounded to the nearest thousand.

Notes to the consolidated financial statements

3. DETERMINATION OF FAIR VALUES

Properties

The fair value of investment property and land and buildings classified as property, plant and equipment is determined at the end of each reporting period. External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, value the Group's properties at the end of each year and, where necessary, semi-annually and quarterly.

The Directors have appointed Colliers International and American Appraisal (Hellas), two internationally recognised firms of surveyors, to conduct valuations of the Group's acquired properties to determine their fair value. These valuations are prepared in accordance with generally accepted appraisal standards, as set out by the American Society of Appraisers (the 'ASA'), and in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the ASA and the Royal Institute of Chartered Surveyors ('RICS'). Furthermore, the valuations are conducted on an 'as is condition' and on an open market comparative basis.

The valuation analysis of properties is based on all the pertinent market factors that relate both to the real estate market and, more specifically, to the subject properties. The valuation analysis of a property typically uses four approaches: the cost approach, the direct sales comparison approach, the income approach and the residual value approach. The cost approach measures value by estimating the Replacement Cost New or the Reproduction Cost New of property and then determining the deductions for accrued depreciation that should be made to reflect the age, condition and situation of the asset during its past and proposed future economic working life. The direct sales comparison approach is based on the premise that persons in the marketplace buy by comparison. It involves acquiring market sales/offerings data on properties similar to the subject property. The prices of the comparables are then adjusted for any dissimilar characteristics as compared to the subject's characteristics. Once the sales prices are adjusted, they can be reconciled to estimate the fair value for the subject property. Based on the income approach, an estimate is made of prospective economic benefits of ownership. These amounts are discounted and/or capitalised at appropriate rates of return in order to provide an indication of value. The residual value approach is used for the valuation of the land and depends on two basic factors: the location and the total value of the buildings developed on a site. Under this approach, the residual value of the land is calculated by subtracting from the estimated sales value of the completed development, the development cost.

Each of the above-mentioned valuation techniques results in a separate valuation indication for the subject property. Then a reconciliation process is performed to weigh the merits and limiting conditions of each approach. Once this is accomplished, a value conclusion is reached by placing primary weight on the technique or techniques that are considered to be the most reliable, given all factors.

Financial assets

The fair value of financial assets that are listed on a stock exchange is determined by reference to their quoted bid price at the reporting date. If the market for a financial asset is not active (and for unlisted securities), the Group 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.

Trade and other receivables

The fair value of trade and other receivables, excluding construction work in process, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

Notes to the consolidated financial statements

4. SIGNIFICANT SUBSIDIARIES

As at 31 December 2014, the Group's most significant subsidiaries were the following:

Name	Country of incorporation	Shareholding interest
Scorpio Bay Holdings Limited	Cyprus	100%
Scorpio Bay Resorts S.A.	Greece	100%
Latirus Enterprises Limited	Cyprus	80%
Iktinos Techniki Touristiki S.A. ('Iktinos')	Greece	78%
Xscape Limited	Cyprus	100%
Golfing Developments S.A.	Greece	100%
MindCompass Overseas Limited	Cyprus	100%
MindCompass Overseas S.A.	Greece	100%
MindCompass Overseas Two S.A.	Greece	100%
MindCompass Parks S.A.	Greece	100%
Dolphin Capital Greek Collection Limited	Cyprus	100%
DCI Holdings One Limited	BVIs	100%
Aristo Developers S.A.	Greece	100%
D.C. Apollo Heights Polo and Country Resort Limited	Cyprus	100%
Symboula Estates Limited	Cyprus	100%
DolphinCI Fourteen Limited ('DCI 14')	Cyprus	92%
Eidikou Skopou Dekatessera S.A. ('ES 14')	Greece	92%
Eidikou Skopou Dekaokto S.A. ('ES 18')	Greece	92%
Eidikou Skopou Eikosi Ena S.A.	Greece	80%
Azurna Uvala D.o.o. ('Azurna')	Croatia	100%
Eastern Crete Development Company S.A.	Greece	100%
DolphinLux 2 S.a.r.l.	Luxembourg	100%
Kalkan Yapi ve Turizm A.S.	Turkey	100%
Dolphin Capital Americas Limited	BVIs	100%
DCA Pearl Holdings Limited	BVIs	100%
DCA Holdings Six Limited	BVIs	100%
DCA Holdings Seven Limited	BVIs	100%
DCI Holdings Seven Limited ('DCI H7')	BVIs	100%
Playa Grande Holdings Inc. ('PGH')	Dominican Republic	100%
Single Purpose Vehicle Eight Limited	Cyprus	100%
Eidikou Skopou Dekapente S.A.	Greece	100%
Single Purpose Vehicle Ten Limited ('SPV 10')	Cyprus	67%
Eidikou Skopou Eikosi Tessera S.A.	Greece	67%
Pearl Island Limited S.A.	Panama Republic	60%
Zoniro (Panama) S.A.	Panama Republic	60%

The above shareholding interest percentages are rounded to the nearest integer.

As at 31 December 2014, all or part of the shares held by the Company in some of its subsidiaries are pledged as a security for loans (see note 20).

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Subsidiaries

Subsidiaries are those entities, including special purpose entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

5.2 Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

5.3 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred, plus the recognised amount of any non-controlling interests in the acquiree, plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

5.4 Associates and jointly controlled entities

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administration purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in accounting policy 5.9.

5.6 Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the statement of financial position date. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to fair value reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are recognised in profit or loss.

The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and appropriate proportion of production overheads.

Depreciation charge is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment, unless it constitutes part of the cost of another asset, in which case it is included in that asset's carrying amount. Freehold land is not depreciated.

The annual rates of depreciation are as follows:

Buildings	3%
Machinery and equipment	10%-33.33%
Motor vehicles and other	10%-20%

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as incurred.

5.7 Trading properties

Trading properties (inventory) are shown at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost of trading properties is determined on the basis of specific identification of their individual costs and represents the fair value paid at the date that the land was acquired by the Group.

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.8 Work in progress

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity.

5.9 Leased assets

Leases under the terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property on a property-by-property basis. Such property is accounted for as if it were a finance lease and the fair value model is used for the asset recognised. Minimum lease payments on finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

5.10 Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy 5.21).

5.11 Financial assets

The classification of the Group's investments in equity securities depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every statement of financial position date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in the held for trading category if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date. Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the profit or loss in the period in which they arise.

(ii) Available-for-sale financial assets

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available for sale. These are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and then in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss. 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 fair value reserve.

5.12 Cash and cash equivalents

Cash and cash equivalents comprise cash deposited with banks and bank overdrafts repayable on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

5.13 Share capital and premium

Share capital represents the issued amount of shares outstanding at their par value. Any excess amount of capital raised is included in share premium. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in share premium from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.14 Own shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a reduction from equity. Repurchased shares are classified as own shares and are presented as a reduction from total equity. When own shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to share premium.

5.15 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved and are subtracted directly from retained earnings.

5.16 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

5.17 Trade and other payables

Trade and other payables are stated at their cost.

5.18 Prepayments from clients

Payments received in advance on development contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the statement of financial position date and carried under creditors. Payments received in advance on development contracts for which revenue has been recognised are recorded as prepayments from clients to the extent that they exceed revenue that was recognised in profit or loss as at the statement of financial position date.

5.19 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5.20 Expenses

Investment Manager fees, management incentive fees, professional fees, selling, administration and other expenses are accounted for on an accrual basis. Expenses are charged to profit or loss, except for expenses incurred on the acquisition of an investment property, which are included within the cost of that investment. Expenses arising on the disposal of an investment property are deducted from the disposal proceeds.

5.21 Impairment

The carrying amounts of the Group's assets, other than investment property (see accounting policy 5.5) and deferred tax assets (see accounting policy 5.29), are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. The recoverable amount is the greater of the net selling price and value in use of an asset. In assessing value in use of an asset, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.22 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 Group are recognised on the following bases:

Income from land and buildings under development

The Group applies IAS 18 'Revenue' for income from land and buildings under development, according to which revenue and the related costs are recognised in profit or loss when the building has been completed and delivered and all associated risks have been transferred to the buyer.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the statement of financial position date, as measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

5.23 Finance income and costs

Finance income comprises interest income on funds invested, dividend income and gains on the disposal of and increase in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and losses on the disposal of and reduction in the fair value of financial assets at fair value through profit or loss.

The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

5.24 Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

5.25 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to euro at exchange rates at the dates of the transactions.

The income and expenses of foreign operations in hyperinflationary economies are translated to euro at the exchange rate at the reporting date. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss.

Notes to the consolidated financial statements

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.26 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment results that are reported to the Group's chief operating decision-maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.27 Earnings per share

The Group presents basic and diluted (if applicable) earnings per share ('EPS') data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential shares.

5.28 NAV per share

The Group presents NAV per share by dividing the total equity attributable to owners of the Company by the number of shares outstanding as at the statement of financial position date.

5.29 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to the tax liabilities will impact tax expense in the period that such a determination is made.

5.30 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants related to non-current assets are recognised as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. Government grants that relate to expenses are recognised in profit or loss as revenue.

5.31 Comparatives

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

Notes to the consolidated financial statements

6. SEGMENT REPORTING

The Group has one operation, investing in real estate, and three reportable segments as shown below, which represent the geographical regions in which the Group operates.

	Americas[1] €'000	South-East Europe[2] €'000	Other[3] €'000	Reportable segment totals €'000	Adjustments[4] €'000	Consolidated totals €'000
31 December 2014						
Investment property	120,285	331,595	–	451,880	–	451,880
Property, plant and equipment	75,996	100,769	–	176,765	–	176,765
Trading properties	1,837	50,486	–	52,323	–	52,323
Equity accounted investees	–	231,996	2,227	234,223	–	234,223
Available-for-sale financial assets	2,201	–	–	2,201	–	2,201
Cash and cash equivalents	20,514	7,662	2,802	30,978	–	30,978
Intra-group debit balances	13,274	285,185	507,763	806,222	(806,222)	–
Other assets	2,673	19,729	3,877	26,279	–	26,279
Total assets	**236,780**	**1,027,422**	**516,669**	**1,780,871**	**(806,222)**	**974,649**
Loans and borrowings	43,128	113,801	83,160	240,089	–	240,089
Finance lease obligations	134	7,961	–	8,095	–	8,095
Deferred tax liabilities	2,139	53,041	–	55,180	–	55,180
Intra-group credit balances	125,522	393,200	287,500	806,222	(806,222)	–
Other liabilities	9,045	73,495	933	83,473	–	83,473
Total liabilities	**179,968**	**641,498**	**371,593**	**1,193,059**	**(806,222)**	**386,837**
Valuation gain on investment property	12,311	6,265	–	18,576	–	18,576
Impairment losses	–	(6,229)	–	(6,229)	–	(6,229)
Reversal of impairment losses	–	670	–	670	–	670
Share of profits on equity accounted investees, net of tax	–	50,040	106	50,146	–	50,146
Gain/(loss) on disposal of investment in subsidiaries	–	2,709	(212)	2,497	–	2,497
Profit on dilution in equity accounted investees	–	–	149	149	–	149
Other operating profits	6,254	12,181	81	18,516	–	18,516
Investment Manager fees	–	–	(13,671)	(13,671)	–	(13,671)
Net finance costs	(1,414)	(9,409)	(4,811)	(15,634)	–	(15,634)
Other expenses	(8,176)	(20,456)	(3,664)	(32,296)	–	(32,296)
Profit/(loss) before taxation	**8,975**	**35,771**	**(22,022)**	**22,724**	**–**	**22,724**
Taxation	(172)	1,760	–	1,588	–	1,588
Profit/(loss) for the year	**8,803**	**37,531**	**(22,022)**	**24,312**	**–**	**24,312**

Notes to the consolidated financial statements

6. SEGMENT REPORTING CONTINUED

	Americas[1] €'000	South-East Europe[2] €'000	Other[3] €'000	Reportable segment totals €'000	Adjustments[4] €'000	Consolidated totals €'000
31 December 2013						
Investment property	93,120	330,671	–	423,791	–	423,791
Property, plant and equipment	44,728	98,876	–	143,604	–	143,604
Trading properties	1,576	62,948	–	64,524	–	64,524
Equity accounted investees	–	180,862	–	180,862	–	180,862
Available-for-sale financial assets	2,265	–	–	2,265	–	2,265
Cash and cash equivalents	3,953	1,835	1,312	7,100	–	7,100
Intra-group debit balances	14,205	281,246	510,417	805,868	(805,868)	–
Other assets	4,625	22,054	9,965	36,644	–	36,644
Total assets	**164,472**	**978,492**	**521,694**	**1,664,658**	**(805,868)**	**858,790**
Loans and borrowings	10,982	78,629	79,193	168,804	–	168,804
Finance lease obligations	157	8,284	–	8,441	–	8,441
Deferred tax liabilities	1,742	54,868	–	56,610	–	56,610
Intra-group credit balances	103,774	411,823	290,271	805,868	(805,868)	–
Other liabilities	8,000	62,911	5,848	76,759	–	76,759
Total liabilities	**124,655**	**616,515**	**375,312**	**1,116,482**	**(805,868)**	**310,614**
Valuation gain on investment property	5,229	17,376	–	22,605	–	22,605
Impairment losses	–	(1,312)	–	(1,312)	–	(1,312)
Reversal of impairment losses	–	895	–	895	–	895
Share of losses on equity accounted investees, net of tax	–	(77,239)	–	(77,239)	–	(77,239)
Other operating profits	2,594	10,152	–	12,746	–	12,746
Investment Manager fees	–	–	(13,780)	(13,780)	–	(13,780)
Net finance costs	(372)	(8,985)	(7,895)	(17,252)	–	(17,252)
Other expenses	(6,191)	(19,475)	(2,615)	(28,281)	–	(28,281)
Profit/(loss) before taxation	**1,260**	**(78,588)**	**(24,290)**	**(101,618)**	**–**	**(101,618)**
Taxation	(147)	(11,109)	–	(11,256)	–	(11,256)
Profit/(loss) for the year	**1,113**	**(89,697)**	**(24,290)**	**(112,874)**	**–**	**(112,874)**

1. Americas comprises the Group's activities in the Dominican Republic and the Republic of Panama. Also includes the investment in Itacare Capital Investments Ltd ('Itacare') (see note 15).
2. South-East Europe comprises the Group's activities in Cyprus, Greece, Croatia and Turkey.
3. Other comprises the parent company, Dolphin Capital Investors Limited.
4. Adjustments consist of intra-group eliminations.

Country risk developments

The general economic environment prevailing in the south-east Europe area and internationally may affect the Group's operations. Concepts such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and variation in these and the economic environment in general might affect the Group to a certain extent.

The global fundamentals of the sector remained strong during 2014, with both international tourism and wealth continuing to grow, even though economic activity in two of the Group's primary markets, Greece and Cyprus, continued to face significant challenges. The business climate is slowly but steadily improving in Cyprus, assisted by the legislative reforms implemented during the past year by the Cypriot government.

After the escalation of the sovereign debt crisis in Greece in mid-2012 and international media speculation involving scenarios of default and/or Greece's exit from the Eurozone, the country's economic conditions significantly stabilised until the end of 2014 when a general election was called in Greece for January 2015. Following six years of deep recession, growth was positive in 2014. In 2014, international tourist arrivals, according to the Tourism Research Institute, set a new historical record by reaching 21.5 million, a 20% increase compared to 2013, and are expected to remain strong in 2015. The debt crisis has also been a catalyst in adopting a faster entitlement process for development projects in Greece. In particular, the introduction of the Strategic Investment incentive legislation in Greece, which should be applicable to most of the Group's local projects due to their quality, size and potential impact on the local economy, speeds up and improves zoning entitlements and building permits for Group residential resort projects in the country. The current political and economic climate in Greece remains challenging and unstable, as the new Greek administration is seeking to reach a compromise accord with its EU partners and the IMF which would both enable it to avoid a sovereign default while still implementing its basic policies. The banking system stability remains fragile, with the most notable effect on the Group's businesses being the scarcity of senior bank debt to finance the construction of its development portfolio.

Notes to the consolidated financial statements

6. SEGMENT REPORTING CONTINUED

Country risk developments continued

The crisis of sovereign debt affected the Cypriot economy with a time lag, causing negative effects not only on public finances but also in the banking system. Despite the fact that the government tried to react promptly and effectively by preparing a fiscal consolidation programme, the country captured the world' s attention earlier in 2013 as it fought hard to bounce back from the brink of bankruptcy through intense negotiations with international lenders. The so called 'bail in' decision of the Eurozone included imposing losses on depositors with amounts exceeding €100,000, a closed banking system for two weeks and extensive capital controls. Since then Cyprus has been remarkably resilient following the financial crisis and in implementing tough austerity measures to restructure its economy. Although a challenging time for one of the smallest EU member states, the economic adjustment programme remains on track, with progress made in all key objectives set out by the country's international lenders. The banking sector is also on a steady path to stabilisation, with all domestic capital controls lifted in early April 2015. Tourist arrivals during 2014 amounted to 2.4 million and stayed at the same level when compared to 2013, as reported by the Statistical Service of the Republic of Cyprus. Nevertheless, it is encouraging to note that, despite the banking crisis that occurred in early 2013, the tourism industry remained unharmed and expectations for 2015 are positive. The decision by the Ministerial Council to reduce the investment amount requirements and accelerate Cypriot citizenship awards to buyers of real estate is expected to significantly increase sales momentum and margins at Aristo Developers Limited ('Aristo') and increase the value and saleability of its larger projects. Significant value is also estimated to be unlocked through the expected zoning of the Apollo Heights Resort, following the agreement reached by the Cypriot and UK governments to permit for development such projects falling within Sovereign British Areas.

7. NET OPERATING PROFITS

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
Sale of trading and investment properties	3,631	219
Income from hotel operation	8,494	6,571
Income from operation of golf courses	91	112
Income from construction contracts	8,806	6,474
Rental income	389	367
Other profits	6,914	2,382
Cost of sales	(9,809)	(3,379)
Total	**18,516**	**12,746**

8. PERSONNEL EXPENSES

	From 1 January 2014 to 31 December 2014		From 1 January 2013 to 31 December 2013	
	Operating expenses €'000	Construction in progress €'000	Operating expenses €'000	Construction in progress €'000
Wages and salaries	6,004	267	5,204	99
Compulsory social security contributions	1,598	26	1,292	13
Contributions to defined contribution plans	43	35	1	–
Other personnel costs	660	19	477	13
Total	**8,305**	**347**	**6,974**	**125**

Personnel expenses in relation to operating expenses are expensed as incurred in profit or loss. Personnel expenses in relation to construction in progress are capitalised on the specific projects and transferred to profit or loss through cost of sales when the specific property is disposed of.

The average number of employees employed by the Group during the year was 366 (2013: 339 employees).

Notes to the consolidated financial statements

9. FINANCE INCOME AND FINANCE COSTS

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
RECOGNISED IN PROFIT OR LOSS		
Interest income	325	417
Finance income	**325**	**417**
Interest expense	(15,228)	(12,308)
Bank charges	(401)	(461)
Exchange difference	(330)	(4,900)
Finance costs	**(15,959)**	**(17,669)**
Net finance costs recognised in profit or loss	**(15,634)**	**(17,252)**
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Foreign currency translation differences	15,330	(939)
Finance costs recognised in other comprehensive income	**15,330**	**(939)**

10. TAXATION

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
RECOGNISED IN PROFIT OR LOSS		
Income tax	120	290
Net deferred tax (see note 21)	(1,708)	10,966
Taxation recognised in profit or loss	**(1,588)**	**11,256**
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Revaluation of property, plant and equipment (see note 21)	555	(1,118)
Taxation recognised in other comprehensive income	**555**	**(1,118)**

Reconciliation of taxation based on taxable profit/(loss) and taxation based on Group's accounting profit/(loss)

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
Profit/(loss) before taxation	22,724	(101,618)
Taxation using domestic tax rates	(2,018)	(600)
Non-deductible expenses and tax-exempt income	1,861	(442)
Effect of tax losses utilised	313	155
Effect of tax rate changes	–	5,592
Other	(1,744)	6,551
Total	**(1,588)**	**11,256**

As a company incorporated under the BVI International Business Companies Act (Cap. 291), the Company is exempt from taxes on profits, income or dividends. Each company incorporated in BVI is required to pay an annual government fee, which is determined by reference to the amount of the company's authorised share capital.

The profits of the Cypriot companies of the Group are subject to a corporation tax rate of 12.50% on their total taxable profits. Tax losses of Cypriot companies are carried forward to reduce future profits for a period of five years. In addition, the Cypriot companies of the Group are subject to a 3% special contribution on rental income. Under certain conditions, interest income may be subject to special contribution at the rate of 30% (15% to 28 April 2013). In such cases, this interest is exempt from corporation tax.

In Greece, the corporation tax rate applicable to profits is 26%. Tax losses of Greek companies are carried forward to reduce future profits for a period of five years. In Turkey, the corporation tax rate is 20%. Tax losses of Turkish companies are carried forward to reduce future profits for a period of five years. In Croatia, the corporation tax rate is 20%. Tax losses of Croatian companies are carried forward to reduce future profits for a period of five years.

Notes to the consolidated financial statements

10. TAXATION CONTINUED

The Group's subsidiary in the Dominican Republic has been granted a 100% exemption on local and municipal taxes by the Dominican Republic's CONFOTUR (Tourism Promotion Council), as at 31 December 2014, for a period of fifteen years, effective from the finalisation of the construction of the project, whereas as at 31 December 2013, the exemption period was ten years. In the Republic of Panama, the corporation tax rate is 25% and the capital gains tax rate is 10%. The Panamanian tax legislation further contemplates a method of taxation which involves a 3% advance on the tax, which is not calculated on the actual gain, but on the total value of the transfer or on the registered value of the property (whichever may be higher). In some instances, this 3% may be considered by the taxpayer as the final tax payable. Tax losses of companies in the Republic of Panama are carried forward to reduce future profits for a period of five years.

11. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of common shares outstanding during the year.

	From 1 January 2014 to 31 December 2014 '000	From 1 January 2013 to 31 December 2013 '000
Profit/(loss) attributable to owners of the Company (€)	21,639	(111,910)
Number of weighted average common shares outstanding	642,440	642,440
Basic earnings/(loss) per share (€)	**0.03**	**(0.17)**

Weighted average number of common shares outstanding

	From 1 January 2014 to 31 December 2014 '000	From 1 January 2013 to 31 December 2013 '000
Outstanding common shares at the beginning and end of the year	642,440	642,440
Weighted average number of common shares outstanding	**642,440**	**642,440**

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the profit/(loss) attributable to owners and the number of common shares outstanding to assume conversion of all dilutive potential shares. During the year, the Company has one category of dilutive potential common shares: warrants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the warrants.

	From 1 January 2014 to 31 December 2014 '000	From 1 January 2013 to 31 December 2013 '000
Profit/(loss) attributable to owners of the Company (€)	21,639	(111,910)
Weighted average number of common shares outstanding	642,440	642,440
Effect of potential conversion of warrants	5,585	5,585
Weighted average number of common shares outstanding for diluted earnings/(loss) per share	648,025	648,025
Diluted earnings/(loss) per share (€)	**0.03**	**(0.17)**

The convertible bonds issued by the Company are excluded from the calculation of diluted earnings/(loss) per share for the years ended 31 December 2014 and 2013 because they were not exercisable.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of warrants and convertible loans was based on quoted market prices.

Notes to the consolidated financial statements

12. INVESTMENT PROPERTY

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	423,791	422,204
Direct acquisitions	3,515	351
Transfers to property, plant and equipment (see note 13)	–	(7,232)
Transfers to trading properties (see note 14)	(5,568)	(9,115)
Direct disposals	(2,109)	(8)
Exchange difference	13,675	(5,014)
	433,304	401,186
Fair value adjustment	18,576	22,605
At end of year	**451,880**	**423,791**

As at 31 December 2014 and 31 December 2013, part of the Group's immovable property is held as security for bank loans (see note 20).

Fair value hierarchy

The fair value of investment property, amounted to €451,880 thousand (2013: €423,791 thousand) has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows a reconciliation from opening to closing balances of Level 3 fair value.

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	423,791	422,204
Direct acquisitions	3,515	351
Direct disposals	(2,109)	(8)
Transfers to other assets	(5,568)	(16,347)
Gains/losses recognised in profit or loss		
Unrealised fair value adjustment in 'Valuation gain on investment property'	18,576	22,605
Gains/losses recognised in comprehensive income		
Unrealised exchange difference in 'Foreign currency translation differences'	13,675	(5,014)
At end of year	**451,880**	**423,791**

Notes to the consolidated financial statements

12. INVESTMENT PROPERTY CONTINUED

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece – Commercial Buildings	Income approach	Expected market rental growth:	2014: 1.5% (2013: 1.5%)	The estimated fair value would increase/(decrease) if:
		Void period (months):	2014: 3 (2013: 3)	1. Expected market rental growth was higher/(lower);
		Occupancy rate:	2014: 95% (2013: 95%)	2. Void period was shorter/(longer);
		Risk-adjusted discount rate:	2014: 8% (2013: 8%)	3. Occupancy rate was higher/(lower);
				4. Risk-adjusted discount rate was lower/(higher).
Property in Greece	Combined approach (Market and Income)	*Market approach (50% weight)*		The estimated fair value would increase/(decrease) if:
		Premiums/(discounts) on the following:		1. Premiums were higher/(lower);
		1. Location:	2014: from -20% to +50% (2013: from -20% to +30%)	2. Discounts were lower/(higher);
		2. Site size:	2014: from -40% to 0% (2013: from -20% to +10%)	3. Weights on comparables with premiums were higher/(lower);
		3. Asking vs transaction:	2014: from -25% to 0% (2013: from -25% to 0%)	4. Weights on comparables with discounts were lower/(higher);
		4. Frontage sea view:	2014: from 0% to +40% (2013: from -5% to +40%)	5. Room occupancy rate was higher/(lower);
		5. Maturity/development potential:	2014: from -10% to +90% (2013: from -35% to +75%)	6. Average daily rate per occupied room was higher/(lower);
		6. Uniqueness:	2014: +20% (2013: nil)	7. Gross operating margin was higher/(lower);
		7. Weight allocation:	2014: from +5% to +25% (2013: from +5% to +25%)	8. Terminal capitalisation rate was higher/(lower);
		8. Buildings value per m^2:	2014: €903 (2013: €960)	9. Quantity of villas was higher/(lower);
		Income approach (50%/40% weight)		10. Selling price per m^2 was higher/(lower);
		Room occupancy rate:	2014: from 46% to 59% (weighted average: 54%) (2013: nil)	11. Expected annual growth in selling price was higher/(lower);
		Average daily rate per occupied room:	2014: from €880 to €1,720 (weighted average: €1,460) (2013: nil)	12. Cash flow velocity was shorter/(longer);
		Gross operating margin rate:	2014: from 27% to 34% (weighted average: 32%) (2013: nil)	13. Risk-adjusted discount rate was lower/(higher).
		Terminal capitalisation rate:	2014: 10% (2013: nil)	
		Quantity of villas:	2014: 35-446 (2013: 102-536)	
		Selling price per m^2:	2014: from €2,600 to €6,000 (2013: from €2,600 to €3,000)	
		Expected annual growth in selling price:	2014: 0% to 5% (2013: 3%)	
		Cash flow velocity (years):	2014: 6 to 7 (2013: 7)	
		Risk-adjusted discount rate:	2014:13% to 16% (2013: 14% to 16%)	

Notes to the consolidated financial statements

12. INVESTMENT PROPERTY CONTINUED

Valuation techniques and significant unobservable inputs continued

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -50% to +40% (2013: from -50% to +50%)	1. Premiums were higher/(lower);
		2. Site size:	2014: from -40% to +10% (2013: from -40% to +40%)	2. Discounts were lower/(higher);
		3. Asking vs transaction:	2014: from -30% to 0% (2013: from -30% to 0%)	3. Weights on comparables with premiums were higher/(lower);
		4. Frontage sea view:	2014: from -20% to +40% (2013: from -20% to +40%)	4. Weights on comparables with discounts were lower/(higher).
		5. Maturity/development potential:	2014: from -40% to +50% (2013: from -40% to +50%)	
		6. Zoning uniqueness:	2014: from -38% to +40% (2013: from -50% to +40%)	
		7. Other:	2014: -10% (2013: -10%)	
		8. Strategic investment approval:	2014: +15% (2013: +15%)	
		9. Weight allocation:	2014: from 0% to +60% (2013: from +5% to +40%)	
Property in Cyprus	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -10% to +20% (2013: from -10% to +20%)	1. Premiums were higher/(lower);
		2. Site size:	2014: from -30% to -20% (2013: from -30% to 0%)	2. Discounts were lower/(higher);
		3. Asking vs transaction:	2014: from -20% to 0% (2013: from -25% to 0%)	3. Weights on comparables with premiums were higher/(lower);
		4. Frontage sea view:	2014: from 0% to +30% (2013: from -20% to +30%)	4. Weights on comparables with discounts were lower/(higher).
		5. Maturity/development potential:	2014: from -30% to -20% (2013: from -30% to -20%)	
		6. Weight allocation:	2014: from +10% to +25% (2013: from +5% to +25%)	
Property in Croatia	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Asking vs transaction:	2014: from -5% to 0% (2013: from -10% to 0%)	1. Premiums were higher/(lower);
		2. Development potential:	2014: from -10% to -5% (2013: from -10% to +15%)	2. Discounts were lower/(higher);
		3. Location/visibility:	2014: from -25% to 0% (2013: 0%)	3. Weights on comparables with premiums were higher/(lower);
		4. Zoning status:	2014: from -20% to +10% (2013: from 0% to +10%)	4. Weights on comparables with discounts were lower/(higher).
		5. Weight allocation:	2014: from +10% to +50% 2013: from +13% to +33%	

Notes to the consolidated financial statements

12. INVESTMENT PROPERTY CONTINUED

Valuation techniques and significant unobservable inputs continued

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Americas	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -35% to +45% (2013: from -35% to +45%)	1. Premiums were higher/(lower);
		2. Site size:	2014: from -60% to +60% (2013: from -60% to +75%)	2. Discounts were lower/(higher);
		3. Asking vs transaction:	2014: from -75% to +10% (2013: from -75% to +25%)	3. Weights on comparables with premiums were higher/(lower);
		4. Frontage sea view:	2014: from -35% to +55% (2013: from -30% to +35%)	4. Weights on comparables with discounts were lower/(higher).
		5. Development potential:	2014: from -95% to +65% (2013: from -95% to +60%)	
		6. Condition quality:	2014: from -20% to +45% (2013: from -20% to +45%)	
		7. Weight allocation:	2014: from +5% to +90% (2013: from +10% to +70%)	
	Combined approach (Market and Income)	*Market approach (50% weight)*		The estimated fair value would increase/(decrease) if:
		Premiums/(discounts) on the following:		1. Premiums were higher/(lower);
		1. Location:	2014: from -35% to +10% (2013: nil)	2. Discounts were lower/(higher);
		2. Site size:	2014: from -30% to -10% (2013: nil)	3. Weights on comparables with premiums were higher/(lower);
		3. Asking vs transaction:	2014: from -65% to -10% (2013: nil)	4. Weights on comparables with discounts were lower/(higher);
		4. Frontage sea view:	2014: from -30% to +35% (2013: nil)	5. Room occupancy rate was higher/(lower);
		5. Development potential:	2014: from +25% to +45% (2013: nil)	6. Average daily rate per occupied room was higher/(lower);
		6. Condition quality:	2014: from 0% to +5% (2013: nil)	7. Gross operating margin was higher/(lower);
		7. Weight allocation:	2014: from +40% to +60% (2013: nil)	8. Terminal capitalisation rate was higher/(lower);
		Income approach (50% weight)		9. Quantity of villas was higher/(lower);
		Room occupancy rate:	2014: from +40% to +55% (weighted average: 52%) (2013: nil)	10. Selling price per m² was higher/(lower);
		Average daily rate per occupied room:	2014: from US$1,200 to US$1,890 (weighted average: US$1,570) (2013: nil)	11. Expected annual growth in selling price was higher/(lower);
		Gross operating margin rate:	2014: from 36% to 52% (weighted average: 49%) (2013: nil)	12. Cash flow velocity was shorter/(longer);
		Terminal capitalisation rate:	2014: 9% (2013: nil)	13. Risk-adjusted discount rate was lower/(higher).
		Quantity of villas:	2014: 36 (2013: nil)	
		Selling price per m²:	2014: from US$5,000 to US$9,000 (2013: nil)	
		Expected annual growth in selling price:	2014: 0% (2013: nil)	
		Cash flow velocity (years):	2014: 7 (2013: nil)	
		Risk-adjusted discount rate:	2014: 15% (2013: nil)	

Notes to the consolidated financial statements

13. PROPERTY, PLANT AND EQUIPMENT

	Under construction €'000	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
2014					
Cost or revalued amount					
At beginning of year	8,180	147,340	6,626	2,148	164,294
Direct acquisitions of property, plant and equipment	19,232	3,458	673	99	23,462
Capitalised depreciation	133	–	–	–	133
Direct disposal of property, plant and equipment	–	–	(8)	(105)	(113)
Transfer from/(to) other assets	2,303	(14,140)	5,404	191	(6,242)
Revaluation adjustment	–	6,322	–	–	6,322
Exchange difference	1,425	3,846	992	173	6,436
At end of year	31,273	146,826	13,687	2,506	194,292
Depreciation and impairment losses					
At beginning of year	–	17,221	2,452	1,017	20,690
Direct disposal of property, plant and equipment	–	–	(9)	(54)	(63)
Transfer (to)/from other assets	–	(6,676)	438	(4)	(6,242)
Depreciation charge for the year	–	2,084	904	251	3,239
Capitalised depreciation	–	56	–	77	133
Impairment loss	–	13	–	–	13
Reversal of impairment loss	–	(670)	–	–	(670)
Exchange difference	–	74	256	97	427
At end of year	–	12,102	4,041	1,384	17,527
Carrying amounts	**31,273**	**134,724**	**9,646**	**1,122**	**176,765**
2013					
Cost or revalued amount					
At beginning of year	389	131,175	5,604	2,015	139,183
Direct acquisitions of property, plant and equipment	7,808	16,508	1,089	200	25,605
Transfers from investment property (see note 12)	–	7,232	–	–	7,232
Capitalised depreciation	–	258	–	–	258
Direct disposal of property, plant and equipment	–	(7)	–	–	(7)
Revaluation adjustment	–	(6,911)	–	–	(6,911)
Exchange difference	(17)	(915)	(67)	(67)	(1,066)
At end of year	8,180	147,340	6,626	2,148	164,294
Depreciation and impairment losses					
At beginning of year	–	18,085	1,699	727	20,511
Revaluation adjustment	–	(2,628)	–	–	(2,628)
Depreciation charge for the year	–	1,591	729	127	2,447
Capitalised depreciation	–	–	70	188	258
Impairment loss	–	342	–	–	342
Reversal of impairment loss	–	(117)	–	–	(117)
Exchange difference	–	(52)	(46)	(25)	(123)
At end of year	–	17,221	2,452	1,017	20,690
Carrying amounts	**8,180**	**130,119**	**4,174**	**1,131**	**143,604**

The carrying amount at year end of land and buildings, if the cost model was used, would have been €108 million (2013: €104 million).

As at 31 December 2014 and 31 December 2013, part of the Group's immovable property is held as security for bank loans (see note 20).

Notes to the consolidated financial statements

13. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Fair value hierarchy

The fair value of land and buildings, amounting to €134,724 thousand (2013: €130,119 thousand), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows a reconciliation from opening to closing balances of Level 3 fair value.

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	130,119	113,090
Direct acquisitions, including capitalised depreciation	3,402	16,766
Direct disposals	–	(7)
Transfers (to)/from other assets	(7,464)	7,232
Losses recognised in profit or loss		
Impairment loss in 'Impairment loss on property, plant and equipment'	(13)	(342)
Reversal of impairment loss in 'Reversal of impairment loss on property, plant and equipment'	670	117
Depreciation in 'Depreciation charge'	(2,084)	(1,591)
Losses recognised in comprehensive income		
Revaluation adjustment in 'Revaluation on property, plant and equipment'	6,322	(4,283)
Unrealised exchange difference in 'Foreign currency translation differences'	3,772	(863)
At end of year	**134,724**	**130,119**

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of property, plant and equipment, as well as the significant unobservable inputs used.

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece – Commercial Buildings	Income approach	Risk-adjusted discount rate:	2014: 8% (2013: 8%)	The estimated fair value would increase/(decrease) if: 1. Risk-adjusted discount rate was lower/(higher); 2. Expected market rental growth was higher/(lower).
		Expected market rental growth:	2014: 1.5% (2013: 1.5%)	
Property in Greece	Income approach	Room occupancy rate:	2014: from 26% to 57% (weighted average: 38%-56%) (2013: from 31% to 57% (weighted average: 40%-56%)	The estimated fair value would increase/(decrease) if: 1. Room occupancy rate was higher/(lower); 2. Average daily rate per occupied room was higher/(lower); 3. Gross operating margin was higher/(lower); 4. Risk-adjusted discount rate was lower/(higher); 5. Terminal capitalisation rate was higher/(lower).
		Average daily rate per occupied room:	2014: from €397 to €1,750 (weighted average: €470-€1,500) (2013: from €397 to €1,826 (weighted average: €474-€1,663)	
		Gross operating margin rate:	2014: from 25% to 47% (weighted average: 35%-44%) (2013: from 26% to 47% (weighted average: 30%-44%)	
		Risk-adjusted discount rate:	2014: from 11% to 13% (2013: from 11% to 14%)	
		Terminal capitalisation rate:	2014: from 8% to 9% (2013: from 9% to 10%)	

Notes to the consolidated financial statements

13. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Valuation techniques and significant unobservable inputs continued

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Greece	Combined approach (Market and Cost)	*Market approach (for land components)*		The estimated fair value would increase/(decrease) if:
		Premiums/(discounts) on the following:		1. Premiums were higher/(lower);
		1. Location:	2014: from -20% to +30% (2013:from -20% to +30%)	2. Discounts were lower/(higher);
		2. Site size:	2014: from -20% to +20% (2013: from -20% to +20%)	3. Weights on comparables with premiums were higher/(lower);
		3. Asking vs transaction:	2014: from -20% to 0% (2013: from -20% to 0%)	4. Weights on comparables with discounts were lower/(higher);
		4. Frontage sea view:	2014: from -20% to +20% (2013: from -20% to +20%)	5. Replacement cost (new) per m² was higher/(lower);
		5. Maturity/development potential:	2014: from -40% to +25% (2013: from -50% to +25%)	6. Enterpreneurial profit rate was higher/(lower);
		6. Strategic investment approval:	2014:15% (2013:15%)	7. Depreciation rate was lower/(higher).
		7. Weight allocation:	2014: from +10% to +25% (2013: from +10% to +25%)	
		Cost approach (for building components)		
		Replacement cost (new) per m²:	2014: €500-€1,710 (2013: €500-€2,023)	
		Enterpreneurial profit rate:	2014: 20% (2013: 20%)	
		Depreciation rate:	2014: 2.5%-28% (2013: 2.5%-27%)	
		Useful life (years):	2014: 40-60 (2013: 40-60)	
Property in Americas	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if:
		1. Location:	2014: from -35% to +10% (2013: from -35% to +10%)	1. Premiums were higher/(lower);
		2. Site size:	2014: from -30% to +60% (2013: from -30% to +60%)	2. Discounts were lower/(higher);
		3. Asking vs transaction:	2014: from -65% to -10% (2013: from -65% to -10%)	3. Weights on comparables with premiums were higher/(lower);
		4. Frontage sea view:	2014: from -30% to +55% (2013: from -30% to +55%)	4. Weights on comparables with discounts were lower/(higher).
		5. Development potential:	2014: from -70% to +35% (2013: from -75% to +30%)	
		6. Condition quality:	2014: from 0% to +10% (2013: from 0% to +10%)	
		7. Weight allocation:	2014: from +15% to +65% (2013: from +15% to +65%)	

Notes to the consolidated financial statements

13. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Valuation techniques and significant unobservable inputs continued

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Property in Americas	Combined approach (Market and Income)	*Market approach (50% weight)*		The estimated fair value would increase/(decrease) if:
		Premiums/(discounts) on the following:		1. Premiums were higher/(lower);
		1. Location:	2014: from -35% to +10% (2013: nil)	2. Discounts were lower/(higher);
		2. Site size:	2014: from -30% to -10% (2013: nil)	3. Weights on comparables with premiums were higher/(lower);
		3. Asking vs transaction:	2014: from -65% to -10% (2013: nil)	4. Weights on comparables with discounts were lower/(higher);
		4. Frontage sea view:	2014: from -30% to +35% (2013: nil)	5. Room occupancy rate was higher/(lower);
		5. Development potential:	2014:from +25% to +45% (2013: nil)	6. Average daily rate per occupied room was higher/(lower);
		6. Condition quality:	2014: from 0% to +5% (2013: nil)	7. Gross operating margin was higher/(lower);
		7. Weight allocation:	2014: from +40% to +60% (2013: nil)	8. Terminal capitalisation rate was higher/(lower);
		Income approach (50% weight)		9. Quantity of villas was higher/(lower);
		Room occupancy rate:	2014: from 40% to 55% (weighted average: 52%) (2013: nil)	10. Selling price per m^2 was higher/(lower);
		Average daily rate per occupied room:	2014: from US$1,200 to US$1,890 (weighted average US$1.570) (2013: nil)	11. Expected annual growth in selling price was higher/(lower);
		Gross operating margin rate:	2014: from 36% to 52% (weighted average 49%) (2013: nil)	12. Cash flow velocity was shorter/(longer);
		Terminal capitalisation rate:	2014: 9% (2013: nil)	13. Risk-adjusted discount rate was lower/(higher).
		Quantity of villas:	2014: 36 (2013: nil)	
		Selling price per m^2:	2014: from US$5,000 to US$9,000 (2013: nil)	
		Expected annual growth in selling price:	2014: 0% (2013: nil)	
		Cash flow velocity (years):	2014: 7 (2013: nil)	
		Risk-adjusted discount rate:	2014: 15% (2013: nil)	

Notes to the consolidated financial statements

14. TRADING PROPERTIES

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	64,524	38,732
Net direct (disposals)/additions	(4,510)	16,869
Net transfers from investment property (see note 12)	5,568	9,115
Disposals through disposal of subsidiary company (see note 26)	(7,252)	–
Impairment loss	(6,216)	(970)
Reversal of impairment loss	–	778
Exchange difference	209	–
At end of year	**52,323**	**64,524**

As at 31 December 2014 and 31 December 2013, part of the Group's immovable property is held as security for bank loans (see note 20).

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

On 15 July 2013, the Company acquired 9.6 million shares, equivalent to 10% of Itacare's share capital, for the amount of €1.9 million. Itacare is a real estate investment company that was listed on AIM until 16 May 2014, when the admission of its ordinary shares to trading on AIM was cancelled following a decision of its shareholders at the Extraordinary General Meeting that took place on 6 May 2014.

	31 December 2014 €'000	31 December 2013 €'000
At beginning of year	2,265	–
Additions	–	1,944
Net change in fair value	(64)	321
At end of year	**2,201**	**2,265**

Fair value hierarchy

The fair value of available-for-sale financial assets, on Itacare's de-listing date, was transferred from Level 1 to Level 3 at the fair value hierarchy.

Notes to the consolidated financial statements

16. EQUITY ACCOUNTED INVESTEES

	DCI Holdings Two Limited ('DCI H2') €'000	Single Purpose Vehicle Five Limited ('SPV5') €'000	Progressive Business Advisors S.A. €'000	DCI Holdings Fifty Limited ('DCI H50') €'000	Total €'000
Balance as at 1 January 2014	179,420	1,418	24	–	180,862
Initial cost of investment (see note 26)	–	–	–	1,972	1,972
Additions	–	1,116	–	–	1,116
Profit on dilution	–	–	–	149	149
Share of profits/(losses), net of tax	52,574	(2,534)	–	106	50,146
Share of revaluation deficit	(22)	–	–	–	(22)
Balance as at 31 December 2014	**231,972**	**–**	**24**	**2,227**	**234,223**
Balance as at 1 January 2013	256,150	1,722	24	–	257,896
Share of losses, net of tax	(76,935)	(304)	–	–	(77,239)
Share of revaluation surplus	205	–	–	–	205
Balance as at 31 December 2013	**179,420**	**1,418**	**24**	**–**	**180,862**

The details of the above investments are as follows:

Name	Principal place of business/ Country of incorporation	Principal activities	Shareholding interest 2014	Shareholding interest 2013
DCI H2	BVIs	Acquisition and holding of investments in Cyprus	50%	50%
SPV5	Cyprus	Acquisition and holding of investments in Greece	25%	25%
Progressive Business Advisors S.A.	Greece	Provision of professional services to Group companies	20%	20%
DCI H50	BVIs	Provision of loan to Group's associate	25%	–

The above shareholding interest percentages are rounded to the nearest integer.

During the year, the Company's investment in its equity accounted investee, DCI H2, increased by €52,552 thousand, compared to the decrease of €76,730 thousand during the year 2013. DCI H2's equity fluctuations for both periods relate to revaluation gains and losses on its property land bank. The decrease recognised in 2013 was principally driven by the reduction in value of the Venus Rock project, whose fair value had been adjusted to reflect the purchase price agreed with China Glory Investment Group ('CGIG'). Considering the fact that the agreement with CGIG was eventually terminated on 10 June 2014, the property of Venus Rock was revalued during the year based on a valuation by independent professional valuers carried out with an effective date 31 December 2014.

Notes to the consolidated financial statements

16. EQUITY ACCOUNTED INVESTEES CONTINUED

The valuation techniques and significant unobservable inputs used are shown below:

Property description	Valuation technique	Significant unobservable inputs		Inter-relationship between key unobservable inputs and fair value measurement
Golf courses and development land, Paphos, Cyprus	Income approach	Selling price per m²:	from €2,800 to €3,500	The estimated fair value would increase/(decrease) if: • Selling price per m² was higher/(lower); • Expected annual growth in selling price was higher/(lower); • Cash flow velocity was shorter/(longer); • Risk-adjusted discount rate was lower/(higher).
		Expected annual growth in selling price:	1% to 3%	
		Cash flow velocity (years):	12 and 13	
		Risk-adjusted discount rate:	12.5% to 12.9%	
Beachfront land, Paphos, Cyprus	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if: • Premiums were higher/(lower); • Discounts were lower/(higher); • Weights on comparables with premiums were higher/(lower); • Weights on comparables with discounts were lower/(higher).
		• Location:	from -30% to 0%	
		• Site size:	from -20% to 0%	
		• Asking vs transaction:	from -15% to 0%	
		• Frontage sea view:	from -30% to 0%	
		• Maturity/development potential:	from 0% to +30%	
		• Building permit:	from 0% to +30%	
		• Weight allocation:	from +20% to +30%	
Agricultural land, Paphos, Cyprus	Market approach	Premiums/(discounts) on the following:		The estimated fair value would increase/(decrease) if: • Premiums were higher/(lower); • Discounts were lower/(higher); • Weights on comparables with premiums were higher/(lower); • Weights on comparables with discounts were lower/(higher).
		• Location:	from 0% to +20%	
		• Site size:	-50%	
		• Asking vs transaction:	from -25% to -10%	
		• Frontage sea view:	from 0% to +20%	
		• Maturity/development potential:	from -20% to 0%	
		• Weight allocation:	from +25% to +40%	
Residential land, Paphos, Cyprus	Combined approach (Market and Income)	*Market approach (50% weight)*		The estimated fair value would increase/(decrease) if: • Premiums were higher/(lower); • Discounts were lower/(higher); • Selling price per m² was higher/(lower); • Expected annual growth in selling price was higher/(lower); • Cash flow velocity was shorter/(longer); • Risk-adjusted discount rate was lower/(higher).
		Premiums/(discounts) on the following:		
		• Long availability in the market:	-5%	
		Income approach (50% weight)		
		Selling price per m²:	€3,000	
		Expected annual growth in selling price:	0% and 3%	
		Cash flow velocity (years):	8	
		Risk-adjusted discount rate:	12.1%	
		Premiums/(discounts) on combined approach value		
		• Location, maturity, size:	from -50% to -10%	
Other Venus Rock land, Paphos, Cyprus	Combined approach (Market and Income)	*Market approach (50% weight)*		The estimated fair value would increase/(decrease) if: • Discounts were lower/(higher); • Selling price per m² was higher/(lower); • Expected annual growth in selling price was higher/(lower); • Cash flow velocity was shorter/(longer); • Risk-adjusted discount rate was lower/(higher).
		Premiums/(discounts) on the following:		
		• Long availability in the market:	-5%	
		Income approach (50% weight)		
		• Selling price per m²:	€3,000	
		• Expected annual growth in selling price:	0% to 3%	
		• Cash flow velocity (years):	8	
		• Risk-adjusted discount rate:	12.1%	

Notes to the consolidated financial statements

16. EQUITY ACCOUNTED INVESTEES CONTINUED

The extended recession in Cyprus and the CGIC agreement terms not allowing the Company to market its Venus Rock property have necessitated the restructuring of DCI H2 bank loans. Namely, DCI H2 has recently completed some bank loan restructurings, rescheduling its loan repayments over a longer period and reducing its debt service obligations for 2015 and 2016, and it is under negotiations with three more banks. Also, it is in final stage discussions aiming to reach an agreement to restructure its respective loan facilities with its major bank lender. DCI H2's bank loans are fully secured, primarily with mortgages against immovable property of its subsidiaries. There are no floating charges relating to these bank loans.

Following the termination of the agreement with CGIC, DCI H2 continues taking action for the disposal of Venus Rock project. If the plans for divestiture of the Venus Rock project do not materialise, and DCI H2 does not secure funds from its subsidiaries or other sources to service its banking debt, the lending institutions would be entitled to exercise the securities they hold against the relevant properties. In such situation, the timing of these disposals and the eventual disposal proceeds cannot be forecasted and could have a significant impact on the Company's investment in DCI H2. However, such a situation is considered remote by DCI H2 and the Company's management.

As of 31 December 2014, Aristo, DCI H2's largest subsidiary, had a total of €2.4 million (2013: €2.4 million) contractual capital commitments on property, plant and equipment and a total of €44 million (2013: €45 million) bank guarantees arising in the ordinary course of its business. Aristo's management does not anticipate any material liability to arise from these contingent liabilities. In addition, 1,500 shares out of 4,975 shares that the Company holds in DCI H2 are pledged as security against Group's bank loans (see note 20).

SPV5 had a total of €778 thousand (2013: €5.1 million) contractual capital commitments on property, plant and equipment. In addition, all 2,500 shares held by the Company in SPV5 are pledged as security against a loan to SPV5 (see note 20).

Summary of financial information for equity accounted investees as at and for the years ended 31 December 2014 and 31 December 2013, not adjusted for the percentage ownership held by the Group:

	DCI H2 €'000	SPV5 €'000	Progressive Business Advisors S.A. €'000	DCI H50 €'000	Total €'000
2014					
Current assets	235,352	7,340	212	6	242,910
Non-current assets	747,722	12,090	2	8,900	768,714
Total assets	**983,074**	**19,430**	**214**	**8,906**	**1,011,624**
Current liabilities	210,121	8,467	96	–	218,684
Non-current liabilities	306,678	13,023	–	–	319,701
Total liabilities	**516,799**	**21,490**	**96**	**–**	**538,385**
Net assets/(liabilities)	**466,275**	**(2,060)**	**118**	**8,906**	**473,239**
Carrying amount of interest in associate	**231,972**	**–**	**24**	**2,227**	**234,223**
Revenues	175,137	810	–	500	176,447
Profit/(loss)	105,676	(12,194)	–	500	93,982
Other comprehensive income	(44)	–	–	–	(44)
Total comprehensive income	**105,632**	**(12,194)**	**–**	**500**	**93,938**
Group's share of profit/(loss) and total comprehensive income	**52,552**	**(2,534)**	**–**	**106**	**50,124**
2013					
Current assets	221,469	10,099	212	–	231,780
Non-current assets	630,273	11,400	2	–	641,675
Total assets	**851,742**	**21,499**	**214**	**–**	**873,455**
Current liabilities	186,022	10,571	96	–	196,689
Non-current liabilities	305,076	5,258	–	–	310,334
Total liabilities	**491,098**	**15,829**	**96**	**–**	**507,023**
Net assets	**360,644**	**5,670**	**118**	**–**	**366,432**
Carrying amount of interest in associate	**179,420**	**1,418**	**24**	**–**	**180,862**
Revenues	29,786	–	455	–	30,241
(Loss)/profit	(154,643)	(1,217)	1	–	(155,859)
Other comprehensive income	411	–	–	–	411
Total comprehensive income	**(154,232)**	**(1,217)**	**1**	**–**	**(155,448)**
Group's share of loss and total comprehensive income	**(76,730)**	**(304)**	**–**	**–**	**(77,034)**

Notes to the consolidated financial statements

17. RECEIVABLES AND OTHER ASSETS

	31 December 2014 €'000	31 December 2013 €'000
Trade receivables	283	339
Amount receivable from Archimedia Holdings Corp. ('Archimedia')(see note 25.4)	415	1,509
VAT receivables	6,206	7,676
Other receivables	10,807	11,032
Total trade and other receivables (see note 28)	17,711	20,556
Prepayments and other assets	3,427	8,400
Total	**21,138**	**28,956**

18. CASH AND CASH EQUIVALENTS

	31 December 2014 €'000	31 December 2013 €'000
Bank balances (see note 28)	30,952	7,075
Cash in hand	26	25
Total	**30,978**	**7,100**

During the period, the Group had no fixed deposits. The average interest rate on the fixed deposit balances for the year ended 31 December 2013 was 0.495%.

As at 31 December 2014, the amounts of €5 million and €18.9 million (US$22.9 million) received through Colony Luxembourg S.a.r.l and Melody Business Finance LLC loan facilities are restricted for use only towards the development of Amanzoe and Playa Grande projects, respectively. In addition, funds in bank accounts of certain Group companies are pledged as a security for loans (see note 20).

19. CAPITAL AND RESERVES

Capital

Authorised share capital

	31 December 2014		31 December 2013	
	'000 of shares	€'000	'000 of shares	€'000
Common shares of €0.01 each	2,000,000	20,000	2,000,000	20,000

Movement in share capital and premium

	Shares in '000	Share capital €'000	Share premium €'000
Capital at 1 January 2013 and 31 December 2014	**642,440**	**6,424**	**498,933**

Warrants

In December 2011, the Company raised €8.5 million through the issue of new shares at GBP 0.27 per share (with warrants attached to subscribe for additional Company shares equal to 25% of the aggregate value of the new shares at the price of GBP 0.317 per share, subject to anti-dilution adjustments pursuant to the warrant's terms and conditions – initial price of GBP 0.35 per share). The warrant holders can exercise their subscription rights within five years from the admission date. The number of shares to be issued on exercise of their rights will be determined based on the subscription price on the exercise date.

Reserves

Translation reserve

Translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of available-for-sale financial assets until the assets are derecognised or impaired, and the revaluation of property, plant and equipment from both subsidiaries and equity accounted investees, net of any deferred tax.

Notes to the consolidated financial statements

20. LOANS AND BORROWINGS

	Total		Within one year		Within two to five years		More than five years	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Loans in euro	111,562	76,390	20,943	11,619	23,986	32,550	66,633	32,221
Loans in United States dollars	43,128	10,982	2,984	1,902	10,009	7,760	30,135	1,320
Bank overdrafts in euro	2,239	2,239	2,239	2,239	–	–	–	–
Convertible bonds payable	83,160	79,193	–	–	83,160	79,193	–	–
Total	**240,089**	**168,804**	**26,166**	**15,760**	**117,155**	**119,503**	**96,768**	**33,541**

Terms and conditions

The terms and conditions of outstanding loans were as follows:

Description	Currency	Interest rate	Maturity dates	31 December 2014 €'000	31 December 2013 €'000
Secured loans	Euro	Euribor plus margins ranging from 5% to 6.5%	From 2015 to 2026	49,474	52,936
Secured loans	Euro	Basic rate plus margins ranging from 1.5% to 2.25%	From 2015 to 2022	19,897	19,849
Secured loans	Euro	Fixed rates ranging from 7.9% to 11%	From 2016 to 2020	42,191	3,605
Secured loans	United States Dollars	Libor plus margins ranging from 2% to 8%	From 2017 to 2020	43,128	10,982
Unsecured bank overdraft	Euro	9.05%	On demand	2,239	2,239
Convertible bonds payable	Euro	5.50%	2018	50,000	50,000
Convertible bonds payable	United States Dollars	7%	From 2016 to 2018	33,160	29,193
Total interest-bearing liabilities				**240,089**	**168,804**

Notes to the consolidated financial statements

20. LOANS AND BORROWINGS CONTINUED

Securities

As at 31 December 2014, the Group's loans and borrowings were secured as follows:

- Mortgage against immovable property of the subsidiary in Dominican Republic, PGH, with a carrying amount of €36.2 million (2013: €27.3 million).
- Mortgage against the immovable property of the Croatian subsidiary, Azurna, with a carrying amount of €32.2 million (2013: €34 million), two promissory notes and a debenture note.
- Mortgage against immovable property of the Turkish subsidiary, Kalkan Yapi ve Turizm A.S., with a carrying amount of €8.7 million (2013: €8.7 million). As at 31 December 2013, there was also a mortgage against immovable property of Pasakoy Yapi ve Turism A.S., a Turkish subsidiary disposed of, with a carrying amount of €11.4 million.
- Mortgage against the immovable property of the Cypriot subsidiary, Symboula Estates Limited, with a carrying amount of €41.2 million (2013: €43.6 million).
- Mortgage against immovable property of the Cypriot associate, Aristo, amounting to €2.8 million (2013: €2.8 million).
- First and second prenotations of mortgage against immovable property of the Greek subsidiary, Aristo Developers S.A., with a carrying amount of €1.4 million (2013: €1.5 million), and a prenotation of mortgage against immovable property of the same entity, with a carrying amount of €7.9 million (2013: €7.8 million).
- Lien up to €41.6 million on immovable properties of the Greek subsidiaries of The Porto Heli project, with a carrying amount of €178 million (2013: €176 million).
- Pledge of 1,500 shares of DCI H2 for Symboula Estates Limited bank loans and all shares of SPV 5 for SPV 5 loan facility received from DCI H50 (2013: pledge of 1, 500 shares of DCI H2) (see note 16).
- Pledge of 4,495 shares of the Cypriot subsidiary, DCI 14, and all shares of six Cypriot and Greek subsidiaries of Amanzoe project for DCI 14 loan received from Colony Luxembourg S.a.r.l. acting on behalf of managed funds.
- Pledge of all shares of PGH, its subsidiary, Playa Grande Golf Resort Inc., and its parent, DCA Holdings Seven Limited, for the loan received by DCA Holdings Seven Limited's parent, DCA Holdings Six Limited, from Melody Business Finance LLC, acting as administrative agent of a group of lenders.
- Fixed and floating charges over the rights, titles and interests of DCI 14 and three Cypriot subsidiaries of Amanzoe project, charge over their bank accounts and assignment of their intra-group receivables for the loan from Colony Luxembourg S.a.r.l.
- Pledge over the net loan proceeds related to the loan through Melody Business Finance LLC.
- Pledge over funds in bank accounts of PGH and its subsidiary, Playa Grande Golf Resort Inc., pledge over rights under insurance policies, conditioned assignment over operation and promissory notes for disbursements in connection with Playa Grande Golf Resort Inc. bank loan.
- Corporate guarantees by DCI Holdings One Limited for the serving of the bank loans of Cypriot subsidiary, Symboula Estates Limited, amounting to €21.3 million (2013: €21.3 million).
- Corporate guarantee by the Company on PGH group bank loan and convertible bonds issued in 2011, as at 31 December 2014 and 31 December 2013.
- Guarantee by Dolphin Capital Americas Limited, the parent of DCA Holdings Six Limited, on the payment and performance of guaranteed obligations in connection with the loan from Melody Business Finance LLC.

Notes to the consolidated financial statements

20. LOANS AND BORROWINGS CONTINUED

Convertible bonds payable

On 5 April 2013, the Company issued 5,000 bonds (the 'Euro Bonds') at €10 thousand each, bearing interest of 5.5% per annum, payable semi-annually, and maturing on 5 April 2018.

On 23 April 2013, the Company issued 917 bonds (the 'US$ Bonds') at US$10 thousand each, bearing interest of 7% per annum, payable semi-annually, and maturing on 23 April 2018.

The Euro Bonds and the US$ Bonds may be converted prior to maturity (unless earlier redeemed or repurchased) at the option of the holder into common shares of €0.01 each. The initial conversion price is €0.5737 (representing GBP 0.50 per share converted into euro at the fixed exchange rate of GBP 1.00:€1.1474) and US$0.6717 (representing GBP 0.45 per share converted into United States dollars at the fixed exchange rate of GBP 1.00:US$1.4928) per share for the Euro Bonds and the US$ Bonds, respectively.

The Euro Bonds and the US$ Bonds are not publicly traded.

Part of the bonds, amounting to €41,004 thousand, was subscribed by Third Point LLC, a significant shareholder of the Company (see note 25.5).

On 29 March 2011, DCI H7 issued 4,000 bonds at US$10 thousand each, bearing interest of 7% per annum, payable semi-annually, and maturing on 29 March 2016. The bonds are trading on the Open Market of the Frankfurt Stock Exchange (the freiverkehr market) under the symbol 12DD. On 23 April 2013, the Company purchased 891 bonds at a consideration of US$10 thousand each (representing their par value) plus corresponding accrued interest of approximately US$200 thousand using the funds received from the issue of the US$ Bonds.

Bonds may be converted prior to maturity (unless earlier redeemed or repurchased) at the option of the holder into Company's common shares of €0.01 each for a conversion price of US$0.7239, equivalent of GBP 0.453, subject to anti-dilution adjustments pursuant to the bond's terms and conditions (initial conversion price GBP 0.50). The number of shares to be issued on exercise of a conversion right shall be determined by dividing the principal amount of the bonds to be converted by the conversion price in effect on the relevant conversion date.

At the option of bondholders:

(i) some or all of the principal amount of the bonds held by a bondholder may be repurchased by the issuer; and

(ii) the consideration for such repurchase shall be the transfer by the Company to the bondholder of land plot(s) at the issuer's Playa Grande Aman development in the Dominican Republic.

21. DEFERRED TAX ASSETS AND LIABILITIES

	31 December 2014		31 December 2013	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Balance at the beginning of the year	4,230	(56,610)	3,384	(45,454)
From disposal of subsidiary (see note 26)	(1,162)	–	–	–
Recognised in profit or loss (see note 10)	(510)	2,218	1,427	(12,393)
Recognised in other comprehensive income (see note 10)	–	(555)	–	1,118
Exchange difference and other	(1)	(233)	(581)	119
Balance at the end of the year	**2,557**	**(55,180)**	**4,230**	**(56,610)**

Deferred tax assets and liabilities are attributable to the following:

	31 December 2014		31 December 2013	
	Deferred tax assets €'000	Deferred tax liabilities €'000	Deferred tax assets €'000	Deferred tax liabilities €'000
Revaluation of investment property	–	(45,160)	–	(45,452)
Revaluation of trading properties	–	(2,394)	–	(4,723)
Revaluation of property, plant and equipment	–	(8,374)	–	(6,180)
Other temporary differences	–	748	–	(255)
Tax losses	2,557	–	4,230	–
Total	**2,557**	**(55,180)**	**4,230**	**(56,610)**

Notes to the consolidated financial statements

22. FINANCE LEASE OBLIGATIONS

	31 December 2014			31 December 2013		
	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000	Future minimum lease payments €'000	Interest €'000	Present value of minimum lease payments €'000
Less than one year	529	62	467	502	79	423
Between two and five years	1,738	227	1,511	1,773	293	1,480
More than five years	9,168	3,051	6,117	11,665	5,127	6,538
Total	**11,435**	**3,340**	**8,095**	**13,940**	**5,499**	**8,441**

The major finance lease obligations comprise leases in Greece with 99-year lease terms.

23. TRADE AND OTHER PAYABLES

	31 December 2014 €'000	31 December 2013 €'000
Trade payables	349	514
Land creditors	24,989	24,251
Prepayments from clients	17,893	7,178
Investment Manager fees payable (see note 25.2)	467	467
Payable to the former controlling shareholder of PGH project (see note 25.4)	565	498
Other payables and accrued expenses	17,796	20,207
Total	**62,059**	**53,115**

24. NAV PER SHARE

	31 December 2014 '000	31 December 2013 '000
Total equity attributable to owners of the Company (€)	557,448	523,672
Number of common shares outstanding at end of year	642,440	642,440
NAV per share (€)	**0.87**	**0.82**

25. RELATED PARTY TRANSACTIONS

25.1 Directors of the Company

Miltos Kambourides is the founder and managing partner of the Investment Manager.

The interests of the Directors, all of which are beneficial, in the issued share capital of the Company as at 31 December 2014 were as follows:

	Shares '000
Miltos Kambourides (indirect holding)	65,081
Roger Lane-Smith	60
Andreas Papageorghiou	5

Save as disclosed, none of the Directors had any interest during the period in any material contract for the provision of services which was significant to the business of the Group.

On 30 May 2013, David B. Heller acquired convertible Euro Bonds of €2,050 thousand par value that may be converted prior to maturity into 3,573,296 common Company shares of €0.01 each.

Notes to the consolidated financial statements

25. RELATED PARTY TRANSACTIONS CONTINUED

25.2 Investment Manager fees

Annual fees

The Investment Manager is entitled to an annual management fee of 2% of the equity funds defined as follows:

- €890 million; plus
- The gross proceeds of further equity issues, other than the funds raised in respect of the proceeds of the equity issues as at 25 October 2012 and 30 December 2011; plus
- Realised net profits less any amounts distributed to shareholders.

The equity funds as at 31 December 2014 comprised €681 million.

In addition, the Company shall reimburse the Investment Manager for any professional fees or other costs incurred on behalf of the Company for the provision of services or advice.

Management fees for the years ended 31 December 2014 and 31 December 2013 amounted to €13,671 thousand and €13,780 thousand, respectively.

Performance fees

The Investment Manager is entitled to a performance fee based on the net profits made by the Company, subject to the Company receiving the 'Relevant Investment Amount' which is defined as an amount equal to:

i The total cost of the investment reduced on a pro rated basis by an amount of €160.1 million*; plus

ii A hurdle amount equal to an annualised percentage return equal to the average one-month Euribor rate applicable in the period commencing from the month when the relevant cost is incurred compounded for each year or fraction of a year during which such investment is held (the 'Hurdle'); plus

iii A sum equal to the amount of any realised losses and/or write-downs in respect of any other investment which has not already been taken into account in determining the Investment Manager's entitlement to a performance fee.

In the event that the Company has received distributions from an investment equal to the Relevant Investment Amount, any subsequent net profits arising shall be distributed in the following order or priority:

i 60% to the Investment Manager and 40% to the Company until the Investment Manager shall have received an amount equal to 20% of such profits; and

ii 80% to the Company and 20% to the Investment Manager, such that the Investment Manager shall receive a total performance fee equivalent to 20% of the net profits.

* The total cost of investment was reduced in April 2014 by €7.6 million, as compared to the base reduction of €167.7 million, to reflect the loss incurred by the Company through the Pasakoy Yapi ve Turizm A.S. ('Pasakoy') sale transaction, as calculated in accordance with the Investment Management Agreement provisions and definitions.

The performance fee payment is subject to the following escrow and clawback provisions:

Escrow

The following table displays the current escrow arrangements:

Escrow	Terms
Up to €109 million returned	50% of overall performance fee held in escrow
Up to €109 million plus the cumulative hurdle returned	25% of any performance fee held in escrow
After the return of €409 million post-hurdle, plus the return of €225 million post-hurdle	All performance fees released from escrow

Clawback

If on the earlier of (i) disposal of the Company's interest in a relevant investment or (ii) 1 August 2020, the proceeds realised from that investment are less than the Relevant Investment Amount, the Investment Manager shall pay to the Company an amount equivalent to the difference between the proceeds realised and the Relevant Investment Amount. The payment of the clawback is subject to the maximum amount payable by the Investment Manager not exceeding the aggregate performance fees (net of tax) previously received by the Investment Manager in relation to other investments.

No performance fees were charged to the Company for the years ended 31 December 2014 and 31 December 2013. As at 31 December 2014 and 31 December 2013, funds held in escrow, including accrued interest, amounted to €467 thousand.

Notes to the consolidated financial statements

25. RELATED PARTY TRANSACTIONS CONTINUED

25.3 Directors' remuneration

The Directors' remuneration for the years ended 31 December 2014 and 31 December 2013 were as follows:

	From 1 January 2014 to 31 December 2014 €'000	From 1 January 2013 to 31 December 2013 €'000
Andreas Papageorghiou	15.0	15.0
Cem Duna	15.0	15.0
Roger Lane-Smith	45.0	45.0
Antonios Achilleoudis	15.0	15.0
Christopher Pissarides	50.0	50.0
David B.Heller	18.8	14.2
Total	**158.8**	**154.2**

Mr. Miltos Kambourides has waived his fees.

On 14 March 2013, Mr. David B. Heller was appointed as non-executive Director, having been nominated for appointment by Third Point LLC. On 10 June 2014, he was elected to be Chairman of the Board of the Company. The previous Chairman, Mr. Andreas Papageorgiou, will continue to act as a non-executive director.

On 25 February 2015, the Company announced the following Directorate changes: five new members joined the Board, Mr. Laurence Geller, who will also serve as Chairman, Mr. Robert Heller, Mr. Graham Warner, Mr. Mark Townsend and Mr. Justin Rimel. Mr. Miltos Kambourides, Mr. David Heller and Mr. Roger Lane Smith remain on the new Board, which now comprises eight members.

25.4 Shareholder and development agreements

Shareholder agreements

DolphinCI Twenty Two Limited, a subsidiary of the Group, had signed a shareholder agreement with the non-controlling shareholder of Eastern Crete Development Company S.A., under which it had acquired 60% of the shares of Plaka Bay project by paying the former majority shareholder a sum upon closing and a conditional amount in the event the non-controlling shareholder was successful in, among others, acquiring additional specific plots and obtaining construction permits. On 23 August 2013, the parties signed a new agreement for the purchase of the remaining 40% stake of the entity. The base consideration for the purchase was €4.4 million payable in three instalments: €2.4 million by 10 September 2013, €1 million by 30 September 2013 and €1 million by 31 October 2013. The last instalment of €1 million was transferred in February 2014. Consideration might be increased by the transfer of plots of land in the project, to the seller, of total market value equal to €4 million, subject to the project receiving permits for building 40,000 m^2, of freehold residential properties. The conditional deferred consideration will be adjusted pro rata in case the buildable properties are less than 40,000 m^2 but is also subject to a 5% annual increase commencing from the second anniversary from the signing of the agreement and until implementation from the Company.

On 20 September 2010, the Group signed an agreement with Archimedia, controlled by John Hunt, for the sale of a 14.29% stake in Amanzoe for a consideration of €11 million. The agreement also granted Archimedia the right to partially or wholly convert this shareholding stake into up to three predefined Aman Villas (the 'Conversion Villas') for a predetermined value and percentage per Villa. The first €1 million of the consideration was received at signing, while the completion of the transaction and the payment of the €10 million balance was subject to customary due diligence on the project and the issuance of the construction permits for the Conversion Villas prior to a longstop date set at 1 April 2011. On 28 March 2011, the Company reached an agreement with Archimedia to vary the original terms of the sale agreement, which was followed by the Company and Archimedia entering into an amended sale agreement on 13 March 2012. The Company received US$12,422 thousand and €1,300 thousand, while US$978 thousand and €800 thousand due as at 31 December 2013, plus any additional consideration that could be due depending on the exact size and features of the Conversion Villas, would be received upon completion of the Conversion Villas. On 2 July 2014, Archimedia remitted €904 thousand (€263 thousand and US$878 thousand) to the Company towards this end. The total receivable amount of €415 thousand (31 December 2013: €1,509 thousand) is included in receivables and other assets (see note 17). On 3 August 2012, the Company received a Conversion Notice from Archimedia to convert 6.43% of its shares in Amanzoe in exchange for an Aman Villa and on 27 December 2012 a further Notice for the conversion of the remaining 7.86% of its shares for two other Aman Villas. On 17 September 2014, the conversion of 6.43% of Archimedia's 14.29% stake into one of the designated Conversion Villas was completed while the finalisation of the relevant documentation for the conversion of the remaining 7.86% is expected shortly. Following these conversions, Archimedia will not hold any shareholding interest in Amanzoe.

On 6 August 2012, the Company signed an agreement for the sale of eight out of the nine remaining Seafront Villas, part of the Mindcompass Overseas Limited group of entities. The total base net consideration agreed for this sale was €10 million, with the Company also entitled to 50% profit participation in the sale of five Villas. It was also agreed that the Company would undertake the construction contract for the completion of the Villas and a €1 million deposit was paid upon signing. During 2013, the Company received an additional amount of €990 thousand. The construction of the two Villas is currently underway.

Notes to the consolidated financial statements

25. RELATED PARTY TRANSACTIONS CONTINUED

25.4 Shareholder and development agreements continued

Shareholder agreements continued

On 5 September 2012, the Company signed a sales agreement with a regional investor group led by Mr. Alberto Vallarino for the sale of its 60% shareholding in Peninsula Resort Holdings Limited, the entity that indirectly holds the land for Pearl Island's Founders' phase of the Pearl Island Project. The consideration for the sale was a cash payment of US$6 million (50% paid at closing on 14 September 2012 and 50% one year from closing, collected on 17 September 2013) and a commitment to invest an additional circa US$35 million of development capital within a maximum period of two years in order to complete the aforementioned phase of the project. Out of those funds, approximately US$13 million shall be incurred on development of components owned by Pearl Island Limited S.A., with US$12,553 thousand already invested by 31 December 2014 (31 December 2013: US$7,171 thousand).

On 24 September 2012, the Company signed an agreement with an affiliate of the Swiss Development Group for the sale of a 75% stake in the Nikki Beach Resort & Spa at Porto Heli together with a contract for the management and construction of the project for a minimum consideration of €3.15 million, that will increase depending on the size of the loan facility obtained, the returns realised and the final construction cost. An amount of €1.23 million had been received by the Company as of 31 December 2012, and the remaining balance of the minimum consideration was received in early 2013.

Development agreements

Pursuant to the original Sale and Purchase Agreement of 10 December 2007, DCI H7 was obliged to make payments for the construction of infrastructure on the land retained by DR Beachfront Real Estate LLC ('DRB'), the former majority shareholder of PGH. Pursuant to a restructuring agreement dated 5 November 2012, those obligations have been restructured with the material provisions of that agreement already fulfilled. As at 31 December 2014, following cash payments of US$7.6 million and transfers of land parcels valued at approximately US$11 million, the total provision outstanding is US$0.7 million (€565 thousand) (31 December 2013: US$0.7 million or €498 thousand) which is included in trade and other payables (see note 23).

Pedro Gonzalez Holdings II Limited, a subsidiary of the Group in which the Company holds a 60% stake, has signed a Development Management agreement with DCI Holdings Twelve Limited ('DCI H12') in which the Group has a stake of 60%. Under its terms, DCI H12 undertakes, among others, the management of permitting, construction, sale and marketing of the Pearl Island project.

25.5 Other related parties

During the years ended 31 December 2014 and 31 December 2013, the Group incurred the following related party transactions with the following parties:

2014

Related party name	€'000	Nature of transaction
Iktinos Hellas S.A.	48	Project management services in relation to Sitia project and rent payment
John Heah, non-controlling shareholder of SPV 10	486	Design fees in relation to Kea Resort project and Playa Grande project
Progressive Business Advisors S.A.	314	Accounting fees
Aristo	1,445	Sale of property to Group company
Portoheli Ksenodoxio Kai Marina S.A.	7,655	Construction cost and project management services in relation to Nikki Beach project
Third Point LLC, shareholder of the Company	2,326	Bond interest for the year

2013

Related party name	€'000	Nature of transaction
Iktinos Hellas S.A.	48	Project management services in relation to Sitia project and rent payment
John Heah, non-controlling shareholder of SPV 10	73	Design fees in relation to Kea Resort project and Playa Grande project
Portoheli Ksenodoxio Kai Marina S.A.	4,345	Construction cost and project management services in relation to Nikki Beach project
Progressive Business Advisors S.A.	292	Accounting fees
Third Point LLC, shareholder of the Company	41,004	Subscription to bonds (see note 20)
Third Point LLC, shareholder of the Company	1,695	Bond interest for the year

Notes to the consolidated financial statements

26. BUSINESS COMBINATIONS

During the year ended 31 December 2014, the Group increased its ownership interest in Bourne Holdings (Cyprus) Limited (holding company of Eastern Crete Development Company S.A.) by 9.09% to 100% and in DCI 14 by 6.43% to 92.14% as follows:

	Eastern Crete Development Company S.A. €'000	DCI 14 €'000	Total €'000
Non-controlling interests acquired	1,535	(1,512)	23
Consideration transferred	(1,000)	(4,914)	(5,914)
Less: receivables assignment	–	2,936	2,936
Net consideration transferred	(1,000)	(1,978)	(2,978)
Acquisition effect recognised in equity	**535**	**(3,490)**	**(2,955)**

The consideration transferred for the acquisition of the 6.43% stake in DCI 14 relates to a conversion villa, per relevant agreement (see note 25.4).

During the year ended 31 December 2014, the Group disposed of its entire stake in Pasakoy and reduced its participation in DCI H50 from 100% to 50%, as follows:

	Pasakoy €'000	DCI H50 €'000	Total €'000
Deferred tax assets (see note 21)	(1,162)	–	(1,162)
Non-current assets	(955)	–	(955)
Trading properties (see note 14)	(7,252)	–	(7,252)
Receivables and other assets	(394)	(3,943)	(4,337)
Cash and cash equivalents	(1)	(1)	(2)
Loans and borrowings	1,423	–	1,423
Trade and other payables	52	–	52
Net assets on which control was lost	(8,289)	(3,944)	(12,233)
Equity accounted investees (see note 16)	–	1,972	1,972
Net assets disposed of	(8,289)	(1,972)	(10,261)
Proceeds on disposal	8,289	1,760	10,049
Translation reserve	2,709	–	2,709
Gain on disposal recognised in profit or loss	**2,709**	**(212)**	**2,497**
Cash effect on disposal:			
Proceeds on disposal	8,289	1,760	10,049
Cash and cash equivalents	(1)	(1)	(2)
Net cash inflow on disposal	**8,288**	**1,759**	**10,047**

During the year ended 31 December 2013, the Group increased its ownership interest without any change in control in Bourne Holdings (Cyprus) Limited (holding company of Eastern Crete Development Company S.A.) by 30.91% to 90.91% as follows:

	Eastern Crete Development Company S.A. €'000
Non-controlling interests acquired	5,291
Consideration transferred	(3,400)
Acquisition effect recognised in equity	**1,891**

Notes to the consolidated financial statements

27. NON-CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

31 December 2014	DCI Holdings Eleven Limited €'000	Pedro Gonzalez Holdings I Limited €'000	Iktinos €'000	DCI 14 €'000	SPV 10 €'000
Non-controlling interests' percentage	**40%**	**40%**	**22.18%**	**7.86%***	**33.33%**
Non-current assets	989	78,012	30,217	97,528	19,713
Current assets	2,220	6,750	100	38,437	230
Non-current liabilities	(47)	(2,179)	(3,517)	(146,678)	(20,232)
Current liabilities	(3,422)	(14,318)	(308)	(17,244)	(1,064)
Net assets	(260)	68,265	26,492	(27,957)	(1,353)
Carrying amount of non-controlling interests	**(104)**	**27,306**	**5,876**	**(2,197)**	**(451)**
Revenue	4,600	583	–	5,776	–
Profit/(loss)	2,022	4,294	(1,415)	(13,697)	6,207
Other comprehensive income	–	–	–	1,347	–
Total comprehensive income	2,022	4,294	(1,415)	(12,350)	6,207
Profit/(loss) allocated to non-controlling interests	**809**	**1,718**	**(314)**	**(1,597)**	**2,069**
Other comprehensive income allocated to non-controlling interests	**–**	**–**	**–**	**106**	**–**
Cash flow from/(used in) operating activities	5	5,078	24	(19,408)	401
Cash flow (used in)/from investing activities	(36)	(5,076)	(25)	4,324	(429)
Cash flow (used in) from financing activities	–	(45)	–	20,185	(2)
Net (decrease)/increase in cash and cash equivalents	**(31)**	**(43)**	**(1)**	**5,101**	**(30)**
31 December 2013					
Non-controlling interests' percentage	**40%**	**40%**	**22.18%**	**14.29%***	**33.33%**
Non-current assets	993	59,882	31,736	99,207	11,329
Current assets	2,001	5,903	271	32,821	454
Non-current liabilities	(28)	(1,839)	(3,818)	(120,901)	(18,439)
Current liabilities	(5,143)	(7,985)	(282)	(26,648)	(904)
Net assets	(2,177)	55,961	27,907	(15,521)	(7,560)
Carrying amount of non-controlling interests	**(871)**	**22,384**	**6,190**	**(2,218)**	**(2,520)**
Revenue	4,220	1,839	–	6,630	–
(Loss)/profit	(40)	3,663	(2,756)	(8,351)	(878)
Other comprehensive income	–	–	–	(5,887)	–
Total comprehensive income	(40)	3,663	(2,756)	(14,238)	(878)
(Loss)/profit allocated to non-controlling interests	**(16)**	**1,465**	**(611)**	**(1,193)**	**(293)**
Other comprehensive income allocated to non-controlling interests	**–**	**–**	**–**	**(841)**	**–**
Cash flow from/(used in) operating activities	533	6,026	37	15,365	(34)
Cash flow used in investing activities	(533)	(6,298)	(6)	(16,046)	(19)
Cash flow from/(used in) financing activities	–	566	(1)	637	149
Net increase/(decrease) in cash and cash equivalents	**–**	**294**	**30**	**(44)**	**96**

* As mentioned in note 26, the Group during 2014 increased its shareholding interest in DCI 14 by 6.43% to 92.14%; as a result, the non-controlling interest decreased from 14.29% to 7.86%.

Notes to the consolidated financial statements

28. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is exposed to credit risk, liquidity risk and market risk from its use of financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's overall strategy remains unchanged from last year.

(i) 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 statement of financial position date. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group's trade receivables are secured with the property sold. Cash balances are mainly held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting year was as follows:

	Carrying amount	
	31 December 2014 €'000	31 December 2013 €'000
Trade and other receivables (see note 17)	17,711	20,556
Cash and cash equivalents (see note 18)	30,952	7,075
Total	**48,663**	**27,631**

Trade and other receivables

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables at the end of the reporting year by geographic region was as follows:

	Carrying amount	
	31 December 2014 €'000	31 December 2013 €'000
Europe	15,363	16,087
Turkey	703	703
Americas	1,645	3,766
Total trade and other receivables	**17,711**	**20,556**

Credit quality of trade and other receivables

The Group's trade and other receivables that relate to business combinations and to VAT receivables are neither past nor due. The amount of VAT receivables is primarily receivable from the Greek government.

Cash and cash equivalents

Exposure to credit risk

The table below shows an analysis of the Group's bank deposits by the credit rating of the bank in which they are held:

	No. of banks	31 December 2014 €'000	31 December 2013 €'000
Bank group based on credit ratings by Moody's			
Rating Aaa to A	3	385	1,866
Rating Baa to B	6	78	641
Rating Caa to C	5	7,427	1,173
Bank group based on credit ratings by Fitch's			
Rating AAA to A–	1	22,285	399
Rating BBB to B–	4	777	2,996
Total bank balances		**30,952**	**7,075**

Notes to the consolidated financial statements

28. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk factors continued

(ii) 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 Group 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 present the contractual maturities of financial liabilities. The tables have been prepared on the basis of contractual undiscounted cash flows of financial liabilities, and on the basis of the earliest date on which the Group might be forced to pay.

	Carrying amounts €'000	Contractual cash flows €'000	Within one year €'000	One to two years €'000	Three to five years €'000	Over five years €'000
31 DECEMBER 2014						
Loans and borrowings	240,089	(332,197)	(39,005)	(48,540)	(116,124)	(128,528)
Finance lease obligations	8,095	(11,435)	(529)	(435)	(1,304)	(9,167)
Land creditors	24,989	(24,989)	(24,989)	–	–	–
Trade and other payables	55,204	(55,204)	(33,811)	(3,440)	(368)	(17,585)
	328,377	**(423,825)**	**(98,334)**	**(52,415)**	**(117,796)**	**(155,280)**
31 DECEMBER 2013						
Loans and borrowings	168,804	(213,604)	(25,392)	(27,177)	(119,804)	(41,231)
Finance lease obligations	8,441	(13,940)	(502)	(443)	(1,329)	(11,666)
Land creditors	24,251	(24,251)	(24,251)	–	–	–
Trade and other payables	49,253	(49,253)	(25,717)	(1,850)	(123)	(21,563)
	250,749	**(301,048)**	**(75,862)**	**(29,470)**	**(121,256)**	**(74,460)**

The Group, as at the date of financial position, had secured individual financing facilities for its individual active projects, which are monitored on an ongoing basis.

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December would have decreased equity and profit or loss by €2,044 thousand (2013: €1,503 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

Notes to the consolidated financial statements

28. FINANCIAL RISK MANAGEMENT CONTINUED

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 Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States dollar. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Group's exposure to foreign currency risk for its use of financial instruments was as follows:

	31 December 2014					31 December 2013				
	Euro '000	USD '000	TRY '000	HRK '000	GBP '000	Euro '000	USD '000	TRY '000	HRK '000	GBP '000
Trade and other receivables	15,467	1,915	1,885	14	–	16,018	6,123	288	–	–
Cash and cash equivalents	10,103	25,132	153	924	–	2,240	5,541	41	4,563	192
Loans and borrowings	(163,801)	(92,621)	–	–	–	(128,629)	(55,406)	–	–	–
Finance lease obligations	(7,961)	(163)	–	–	–	(8,284)	(217)	–	–	–
Land creditors	(24,217)	(938)	–	–	–	(23,571)	(938)	–	–	–
Trade and other payables	(48,578)	(10,009)	(1,944)	(7,309)	–	(43,923)	(9,310)	(2,241)	(7,394)	–
Net statement of financial position exposure	**(218,987)**	**(76,684)**	**94**	**(6,371)**	**–**	**(186,149)**	**(54,207)**	**(1,912)**	**(2,831)**	**192**

The following exchange rates applied at the date of financial position:

Euro 1 equals to:	31 December 2014	31 December 2013
USD	1.21	1.38
TRY	2.83	2.96
HRK	7.66	7.63
GBP	0.78	0.83

Sensitivity analysis

A 10% strengthening of the euro against the following currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
USD	5,742	3,573	5,742	3,573
TRY	(3)	59	(3)	59
HRK	77	34	77	34
GBP	–	(21)	–	(21)

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while improving the return to shareholders. The Board of Directors is committed to implementing a package of measures that are expected to focus on the achievement of the Group's investment objectives, achieve cost efficiencies and strengthen its corporate governance. The Board of Directors decided on 2 June 2015 to proceed with a capital increase of up to €75 million through the placing of new shares through an accelerated book building procedure. The proceeds of the fund raise will be used to finance the implementation of the above-mentioned objectives and provide working capital to the Group.

Notes to the consolidated financial statements

29. COMMITMENTS

As of 31 December 2014, the Group had a total of €19,446 thousand contractual capital commitments on property, plant and equipment (2013: €16,499 thousand).

Non-cancellable operating lease rentals are payable as follows:

	31 December 2014 €'000	31 December 2013 €'000
Less than one year	19	19
Between two and five years	29	50
Total	**48**	**69**

30. CONTINGENT LIABILITIES

Companies of the Group are involved in pending litigations. Such litigations principally relate to day-to-day operations as a developer of second-home residences and largely derive from certain clients and suppliers. Based on the Group's legal advisers, the Investment Manager believes that there is sufficient defence against any claim and they do not expect that the Group will suffer any material loss. All provisions in relation to this matter which are considered necessary have been recorded in these consolidated financial statements.

If investment properties, trading properties and property, plant and equipment were sold at their fair market value, this would have given rise to a payable performance fee to the Investment Manager of approximately €63 million (2013: €48 million), subject always to the escrow and clawback provisions mentioned in note 25.2.

In addition to the tax liabilities that have already been provided for in the consolidated financial statements based on existing evidence, there is a possibility that additional tax liabilities may arise after the examination of the tax and other matters of the companies of the Group in the relevant tax jurisdictions.

The Group, under its normal course of business, guaranteed the development of properties in line with agreed specifications and time limits in favour of other parties.

31. SUBSEQUENT EVENTS

On 2 June 2015, the Board of Directors decided (a) to proceed with a capital increase of up to €75 million through the placing of new shares through an accelerated book building procedure, (b) on amendments to the Investment Management agreement between the Company and Investment Manager (including changes to the management fees and performance fees payable by the Company to the Investment Manager) and (c) on the adoption of a management stock incentive plan in respect of which certain Directors and the Investment Manager would be entitled to participate. The implementation of the above would be conditional upon approval by shareholders.

There were no other material events after the reporting period which have a bearing on the understanding of the consolidated financial statements as at 31 December 2014.

Valuation certificates

Board of Dolphin Capital Investors
Dolphin Capital Partners
Vanterpool Plaza
Wickhams Cay 1
Road Town
Tortola
British Virgin Islands

Re: Certificate of Value as of 31 December 2014

Miami Florida, USA, 25 March 2014

Dear Sirs:

In accordance with the terms of our appointment as independent appraisers, we have conducted a valuation of your real estate assets, including land and buildings (the "Assets") belonging to **Dolphin Capital Investors Limited (AIM: DCI.L)** and certain subsidiaries (here after the "Company") in Turkey, Croatia, Dominican Republic and Panama. Colliers Latin America LLC, Colliers International Croatia and Colliers International Property Consultants (Turkey) have been instructed by Dolphin Capital Investors Limited ('DCI'), to offer an opinion of the "Fair Value" of the real estate assets[1] owned by the Company and/or its subsidiaries in the following locations:

DOLPHIN CAPITAL INVESTORS LIMITED REAL ESTATE ASSETS – Q4 2014 REVALUATION

Location	Property	Location	Property
Croatia	Livka Bay Resort	**Dominican Republic**	Playa Grande Club & Reserve
Turkey	La Vanta	**Panama**	Pearl Island

The properties are held for investment and/or held for development or are in the course of development.

The purpose of our valuation analysis was to provide the Board of DCI with information about the Fair Value of the subject assets in order to support their decision-making process in relation to the compliance with the requirements of the International Accounting Standards ("IAS") and the International Financial Reporting Standards ("IFRS").

The value estimates apply as of December 31, 2014 and are subject to the Disclaimers, Certifications and Limiting Conditions in addition to the assumptions contained in our valuation reports and that were addressed to the management of DCI. In the process of preparing this appraisal we have:

- Inspected all the subject properties;
- Relied on information provided by the Company;
- Verified current land use and land use regulations;
- Conducted market research into sales and listing data on comparable properties;
- Interviewed market participants; and
- Examined local market conditions and analyzed their potential effect on the properties.

Our valuations assume that the properties have good and marketable titles and are free of any undisclosed onerous burdens, outgoings or restrictions.

The valuation reports have been prepared at the request of Dolphin Capital Partners and for their exclusive (and confidential) use, and for the specific purpose and function as stated in the reports. All copyright is reserved to the author and the reports are considered confidential by the author and Dolphin Capital Partners.

1. The properties in Croatia and Turkey have been valued by the respective Colliers offices.

Valuation certificates continued

The result of our valuation consulting services does not constitute an investment advice and should not be interpreted as such. Our valuation report is not intended for the benefit of a Bank or Developer (other than the client) or any other third party and should not be taken to supplant other inquiries and procedures that a Bank or any other third party should undertake for the purpose of considering a transaction with DCI and its subsidiaries. Accordingly our work product is not to be used for any other purpose or distributed to third parties.

Our real estate valuation analysis is based on the premise that the Company is and will continue as a going-concern business enterprise.

Our valuation services are performed in accordance with generally accepted appraisal standards and in conformance with the professional appraisal societies.

We confirm that we do not have any material interest in any of the properties and that we have undertaken these valuations as independent valuers.

The date of valuation has been established as of December 31, 2014.

The basis of value is "Fair Value".

The expression Market Value and the term Fair Value as it commonly appears in accounting standards are generally compatible, if not in every instance exactly equivalent concepts. Fair Value, an accounting concept, is defined in IFRS and other accounting standards as the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable, willing parties in an arm's-length transaction. Fair Value is generally used for reporting both Market and Non-Market Values in financial statements. Where the Market Value of an asset can be established, this value will equate to Fair Value.

For reporting purposes, we have adopted Royal Institution of Chartered Surveyors ("RICS") and International Valuation Standards Committee ("IVSC") definition of "Fair Value" as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

Before any valuation analysis can be made, the appropriate premise of value should be established. The general concept of value can be separated into two categories: value-in-exchange on a piecemeal basis and value-in-use. Value-in-exchange represents the action of buyers, sellers, and investors, and implies the value at which the property would sell on a piecemeal basis in the open market. Value-in-use is the value of special purpose property and assets as part of an integrated facility and reflects the extent to which the assets contribute to the profitability of the operation of that facility or going concern. These two premises can have a significant effect on the results of a valuation analysis. For purposes of the valuation of the selected assets, we have used the premise of Value-in-Exchange.

We have performed no test of earnings and cash flows to verify whether there is a sufficient return on and return of investment in the Assets.

The aggregate fair value figure makes no allowance for any effect that placing the whole portfolio on the market contemporaneously may have on the overall realization. The Fair Value of the portfolio sold as single entity would not necessarily be the same as the aggregate figure reported.

Property values may change significantly over a relatively short period. Consequently our valuations are only valid on the date of valuation. On the basis of our research, study, inspection, investigation and analysis, it is our opinion that the subject Assets have an estimated "Fair Value" as of December 31, 2014.

Our Appraisal Reports comply with the reporting requirements set forth under the generally accepted appraisal standards and principles. The valuation reports were prepared in conformity with the International Valuation Standards, the RICS and the Appraisal Institute of Canada. As such, all relevant material was provided in the reports including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in the reports is specific to the needs of the client and for the intended use stated therein.

Respectfully submitted,

Gary Laughton
Vice President Valuation and Advisory Services
Colliers Latin America LLC

Valuation certificates continued

Board of Directors
Dolphin Capital Investors
Vanterpool Plaza
2nd fl.– Wickhams Cay 1
Road Town – Tortola,
BVI

Athens, 1 April 2015

Dear Sirs,

In accordance with the terms of our agreement and as independent appraisers, American Appraisal (Hellas) Limited, hereafter also referred as "AAH", have conducted a valuation of the real estate assets, including land and buildings (the "Assets") owned by Dolphin Capital Investors Limited, hereafter referred to as "DCI" or the "Company" or the "Client" and certain subsidiaries, in Greece and Cyprus.

Specifically, we provided our independent opinion as to the "Fair Value" of the real estate assets owned by the Company and/or its subsidiaries in the areas of:

- Amanzoe, Porto Heli, Greece
- Kilada Hills Golf Resort, Porto Heli, Greece
- Nikki Beach Resort & Spa, Greece
- Lavender Bay Resort, Greece
- Sitia Bay Golf Resort, Greece
- Triopetra, Greece
- Plaka Bay Resort, Greece
- Scorpio Bay Resort, Greece
- Lepitsa Sunset, Greece
- Apollo Heights Polo Resort, Cyprus
- Aman Kea Greece,
- Aristo Developers Properties, Greece
- Aristo Developers Properties, Cyprus
- WIP & Stocks, Cyprus

The purpose of our valuation exercise was to provide the Board of "DCI" with information about the Fair Value of the subject assets in order to assist in relation to the compliance with the requirements of the International Financial Reporting Standards – IFRS, the International Accounting Standards, and specifically according to the IAS 40 – Investment Properties and IAS 16 – Property, Plant and Equipment.

The value estimates apply as of December 31, 2014 and are subject to the Standard Assumptions and Limiting Conditions attached to our valuation reports and are based on the reasonable assumptions contained in our valuation reports.

In the process of preparing these appraisals we have:

- Undertaken inspection to the majority of the subject properties;
- Collected relevant data regarding the prevailing market conditions and trends that can affect the value of the properties;
- Collected relevant data about the availability of comparable properties in the areas examined;
- Investigated prevailing prices and asking values of similar properties in the areas examined;
- We made the appropriate adjustments, where necessary, in order to proceed with the estimation of the Fair Value of the properties under investigation.
- Relied on information provided by the "Company";

Valuation certificates continued

Our valuations assume that the properties have good and marketable titles and are free of any undisclosed legal burdens, outgoings or restrictions.

The valuation reports are not intended for a benefit of a Bank or Developer (other than the Client), have been prepared at the request of the management of Dolphin Capital Investors Ltd for their exclusive (and confidential) use, and for the specific purpose and use stated in the reports. Any other purpose or use of the reports is not valid. Our reports should not be distributed to any third party. All copyright is reserved by the author and the reports are considered confidential by "AAH" and the "Client".

Our valuation consulting services do not constitute and/or include investment advice and should not be interpreted as such.

American Appraisal (Hellas) Limited's valuation services, are performed in conformity with the RICS (Royal Institution of Chartered Surveyors) Appraisal and Valuation Standards (March 2012)[1] and the relevant code of ethics, the International Valuation Standards (IVS[2]) and the IFRS framework. As such, all relevant material was provided in the reports including the discussion of appropriate data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value.

Additional supporting documentation concerning the data, reasoning, and analyses are retained in the appraiser's file. The depth of discussion contained in the reports is specific to the needs of the Client and for the intended use stated therein. Our Appraisal Reports comply with the reporting requirements set forth under the generally accepted appraisal standards and principles.

The basis of value is "Fair Value". For reporting purposes, we have adopted the Royal Institution of Chartered Surveyors ("RICS") and the International Valuation Standards Committee ("IVSC") definition of "Fair Value" as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion[3].".

According to the International Valuation Standards, **Fair Value** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.[4] According to IVS[5], the **Fair Value** under IFRS is generally consistent with the concept of Market Value as defined in the IVS Framework.

American Appraisal (Hellas) Limited has no present or prospective interest in or bias with respect to the properties that are the subject of the reports and has no personal interest or bias with respect to the parties involved and has undertaken these valuations as independent valuer. American Appraisal (Hellas) Limited and its Qualified Valuers, do not have any conflict of interest in respect to the scope and content of work executed.

It is furthermore noted that we have not performed, for the properties in reference a test of earnings and cash flows to verify if they provide sufficient return on the invested capital. Property values may change significantly over a relatively short period. Consequently our valuations are only valid on the date of valuation.

Sincerely yours,

On behalf of American Appraisal (Hellas) Limited

Pavlos M. Zeccos
MSc, CRE®, MRICS
Managing Director

1. Royal Institute of Chartered Surveyors, the "Red Book", January 2014(IVS Framework, IVS 101, IVS 102, IVS 103, IVS 230 & IVS 300.
2. International Valuation Standards (IVS), 2013 edition.
3. RICS: VPS 4 § 1.2 & IVS: IVS Framework § 29.
4. IAS 40: para. 5.
5. IVS: IVS 300, Application Guidance G2.

Management and administration

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Non-executive and independent

Laurence Geller (Chairman)
Robert Heller
Roger Lane-Smith
of the registered office below

Non-executive and non-independent

Graham Warner
Mark Townsend
Justin Rimel
Miltos Kambourides
David B. Heller
of the registered office below

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