LOGICOM PUBLIC LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2014

LOGICOM PUBLIC LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2014

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We hereby certify that the report and financial statements of Logicom Public Limited for the year ended 31 December 2014 is true copy of the report and financial statements laid and deposited at the General Meeting of the Company which has properly confirmed receipt of these.

Για ADAMINCO SECRETARIAL LIMITED
ΜΑΡΙΝΑ ΑΔΑΜΙΔΟΥ, Διοικητικός Σύμβουλος

A Papachristoforou
Director

Secretary

ANTHOULIS PAPACHRISTOFOROU
FOR LOGICOM PUBLIC LTD

BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTORS
Adamos K. Adamides, Chairman
Varnavas Irinarchos, Vice Chairman and Managing Director
Sparsis Modestou, Director
Takis Klerides, Director
Nicos Michaelas, Director
George Papaioannou, Director
Anthoulis Papachristoforou, Director

GROUP CHIEF FINANCIAL OFFICER
Anthoulis Papachristoforou

SECRETARY
Adaminco Secretarial Limited
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

REGISTERED OFFICE
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

MANAGEMENT OFFICE
26 Stasinou Street, Ayia Paraskevi
2003 Strovolos, Nicosia

INDEPENDENT AUDITORS
KPMG Limited
14 Esperidon street
1087 Nicosia
Cyprus

LEGAL ADVISERS
Scordis, Papapetrou & Co LLC
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

BANKERS
Hellenic Bank Public Company Limited
Bank of Cyprus Public Company Limited
National Bank of Greece (Cyprus) Ltd
HSBC Bank Middle East
Banque Audi SAL
Alpha Bank Cyprus Ltd
Societe Generale Cyprus Ltd
Standard Chartered Bank
Eurobank Ergasias S.A.
Piraeus Bank (Cyprus) Ltd
Unicredit Bank
Credito Artigiano S.p.A.
The Cyprus Development Bank Public Company Limited
Societe Generale Lebanon
Garanti Bank
Arab Jordan Investment Bank PLC
National Bank of Greece S.A.
Eurobank Cyprus Ltd
Eurobank Factors S.A
Alpha Bank S.A.
Macquarie Bank Limited (London branch)
FIMBank PLC
Saudi British Bank
National Bank of Fujairah PSC
Arab Bank PLC
Mashreq Bank PSC
Alpha Bank (Romania)
Piraeus Bank A.E.
Marfin Bank (Romania)
Noor Bank
ABC Factors S.A.

LOGICOM PUBLIC LIMITED

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE OFFICIALS OF THE COMPANY RESPONSIBLE FOR THE FINANCIAL STATEMENTS

According to article 9, sections (3)(c) and (7) of the Conditions for Transparency (Movable Securities for Trading in Controlled Market) Law of 2007 (‘‘Law’’), we the members of the Board of Directors and Anthoulis Papachristophorou, BA (Hons) FCCA, Group Financial Controller responsible for the preparation of the financial statements, of the Group and the Company Logicom Public Ltd, for the year ended 31 December 2014, we confirm that to the best of our knowledge:

(a) The annual consolidated and separate financial statements that are presented in pages 9 to 88.

(i) were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, and in accordance with the provisions of Article 9, section (4) of the Law, and

(ii) give a true and fair view of the assets and liabilities, of the financial position and of the profit or losses of Logicom Public Ltd and the businesses that are included in the Consolidated Financial Statements as a whole, and

(b) The directors' report gives a fair review of the developments and the performance of the business as well as the financial position of Logicom Public Limited and the businesses that are included in the Consolidated Financial Statements as a whole, together with a description of the main risks and uncertainties which are faced.

Members of the Board of Directors:

Adamos K. Adamides, Chairman

Varnavas Irinarchos, Vice Chairman and Managing Director

Sparsis Modestou

Takis Klerides

Nicos Michaelas

George Papaioannou

Anthoulis Papachristoforou

Responsible for the preparation of financial statements

Anthoulis Papachristoforou (Group Chief Financial Officer)

Nicosia, 2 April 2015

LOGICOM PUBLIC LIMITED

BOARD OF DIRECTORS' REPORT

The Board of Directors of Logicom Public Limited (the “Company”) presents to the members its report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) and the separate financial statements of the Company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Group continued in 2014 the distribution of high technology products, the supply of services and complete information technology, telecommunication and software solutions and the participation in large infrastructure projects in the water sector.

REVIEW OF RESULTS

The turnover increased by 28,8% in relation to 2013. The turnover of the Distribution Sector shows a significant increase of 22,3% mainly due to the increase of sales in the United Arab Emirates and in Saudi Arabia. The turnover of the Software and Integrated Solutions Division also shows a significant increase of 30,0% despite the state of recession in which the Cyprus and foreign markets have entered into.

The percentage of gross profit margin has decreased from 7,3% in 2013 to 6,7%, mainly due to the high increase in the contribution of the turnover of the Distribution Division where the gross profit margin is lower.

Other Income mainly relates to contributions from suppliers for promotion of their products and income through business relationships with third parties.

The increase in Administration Expenses by €2.096.951, and in percentage terms 7,7% compared to 2013, is mainly due to the increase of personnel and infrastructure expenses as a result of the Group's expansion in new markets and of the increase in the variety of available products.

The profit from operating activities amounted to €13.847.645,which increased by 40,6% compared to 2013 mainly due to the increase of the Group's turnover.

The financing cost, including interest receivable and payable, and related bank charges resulting from the banking facilities used for the expansion of the Group's operations amounted to €5.501.360 compared to €4.879.554 during 2013, showing an increase of 12,7%. The increase is mainly due to the increase of Bank Borrowings for the purpose of financing the additional Working Capital required to support the increased turnover and financing of other activities of the Group.

The Foreign Exchange Difference, resulting from the exchange rate fluctuation between the US Dollar and the Euro, had a negative impact on the Group's Results amounting to a loss of €880.170, compared to 2013 where the profit amounted to €346.927. It is clarified that as from 1/1/2010 the provisions of the IAS39 in relation to Hedge Accounting have been adopted, with the aim to reduce the effects of the exchange rate fluctuation between the US Dollar and the Euro in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The adoption of the provisions of IAS 39 limited the effect on Group Results. Profit amounting to €3.941.794 which arose on the conversion of the net investment in foreign subsidiaries was hedged in reserves with a loss of €3.941.794 that arose on the conversion of long-term and short-term loans.

According to the direcitves of the Revised International Accounting Standard 21, the increase in the value of the Company's investments in foreign subsidiaries, due to exchange differences, amounting to €1.063.988 is transferred to the Reserves until the date of liquidation where any result will be transferred to the Statement of Profit or Loss and Other Comprehensive Income.

The Share of loss of associated companies and partnership and the Share of loss attributable to Non-Controlling interest mainly relates to the calculated impairment of the investment in Laranaka Desalination Unit, taking into account corresponding claims.

The decrease in taxation by €812.979 is mainly due to the provisions for Deferred Taxation resulting from the Group's taxable losses.

REVIEW OF RESULTS *(continued)*

The Group's profit before tax amounted to €6.260.514 for the year 2014 compared to €5.017.098 in 2013, that corresponds to an increase in percentage terms of 24,8%. The increase is mainly due to the increase of the Group's turnover. The profit attributable to the Company's shareholders has increased by €2.418.081 and in percentage terms by 59,6%, from €4.055.495 in 2013 to €6.473.576 in 2014.

The earnings per share and the diluted earnings per share in 2014 increased by 59,8% compared to 2013 to 8,74 cents.

The Group's cash and cash equivalents compared to the bank overdrafts present a credit balance of €23.584.481at the end of 2014 compared to €19.739.786 at the end of 2013. The short-term loans have increased to €39.611.692 from €21.682.785. The long-term loans have decreased to €11.018.933 from €15.334.542.

DIVIDEND POLICY

The Board of Directors decided to propose for approval at the Annual General Meeting of the shareholders, a final dividend of €2.963.184 for 2014, which corresponds to €0,040 cent per share and in percentage terms to 45,8% of the profits for the year attributable to the company's shareholders.

SHARE CAPITAL

There was no change to the issued share capital of the Company for the year 2014.

All shares are listed and traded in the Cyprus Stock Exchange, they have the same and equal rights and have no limitations in their transfer. Detailed information in relation to the Company's share capital is presented in note 21 of the consolidated financial statements.

BOARD OF DIRECTORS

The members of the Board of Directors on 31 December 2014 and as at the date of the existing report are set out on page 2. According to article 94 of the Company's articles of association Sparsis Modestou and George Papaioannou resign by rotation, but can be re-elected and they offer themselves for re-election.

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

BRANCHES

The Group operates branches in Bahrain and Malta. The Group operates through subsidiary companies in United Arab Emirates, Saudi Arabia, Lebanon, Jordan, Greece, Italy, Turkey, Romania, Germany. Qatar, Kuwait and Oman.

MAIN RISKS

The main risks faced by the Group and the Company are stated and analysed in note 30 of the consolidated financial statements.

SIGNIFICANT INFORMATION, ESTIMATIONS, GOALS AND PROSPECTS

The Company through its subsidiary company Verendrya Ventures Ltd and in a joint venture with a 50% share completed the construction of the Desalination plant in Episkopi based on a relevant agreement with the Water Development Department dated 7 August 2009. As announced as per agreement dated 20/07/2011 Dementra Investments Public Ltd, participates indirectly to the execution and operation of the desalination project in Episkopi with 40% share of Verendrya Ventures Ltd interest in the joint venture. The construction of the project was completed in June 2012 and the desalination unit remains in stand-by mode since 1 July 2012 until 27 April 2014. The desalination unit started production on the 28 April 2014.

SIGNIFICANT INFORMATION, ESTIMATIONS, GOALS AND PROSPECTS *(continued)*

The Company through its subsidiary company Verendrya Ventures Ltd and in a joint venture with a 50% share signed on 26/1/2012 an agreement with the Water Development Department for the renovation and operation of an existing desalination unit in Larnaca. Demetra Investment Public Ltd is indirectly involved in the implementation and operation of the desalination project in Larnaca at a rate corresponding to 40% interest of Verendrya Ventures Ltd in the joint venture. The unit is expected to start operation in May 2015.

During 2014, despite the negative effects from the continued global economic crisis, the turnover, the operating profit and the net profit have increased, due to the reasons explained in the review of results above.

The efforts for the reduction of the operational and administration costs, as well as for the increased productivity will continue to be pursued.

Despite the existing market conditions which are outlined by the uncertainty resulting from the economic crisis and also from the uncertainty in rate fluctuation between the US Dollar and the Euro, during 2015, the prospects are optimistic and the increase of operating and net profitability will be pursued.

STATEMENT OF DIRECTORS PARTICIPATION IN COMPANY'S SHARE CAPITAL

The percentages of participation in the Company's share capital that were held directly or indirectly by the members of the Board of Directors of the Company on 31 December 2014 and on 2 April 2015 are presented in notes notes 32 and 33 of the consolidated financial statements.

EXECUTIVE DIRECTORS' CONTRACTS

The contracts of the Executive Directors are stated in note 34 of the consolidated financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Group, KPMG Limited, have expressed their willingness to continue in office. A resolution for re-election of the independent auditors and an authorisation to the Board of Directors for fixing their remuneration will be submitted at the Annual General Meeting.

By order of the Board of Directors,

Adaminco Secretarial Limited
Secretary

Nicosia, 2 April 2015

Independent Auditors' report

To the Members of Logicom Public Limited

Report on the consolidated and separate financial statements of Logicom Public Limited

We have audited the accompanying consolidated and separate financial statements of Logicom Public Limited and its subsidiaries the "Group") and the separate financial statements of Logicom Public Limited ("the Company") on pages 9 to 88, which comprise the consolidated statement of financial position and the statement of financial position of the Company as at 31 December 2014, and the consolidated and separate statements of , changes in equity and cash flows, and the statements , changes in equity and cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements of the Company 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 and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the Company. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of consolidated and separate 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 and separate 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 and the separate financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2014, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 and the requirements of the Stocks and Cyprus Stock Exchange laws and regulations.

Report on other legal requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The consolidated and separate financial statements are in agreement with the books of account
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated and the separate financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 4 to 6 is consistent with the consolidated and the separate financial statements.

Pursuant to the requirements of the Directive DI190-2007-04 of the Cyprus Securities and Exchange Commission, we report that a corporate governance statement has been made for the information relating to paragraphs (a), (b), (c), (f) and (g) of article 5 of the said Directive, and it forms a special part of the Report of the Board of Directors.

Other matter

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

Michalis M. Antoniades, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Chartered Accountants and Registered Auditors
14 Esperidon street
1087 Nicosia
Cyprus

2 April 2015

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	2014 €	2013 €
Revenue		631.176.348	490.003.718
Cost of sales		(588.982.295)	(454.086.504)
Gross profit		42.194.053	35.917.214
Other income	5	1.013.367	1.192.168
Administrative expenses	6	(29.359.775)	(27.262.824)
Profit from operations		13.847.645	9.846.558
Net foreign exchange (loss)/profit		(880.170)	346.927
Interest receivable		167.464	476.412
Interest payable and bank charges		(5.668.824)	(5.355.966)
Net finance expenses	7	(6.381.530)	(4.532.627)
Share of loss of associated companies and partnership (net of taxation)		(1.205.601)	(296.833)
Profit before taxation		6.260.514	5.017.098
Taxation	8	(244.887)	(1.057.866)
Profit for the year		6.015.627	3.959.232
Other comprehensive income that are not to be reclassified to profit or loss in future periods			
Deficit on revaluation of land and buildings		-	(318.746)
Other comprehensive income that are to be reclassified to profit or loss in future periods			
Surplus from revaluation of investments in shares available for sale		185.959	1.221.891
Exchange difference from translation and consolidation of financial statements from foreign operations		4.389.114	(1.935.883)
Exchange difference in relation to hedge of a net investment in a foreign operation		(3.941.794)	820.242
Deferred taxation arising from exchange differences in relation to foreign operations	8	98.915	32.933
Deferred taxation arising from revaluation of land and buildings	8	(6.465)	132.879
Other comprehensive income for the year after taxation		725.729	272.062
Total comprehensive income for the year after taxation		6.741.356	3.912.548
Profit for the year attributable to:			
Company's shareholders		6.473.576	4.055.495
Non-controlling interest		(457.949)	(96.263)
Profit for the year		6.015.627	3.959.232
Total comprehensive income for the year attributable to:			
Company's shareholders		7.199.305	4.008.811
Non-controlling interest		(457.949)	(96.263)
Total comprehensive income		6.741.356	3.912.548
Basic profit per share (cent)	10	8,74	5,47
Diluted profit per share (cent)	10	8,74	5,47

The notes on pages 17 to 88 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
On 31 December 2014

	Note	2014 €	2013 €
ASSETS			
Property, plant and equipment	11	11.392.452	11.363.133
Intangible assets and goodwill	12	8.853.305	9.195.233
Available-for-sale investments	17	5.927.886	4.692.462
Deferred taxation	26	3.557.620	2.472.888
Total non-current assets		29.731.263	27.723.716
Inventories	18	60.857.033	51.319.697
Trade and other receivables	19	164.574.267	117.769.390
Investments at fair value through profit and loss	16	99.792	248.363
Tax receivable	24	4.465.061	654.825
Cash and cash equivalents	20	25.701.618	22.932.001
Total current assets		255.697.771	192.924.276
Total assets		285.429.034	220.647.992
Equity			
Share capital	21	25.187.064	25.187.064
Reserves	22	38.130.050	32.881.649
Equity attributable to shareholders of the company		63.317.114	58.068.713
Non-controlling interest		(504.526)	(46.577)
Total equity		62.812.588	58.022.136
Liabilities			
Long-term loans	25	5.486.974	7.655.179
Deferred taxation	26	1.448.659	1.254.364
Contingent liabilities	13	436.529	636.529
Total non-current liabilities		7.372.162	9.546.072
Trade and other payables	23	96.842.774	65.746.429
Bank overdrafts	25	49.286.099	42.671.787
Short term loans	25	39.611.692	21.682.785
Current portion of long-term loans	25	5.531.959	7.679.363
Promissory notes	37	22.946.661	13.514.478
Tax payable	24	825.099	1.279.986
Contingent liabilities	13	200.000	504.956
Total current liabilities		215.244.284	153.079.784
Total liabilities		222.616.446	162.625.856
Total equity and liabilities		285.429.034	220.647.992

The consolidated financial statements were approved by the Board of Directors of Logicom Public Limited on 2 April 2015.

....	....
Adamos K. Adamides	Varnavas Irinarchos
Chairman	Managing Director

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2014

	Share capital	Share Premium Reserve	Revaluation Reserve	Fair Value Reserve	Difference arising on the conversion the share capital to Euro	Hedging reserve	Statutory reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total
	€	€	€	€	€	€	€	€	€	€	€	€
Balance at 1 January 2013	25.187.064	10.443.375	3.400.590	-	116.818	(2.415.273)	209.362	(5.811.837)	24.040.997	55.171.096	49.686	55.220.782
Total comprehensive income												
Profit for the year	-	-	-	-	-	-	-	-	4.055.495	4.055.495	(96.263)	3.959.232
Other comprehensive income	-	-	(185.867)	1.221.891	-	820.242	-	(1.902.950)	-	(46.684)	-	(46.684)
Transactions with owners of the Company, recognized directly in equity												
Proposed dividend for 2012 that was paid in 2013 (note 9)	-	-	-	-	-	-	-	-	(1.111.194)	(1.111.194)	-	(1.111.194)
Revaluation reserve utilised through use	-	-	(22.080)	-	-	-	-	-	22.080	-	-	-
Balance at 1 January 2014	25.187.064	10.443.375	3.192.643	1.221.891	116.818	(1.595.031)	209.362	(7.714.787)	27.007.378	58.068.713	(46.577)	58.022.136
Total comprehensive income												
Profit for the year	-	-	-	-	-	-	-	-	6.473.576	6.473.576	(457.949)	6.015.627
Other comprehensive income	-	-	(6.465)	185.959	-	(3.941.794)	-	4.389.114	-	626.814	-	626.814
Transactions with owners of the Company, recognized directly in equity												
Proposed dividend for 2013 that was paid in 2014 (note 9)	-	-	-	-	-	-	-	-	(1.851.989)	(1.851.989)	-	(1.851.989)
Revaluation reserve realised through use	-	-	(22.080)	-	-	-	-	-	22.080	-	-	-
Balance at 31 December 2014	25.187.064	10.443.375	3.164.098	1.407.850	116.818	(5.536.825)	209.362	(3.325.673)	31.651.045	63.317.114	(504.526)	62.812.588

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

The notes on pages 17 to 88 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2014

	Note	2014 €	2013 €
Cash flows from operations			
Profit for the year		6.015.627	3.959.232
Adjustments for:			
Exchange differences		649.186	(991.960)
Depreciation	11	1.016.482	1.002.270
Depreciation on leased property, plant and equipment	11	523.043	570.164
Interest payable		3.342.513	3.637.084
Interest receivable	7	(167.464)	(476.412)
Loss/(profit) on revaluation of investments at fair value through profit and loss		185.512	(33.975)
(Profit)/loss from the sale of property, plant and equipment		(7.837)	45.754
Amortisation of licensing costs	12	90.000	90.000
Taxation		244.887	1.057.866
		11.891.949	8.860.023
Increase in inventories		(9.537.336)	(7.858.971)
Increase in trade and other receivables		(46.804.877)	(7.889.035)
Increase in trade and other payables		31.096.345	2.772.420
		(13.353.919)	(4.115.563)
Interest paid		(3.342.513)	(3.637.084)
Taxation paid		(5.485.334)	(635.030)
Net cash flow used in operations		(22.181.766)	(8.387.677)
Cash flows used in investing activities			
Payments to acquire investments available-for-sale		(1.085.481)	(923.026)
Proceeds from sale of property, plant and equipment		902.141	17.707
Payments to aqcuire intangible assets	12	(53.028)	-
Payments to acquire investments in equity accounted investees	15	(8.259)	-
Payments to acquire investments at fair value through profit and loss		-	(200.000)
Proceeds from sale of intangible assets		(377.441)	-
Decrease in provisions		(504.956)	(294.978)
Payments to acquire property, plant and equipment	11	(1.896.861)	(2.692.892)
Interest received		167.464	476.412
Net cash flow used in investing activities		(2.856.421)	(3.616.777)
Cash flows from financing activities			
Proceeds from issue of new loans		42.975.446	31.947.142
Repayment of loans		(29.362.148)	(29.118.597)
Dividends paid		(1.851.989)	(1.111.194)
Proceeds from promissory notes		9.432.183	4.599.842
Net cash flow from financing activities		21.193.492	6.317.193
Net flow in cash and cash equivalents		(3.844.695)	(5.687.261)
Cash and cash equivalents at beginning of the year		(19.739.786)	(14.052.525)
Cash and cash equivalents at end of the year	20	(23.584.481)	(19.739.786)

The notes on pages 17 to 88 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

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

	Note	2014 €	2013 €
Revenue		70.388.564	60.892.445
Cost of sales		(70.348.823)	(57.789.514)
Gross profit		39.741	3.102.931
Other income	5	4.395.630	3.408.200
Administrative expenses	6	(4.803.091)	(4.419.388)
(Loss)/profit from operations		(367.720)	2.091.743
Net foreign exchange loss		(184.032)	(193.040)
Interest receivable		3.534	220.955
Interest payable and bank charges		(2.373.468)	(2.531.697)
Net finance expenses	7	(2.553.966)	(2.503.782)
Loss before taxation		(2.921.686)	(412.039)
Taxation	8	(304.149)	380.713
Loss for the year		(3.225.835)	(31.326)
Other comprehensive income that are to be reclassified to profit or loss in future periods			
Deficit from revaluation of land and buildings		-	(675.379)
Deferred taxation arising on revaluation of land and buildings	8	(7.988)	129.546
Other comprehensive (expenses)/income for the year		(7.988)	129.546
Total comprehensive expenses for the year after taxation		(3.233.823)	(577.159)
Basic loss per share (cent)	10	(4,35)	(0,04)
Diluted loss per share (cent)	10	(4,35)	(0,04)

The notes on pages 17 to 88 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION
On 31 December 2014

	Note	2014 €	2013 €
ASSETS			
Property, plant and equipment	11	3.881.801	4.015.629
Intangible assets	12	150.370	227.342
Investments in subsidiary companies	14	7.482.709	6.731.634
Long-term loans to subsidiary companies	36	11.003.212	9.686.752
Deferred taxation	26	2.566.956	2.238.314
Total non-current assets		25.085.048	22.899.671
Inventories	18	5.002.316	2.221.534
Trade and other receivables	19	13.880.354	12.528.451
Balances with subsidiary companies	36	74.589.665	68.460.312
Investments at fair value through profit and loss	16	90.452	246.803
Tax receivable	24	137.059	137.059
Cash and cash equivalents	20	1.579.845	3.067.683
Total current assets		95.279.691	86.661.842
Total assets		120.364.739	109.561.513
Equity			
Share capital	21	25.187.064	25.187.064
Reserves	22	89.221	5.175.033
Total equity		25.276.285	30.362.097
Liabilities			
Long-term loans	25	5.399.546	6.522.978
Deferred taxation	26	1.077.822	440.403
Total non-current liabilities		6.477.368	6.963.381
Trade and other payables	23	50.420.202	34.110.134
Bank overdrafts	25	29.686.796	30.750.673
Short term loans	25	4.133.103	4.097.600
Current portion of long-term loans	25	4.367.585	3.247.907
Tax payable	24	3.400	29.721
Total current liabilities		88.611.086	72.236.035
Total liabilities		95.088.454	79.199.416
Total equity and liabilities		120.364.739	109.561.513

The financial statements were approved by the Board of Directors of Logicom Public Limited on 2 April 2015.

....	....
Adamos K. Adamides	Varnavas Irinarchos
Chairman	Managing Director

The notes on pages 17 to 88 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2014

	Share capital €	Share Premium Reserve €	Revaluation Reserve €	Difference arising on the conversion the share capital to Euro €	Retained earnings €	Total €
Balance at 1 January 2013	25.187.064	10.443.375	2.553.950	116.818	(6.250.757)	32.050.450
Total comprehensive expenses						
Loss for the year	-	-	-	-	(31.326)	(31.326)
Other comprehensive loss for the year	-	-	(545.833)	-	-	(545.833)
Transactions with owners of the Company, recognized directly in equity						
Proposed dividend for 2012 that was paid in 2013 (note 9)	-	-	-	-	(1.111.194)	(1.111.194)
Revaluation reserve realised through use	-	-	(22.080)	-	22.080	-
Balance at 1 January 2014	25.187.064	10.443.375	1.986.037	116.818	(7.371.197)	30.362.097
Total comprehensive expenses						
Loss for the year	-	-	-	-	(3.225.835)	(3.225.835)
Other comprehensive expense for the year	-	-	(7.988)	-	-	(7.988)
Transactions with owners of the Company, recognized directly in equity						
Proposed dividend for 2013 that was paid in 2014 (note 9)	-	-	-	-	(1.851.989)	(1.851.989)
Revaluation reserve realised through use	-	-	(22.080)	-	22.080	-
Balance at 31 December 2014	25.187.064	10.443.375	1.955.969	116.818	(12.426.941)	25.276.285

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

LOGICOM PUBLIC LIMITED

STATEMENT OF CASH FLOWS
Year ended 31 December 2014

	Note	2014 €	2013 €
Cash flows from operations			
Loss for the year		(3.225.835)	(31.326)
Adjustments for:			
Depreciation	11	269.258	327.778
Amortisation of licensing costs	12	90.000	90.000
Profit from the sale of property, plant and equipment		(2.709)	(1.397)
Loss/(profit) on revaluation of investments at fair value through profit and loss		156.351	(33.975)
Dividends receivable		(4.121.530)	(2.978.361)
Interest receivable	7	(3.534)	(220.955)
Interest payable		1.329.244	2.531.697
Taxation		304.149	(380.713)
		(5.204.606)	(697.252)
(Increase)/decrease in inventories		(2.780.782)	1.107.316
Increase in trade and other receivables		(1.351.903)	(628.273)
Increase in balances with subsidiary companies		(7.445.813)	(12.738.431)
Increase in trade and other payables		16.310.068	866.366
		(473.036)	(12.090.274)
Taxation paid		(29.681)	(34.992)
Net cash flow used in operations		(502.717)	(12.125.266)
Cash flows from/(used in) investing activities			
Payments to acquire intangible assets	12	(13.028)	-
Payments to acquire property, plant and equipment	11	(135.430)	(82.491)
Payments to acquire investments in subsidiary companies	14	(751.075)	(604.317)
Payments to acquire investments at fair value through profit and loss	15	-	(200.000)
Proceeds from sale of property, plant and equipment		2.709	1.881
Interest received		3.534	220.955
Dividends received		4.121.530	2.978.361
Interest paid		(1.329.244)	(2.531.697)
Net cash flow from/(used in) investing activities		1.898.996	(217.308)
Cash flows from financing activities			
Repayment of loans		(7.345.507)	(8.974.303)
Proceeds from issue of new loans		7.377.256	6.596.330
Dividends paid		(1.851.989)	(1.111.194)
Net cash flow used in financing activities		(1.820.240)	(3.489.167)
Net flow in cash and cash equivalents		(423.961)	(15.831.741)
Cash and cash equivalents at beginning of the year		(27.682.990)	(11.851.249)
Cash and cash equivalents at end of the year	20	(28.106.951)	(27.682.990)

The notes on pages 17 to 88 form an integral part of these consolidated and separate financial statements.

1. STATUS AND PRINCIPAL ACTIVITY

Logicom Public Limited (the "Company") was incorporated in Cyprus on 9 December 1986 as a private company with limited liability. The principal activity of the Company is the distribution of high technology products and the assembly of computers. On 23 July 1999 the Company became public in accordance with the provisions of the Cyprus Companies Law and on 4 January 2000 commenced the trading of its shares in the Cyprus Stock Exchange.

The address of the registered office of the Company is the following:
Eagle Star House
1st Floor
Theklas Lysioti 35
3030 Limassol

The address of the management office of the Company is the following:
Stasinou 26
Ayia Paraskevi
2003 Strovolos
Nicosia

On 1 January 1999, Logicom Public Limited acquired the whole share capital of Logicom (Overseas) Limited of €17.100. The principal activity of Logicom (Overseas) Limited is the distribution of high technology products and the assembly of computers. The company remained dormant during 2014.

On 1 January 2000, Logicom Public Limited acquired the whole share capital of SOLATHERM ELECTRO – TELECOMS “SET” Limited, of €5.135 which was renamed to ENET Solutions Limited on 11 January 2001. The principal activity of ENET Solutions Limited is the supply of solutions and services for networks and telecommunications. The company ENET Solutions Limited was renamed to Logicom Solutions Limited on 30 January 2009. The operations of the companies DAP Noesis Business Solutions Ltd and Netvision Ltd were transferred to Logicom Solutions Ltd in January 2009. The share capital of Logicom Solutions Ltd was transferred to Logicom Services Ltd for €2.398.056 on 31 December 2011.

On 27 April 2000, Netcom Limited was incorporated in Cyprus with a share capital of €17.086, which is wholly owned by Logicom Public Limited. The principal activity of Netcom Limited is the execution of infrastructure projects with the first project being the construction of a desalination plant in Episkopi Limassol. On 20 July 2010 the whole share capital of Netcom Limited was acquired by Verendrya Ventures Limited. The company remained dormant during 2014.

On 25 July 2000, Logicom (Middle East) SAL was incorporated in Lebanon, with a share capital of LBP 75.000.000 which is wholly owned by Logicom Public Limited. The principal activity of Logicom (Middle East) SAL is the distribution of high technology products.

On 21 February 2001, ENET Solutions – Logicom S.A. was incorporated in Greece with a share capital of €601.083, which is wholly owned by Logicom Public Limited. The principal activity of ENET Solutions – Logicom S.A. is the distribution of high technology products.

On 7 August 2001, Logicom Jordan LLC was incorporated in Jordan, with a share capital of JD 50.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Jordan LLC is the distribution of high technology products.

On 3 October 2001, Logicom FZE was incorporated in the United Arab Emirates, with a share capital of AED 1.000.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom FZE is the distribution of high technology products.

On 7 November 2001, Logicom Dubai LLC was incorporated in the United Arab Emirates, with a share capital of AED 300.000, which is wholly owned, directly and indirectly, by Logicom Public Limited. The principal activity of Logicom Dubai LLC is the distribution of high technology products.

1. STATUS AND PRINCIPAL ACTIVITY *(continued)*

On 14 June 2005, Logicom Italia s.r.l. was incorporated in Italy, with a share capital of €10.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Italia s.r.l. is the distribution of high technology products. On 5 May 2014 there was an increase in the Share Capital of Logicom Italia s.r.l to €200.000 which is wholly owned by Logicom Public Ltd.

On 1 December 2005, Logicom IT Distribution Ltd was incorporated in Turkey, with a share capital of 5.000 Turkish liras which, is owned evenly by subsidiary companies ENET Solutions – Logicom S.A. and Logicom FZE. On 30 March 2007 there was an increase in the share capital of Logicom IT Distribution Ltd to 140.000 Turkish liras, which is owned by 40 % from Enet Solutions – Logicom S.A. and by 60% from Logicom FZE. On 27 December 2007 there was a further increase in the share capital of Logicom IT Distribution Ltd to 1.540.000 Turkish liras which is owned by 4% from Enet Solutions – Logicom S.A. and by 96% from Logicom FZE. The principal activity of Logicom IT Distribution Ltd is the distribution of high technology products.

On 1 August 2006, Rehab Technologies Ltd was incorporated in Saudi Arabia with a share capital of SAR 500.000 which is held by a trustee on behalf of Logicom Public Ltd. Logicom Public Ltd has full control of the operations of Rehab Technologies Ltd through a contractual agreement. The principal activity of Rehab Technologies Ltd is the distribution of high technology products. The activities of Rehab Technologies Ltd were transferred to Logicom Saudi Arabia LLC on 08/06/2010 and the company has since remained dormant.

On 19 March 2007, Logicom Information Technology Distribution S.R.L. was incorporated in Romania with a share capital of 200 Romanian Lei, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Information Technology Distribution S.R.L. is the distribution of high technology products.

On 12 April 2007, Logicom Bulgaria EOOD was incorporated in Bulgaria, with a share capital of 20.000 Bulgarian Lev, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Bulgaria EOOD is the distribution of high technology products.

On 15 June 2007, Logicom Hungary Ltd was incorporated in Hungary, with a share capital of 3.000.000 Hungarian Forint which is wholly owned by Logicom Public Limited. The principal activity of Logicom Hungary Ltd is the distribution of high technology products. During 2014, the company Logicom Hungary Ltd has been liquidated.

On 30 May 2008, Noesis Ukraine LLC was incorporated in Ukraine, with a share capital of 184.176 Ukraine Hryvnia which belongs both to Logicom Public Ltd by 46% and to its subsidiary DAP Noesis Business Solutions Ltd by 54%. The principal activity of Noesis Ukraine LLC is the provision of software solutions and services.

On 30 January 2008, Verendrya Ventures Ltd was incorporated in Cyprus, with a share capital of EUR1.000 which belongs both to Logicom Public Ltd and to Demetra Investments Public Ltd by 60% and 40% respectively. The principal activity of Verendrya Ventrures Ltd is the execution of projects relating to the construction of desalination units.

On 6 May 2009, Logicom Services Ltd was incorporated in Cyprus, with a share capital of €10.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Services Ltd is the holding of investments.

On 28 July 2009, the Group acquired, through its subsidiary Logicom Services Ltd, the 36,77% of the company Newcytech Business Solutions Ltd. The main activity of Newcytech Business Solutions Ltd is the provision of complete IT solutions. On 30 October 2009 Logicom Services Ltd acquired the 100% of the share capital of Newcytech Business Solutions Ltd amounting to €756.776.

With the acquisition of Newcytech Business Solutions Ltd the Group acquired also the 100% of the company Newcytech Distribution Ltd with share capital of €8.550. The main activity of Newcytech Distribution Ltd is the import and wholesale of computers in the local market. The share capital of Newcytech Distribution Ltd was transferred to Logicom Services Holdings Limited on 30 June 2010.

1. STATUS AND PRINCIPAL ACTIVITY *(continued)*

On 16 August 2009, Logicom Solutions LLC was incorporated, in the United Arab Emirates, with a share capital of AED300.000. The main activity of Logicom Solutions LLC is the provision of complete IT solutions.

On 29 September 2009, Logicom Saudi Arabia LLC was incorporated in Saudi Arabia, with a share capital of SAR 26.800.000 which is owned by 75% from Logicom FZE and by 25% from a trustee on behalf of Logicom Public Ltd. Logicom Public Ltd has contractually the full control of the operations of Logicom Saudi Arabia LLC. The main activity of Logicom Saudi Arabia LLC is the distribution of high technology products.

On 3 November 2009, ICT Logicom Solutions SA was incorporated in Greece, with a share capital of €100.000. The main activity of ICT Logicom Solutions SA is the provision of complete IT solutions.

On 29 September 2010, Logicom Distribution Germany Gmbh was incorporated in Germany, with a share capital of EUR 27.000 which is wholly owned by Logicom Public Ltd. The main activity of Logicom Distribution Germany Gmbh is the distribution of high technology products.

On 7 April 2010, M.N. E.P.C. Water Co. was incorporated in Cyprus with partners' share of €10.000 which is owned by 50% from the Group's company Veredrya Ventures Ltd, through its subsidiary Netcom Ltd. M.N. E.P.C. Water Co. undertook the construction of Episkopi desalination plant on behalf of M.N. Limassol Water Co. Ltd.

On 4 November 2010, M.N. Limassol Water Co. Ltd was incorporated in Cyprus with a share capital of €10.000 which is composed of 5.000 shares Class A and 5.000 shares Class B. The Group's company Verendrya Ventures Ltd, through its subsidiary Netcom Ltd holds 2.500 shares Class A and 2.495 shares Class B. M.N. Limassol Water Co. Ltd was assigned the construction and operation of Episkopi Desalination plant.

On 29 November 2011, the Group obtained control, through its subsidiary Logicom Services Holdings Limited by 100% over Inteli-scape Limited with share capital of €85.500. The principal activity of Inteli-scape Limited is the development and sale of computer software.

On 7 August 2012, M.N. Larnaca Desalination Co. Ltd was incorporated in Cyprus with a share capital of €10.000 which is composed of 5.000 shares Class A and 5.000 shares Class B. The Group's company Verendrya Ventures Ltd, through its subsidiary Netcom Ltd holds 2.500 shares Class A and 2.495 shares Class B. M.N. Larnaca Desalination Co. Ltd was assigned the construction and operation of Larnaca Desalination plant.

On 2 September 2012, Logicom LLC was incorporated in Oman with a share capital of USD 51.800 which is wholly owned by 99% by the subsidiary company Logicom FZE and by 1% by the subsidiary Logicom Dubai LLC. The principal activity of Logicom LLC is the distribution of high technology products.

On 1 October 2013, Cadmus Tech Points S.A.L. was incorporated in Lebanon with a share capital of LBP 30.000.000 which is wholly owned by Logicom Public Ltd. The principal activity of Cadmus Tech Points S.A.L. is the distribution of high technology products. During 2014, the company remained dormant.

On 23 March 2014, Logicom Trading and Distribution LLC was incorporated in Qatar with a share capital of QAR 200.000 which is owned by 49% by the subsidiary company Logicom Dubai LLC and by 51% by a trustee on behalf of Logicom Public Ltd . The principal activity of Logicom Trading and Distribution LLC is the distribution of high technology products.

On 1 June 2014, Logicom Kuwait for Computer Company W.L.L. was incorporated in Kuwait with a share capital of KWD 20.000 which is owned by 49% by the subsidiary company Logicom FZE and by 51% by a trustee on behalf of Logicom Public Limited. The principal activity of Logicom Kuwait for Computer Company W.L.L. is the distribution of high technology products.

2. BASIS OF PREPARATION

Statement of compliance
The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113 and the requirements of the Stocks and Cyprus Stock Exchange laws and regulations and the Law providing for Transparency (securities admitted to trading on a regulated market) Law.

The consolidated and separate financial statements of the Company were approved by the Board of Directors on 2 April 2015

Basis of presentation
The consolidated and separate financial statements have been prepared under the historical cost convention, except for the land and buildings, investments at fair value through profit or loss and investments available for sale which are stated at their fair value. The methods used to measure the fair values are discussed further in note 3.

Functional and presentation currency
The consolidated and separate financial statements are presented in Euro (€) which is the functional currency of the Company.

Estimates and judgments
The preparation of the consolidated and separate financial statements in conformity with the International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about judgements in applying accounting policies that have significant effects on the amounts recognised in the consolidated and separate financial statements are included in the following notes:
- Note 28 – Lease classification

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:
- Note 12 – Measurement of the recoverable amount of goodwill
- Note 17 – Investments available for sale
- Note 26 - Recognition of deferred taxation: Utilisation of tax losses
- Note 15 - Impairment calculation of investment in Larnaka Desalination Plant

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented in the consolidated and separate financial statements of the Company, and have been applied consistently by all Group entities.

Adoption of new and revised International Financial Reporting Standards and Interpretations that are adopted by the European Union:
During the current year, the Group has adopted all the changes to IFRS which are relevant to its operations and are effective for annual periods beginning on 1 January 2014.

Standards, amendments to standards and interpretations not yet effective
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 that are relevant to the activities of the Group are presented below. The Group does not intend to adopt the following before the date of validity.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Standards, amendments to standards and interpretations not yet effective *(continued)*

(i) Standards and Interpretations adopted by the European Union

IFRS 11 "Improvements to IFRS 2010-2012" (effective for annual periods beginning on or after 1 January 2014)
In December 2013, the International Accounting Standards Board issued the Annual Improvements to IFRS 2010-2012, a collection of amendments to IFRSs in response to eight issues addressed during the 2010-2012 cycle. These amendments reflect issues discussed by the IASB during the project which started in 2010 and that were subsequently included in the Exposure Draft of the proposed amendments to IFRS, Annual Improvements to IFRS 2010-2012 (published in November 2012). The Group is currently evaluating the impact of improvements in the financial statements.

Improvements to IFRS 2011-2013 (effective for annual periods beginning on or after 1 January 2014)
In December 2013, the International Accounting Standards Board issued the Annual Improvements to IFRS 2011-2013, a collection of amendments to IFRSs in response to four issues addressed during the 2011-2013 cycle. These amendments reflect issues discussed by the IASB during the project which started in 2011, and that were subsequently included in the Exposure Draft of the proposed amendments to IFRS, Annual Improvements to IFRS 2011-2013 (published in November 2012).The Group is currently evaluating the impact of improvements in the financial statements.

(ii) Standards and Interpretations not yet adopted by the European Union

IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016)
IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for "regulatory deferral account balances" in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. The Group is currently evaluating the impact of the standard on its financial statements.

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).
In December 2014, the International Accounting Standards Board issued narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28. These amendments introduce clarifications to the requirements when accounting for investment entities, while they provide relief in particular circumstances, which will reduce the costs of applying the Standards. The Group is currently evaluating the impact of the standard on its financial statements.

IFRS 11 (Amendment), "Accounting for the acquisition of interests in Joint Ventures" (effective for annual periods beginning on or after 1 January 2016)
The amendment clarifies that the accounting treatment applicable to business combinations also applies to the acquisition of additional interest in joint venture while the joint venture retains joint control. The additional share acquired should be measured at fair value. The previous interest held by the joint ventures should not be remeasured. The Group is currently evaluating the impact of the standard on its financial statements.

Amendments to IAS 1: Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).
Amendments to IAS 1: Disclosure Initiative address the disclosure requirements in existing Standards and develops principles for disclosures in the notes in the financial statements. The Group is currently evaluating the impact of this interpretation on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Standards, amendments to standards and interpretations not yet effective *(continued)*

(ii) Standards and Interpretations not yet adopted by the European Union (continued)

Amendments to IFRS 10 and IAS 28: 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).
The amendments aim to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Group is currently evaluating the impact of this interpretation on its financial statements.

IAS 27 (Amendments) "Equity method in separate financial statements" (effective for annual periods beginning on or after 1 January 2016).
The current amendment allows entities to account for their investments in subsidiaries, joint ventures and associates under the equity method in their separate financial statements. The Group is currently evaluating the impact of the standard on its financial statements.

Explanation of acceptable methods of depreciation and amortization- Amendments to IAS16 and IAS 38 (effective for annual periods beginning on or after 1 January 2016).
The amendments to IAS 38 "Intangible assets" introduce the prerequisite that the use of revenue as a basis for calculating the amortization for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are highly correlated or when the intangible asset is presented as a measure of revenue. The amendments to IAS 16 "Property, Plant and Equipment" state that the use of revenue as a basis for the calculation of depreciation for property, plant and equipment is inappropriate. The Group is currently evaluating the impact of the standard on its financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle (effective for annual periods beginning on or after 1 January 2016)
Annual Improvements to IFRSs 2012-2014 were issued by the Board of International Accounting Standards on 25 September 2014, a collection of amendments to IFRSs in response to four issues addressed during the 2012-2014 cycle. These amendments reflect issues discussed by the IASB during the project which started in 2012, and that were subsequently included in the Exposure Draft of the proposed amendments to IFRS, Annual Improvements to IFRS 2012-2014 (published in September 2014). The issues addressed in this cycle include the following: IFRS 5 Changes in methods of disposal, IFRS 7 Servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19 Discount rate and IAS 34 Disclosure of information elsewhere in the interim financial report.The Group is currently evaluating the impact of the standard on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017)
The new standard may have a significant impact on how and when companies should recognize revenue from contracts with customers. This standard replaces IAS 11 "Construction Contracts", IAS 18 "Revenue", IFRIC 13 "Cliental Loyalty Programmes", IFRIC 15 "Agreements for real estate", IFRIC 18 "Transfers of Assets from Customers" and SIC 31 "Revenue-Barter transactions involving Advertising Services". The standard includes a single principles based model to be applied to all contracts with customers and two approaches to the recognition of revenue: at one point in time or over time. The Group is currently evaluating the impact of the standard on its financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Standards, amendments to standards and interpretations not yet effective *(continued)*

(ii) Standards and Interpretations not yet adopted by the European Union (continued)

IFRS 9 "Financial Instruments" (the IASB decided temporarily to request the application of this standard for annual periods beginning on or after 1 January 2018)
On 24 July 2014, the International Accounting Standards Board finalised the IFRS 9 "Financial Instruments", which will replace IFRS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 abolishes the four categories of financial instruments and the financial assets that are classified under one out of the three measurement categories: amortised cost, fair value through other comprehensive income and the fair value through profit or loss. The new standard is effective for periods beginning on or after 1 January 2018 with early adoption permitted if the Group decides so, subject to its adoption by the competend EU bodies. The Group is currently evaluating the impact of the standard on its financial statements.

Basis of consolidation

Subsidiary companies
The consolidated financial statements include the Company and the subsidiary companies which the Group controls. Control exists when the Group has the power to govern the financial and operating policies of a financial entity so as to obtain benefits from its activities. The consolidation of the companies acquired during the year is made from the date that control commences until the date that control ceases to exist

Minority interest
Minority interest relates to the portion of profit or loss and the net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. Profits or losses attributable to the minority interest are disclosed in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss for the period. Minority interest is presented in the consolidated statement of financial position in equity, separately from equity attributable to equity holders of the parent company.

Contingent Consideration
Any contingent consideration is recognized initially at fair value at the acquisition date. If the contingent consideration is classified as equity it should not be recounted and its subsequent settlement must be accounted for within equity. If the contingent consideration is classified as an asset or a liability, any changes in its fair value should be recognized in profit or loss.

Equity accounted investees
Investments in associated companies relate to all entities, in which the Group exercises significant influence, but not control or joint control, and are in general accompanied with a share between 20% and 50% in the voting rights. Entities under common control relate to entities in which the Group exercises joint control based on contractual arrangement that provides for the unanimous consent of the parties exercising control over the strategic financial and operating decisions.

Investments in associated companies and entities under common control are accounted for using the equity method. Investments which are accounted for using the equity method are recognised initially at cost. The investment of the Group includes goodwill that was recognised on the acquisition following the deduction of any accumulated impairment. The consolidated financial statements include the share of profit/(loss) from the equity accounted investees.

When Group's share of losses exceeds the share of investments recognised under the equity method, the carrying amount of investments, including any long term share which is part of the investment is eliminated and no additional losses are recognized, except to the degree that the Group has an obligation or has made payments on behalf of its investment.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation (continued)

Transactions between Group companies
All balances, transactions and any unrealised income and expenses arising from transactions between the Group companies, are eliminated during the preparation of the consolidated financial statements.

Revenue
Revenue from sales is recognised when the significant risks and rewards of ownership have been transferred to the buyer, there are no material doubts regarding the repayment of the due amount, related expenses or possible return of products which can be estimated, there is no continuing management involvement with the products and the amount of revenue can be measured reliably. Income from services is recognised in proportion of the stage of completion at the end of the year.

Revenue represents amounts invoiced for products sold or services rendered during the year and are stated after the deduction of trade discounts and returns. In addition, revenue includes amounts received or are receivable from the European Union for research and technological development projects.

Cost of sales
Cost of sales is presented after the deduction of rebates from suppliers and provisions for decrease in the net realisable value of inventories.

Other income
Other income is recognised when it is considered as receivable. The income from dividend is recognized at the date the right to receive payment is established from the Group.

Grants for research and development
Grants comprise of amounts received or are receivable from the European Union. In case there are amounts not recoverable these are expensed in the year they are incurred. These amounts represent reimbursements of expenses on contracts financed by the European Union for research and technological development projects. Grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to it, and that the grant will be received. Research and development costs incurred to gain scientific and technical knowledge, are recognised in the year they are incurred.

Finance income/expenses
Finance income comprises interest receivable on funds invested, interest receivable for prepayment of suppliers and gains arising from foreign exchange differences. Interest income is recognised in profit or loss, using the effective interest method.

Finance expenses comprise interest payable on borrowings calculated using the effective interest method, bank charges, losses arising on foreign exchange differences and losses arising for the use of financing instruments. Interest payable is recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Items of property, plant and equipment are stated at cost or at revalued amount less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised as net within other income in the profit or loss. When revalued assets are sold, the relating amounts included in the revaluation reserve are transferred to retained earnings.

Depreciation is provided to write off the cost or the revalued amount less the estimated residual value of items of property, plant and equipment on a straight line basis over their expected useful economic lives as follows:

	%
Buildings	4-5
Furniture and fittings	10
Computers	20-33,3
Motor vehicles	20

No depreciation is provided on land.

Depreciation is calculated on a daily basis from the date that the property, plant and equipment are acquired until the date of their disposal.

Depreciation methods, estimated useful economic lives and estimated residual values of all property, plant and equipment are reviewed at the reporting date of the accounts.

Expenses for replacement improvement or repair of buildings

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of repair and maintenance of the buildings and other parts of property, plant and equipment are charged in profit or loss during the year they are incurred.

Revaluation and provision for impairment of parts of property, plant and equipment

Every year or earlier if necessary, assessments are performed to estimate the fair value amount of property, plant and equipment. If it is determined that the net recoverable amount of a part is significantly lower than its net value as it appears in the books of the Company and this difference is considered to be permanent, then the book value is reduced to the net recoverable amount. Approximately every three years, or earlier if necessary, assessments are performed to estimate the net values of land and buildings. The revaluation is made by professional independent valuers.

Inventories

Inventories are stated at the lower of cost and net realisable value.The cost of inventories is assigned by using the first-in-first-out method.The cost calculation includes the cost of purchase, transportation costs to the warehouse and freight charges.

The net realisable value is the estimated selling price in which the inventories can be sold in the ordinary course of business, less costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-derivative financial instruments

The Group has the following non-derivative financial instruments: trade and other receivables, trade and other payables, cash and cash equivalents, investments at fair value through profit or loss, investments available for sale and interest bearing loans.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets, that is created or retained by the Group, is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade and other receivables

Trade and other receivables are initially recognized at fair value plus any attributable transaction costs and subsequently these are stated at amortized cost using the effective interest method less any impairment losses.

Trade and other payables

Trade and other payables are initially recognized at fair value plus any attributable transaction costs and subsequently these are stated at amortized cost using the effective interest method less any impairment losses.

Investments

The Group has classified all its investments in shares to the category fair value through profit or loss and to investments available for sale. Investments at fair value through profit or loss comprise of investments held for trading and are presented as assets in the statement of financial position based on their fair value.

The investments are firstly recognised at cost and then adjusted to fair value. For publicly available securities, the fair value is estimated by reference to the closing bid prices of the stock exchange at the end of the year. For non publicly available securities, the fair value is determined based on the net asset position at the end of the year. Any surplus or deficit that arises from the revaluation at fair value is recognised in the profit or loss.

Investments available for sale comprise of bonds and investments in public companies are presented as assets based on their fair value. The fair value is calculated based on their bid value according to the market values in the stock exchange at the year end. For non listed stocks or where it is determined that there is no active market, the fair value is calculated based on certain stocks valuation methods. Such valuation methods take into account the market conditions and the discounted cash flows using the expected future cash flows and the discounting rate that is based on the market conditions. Any surplus or deficit that arises from the revaluation at fair value, except from the cases of impairment described below is recognized in other comprehensive income and are presented in Equity in the Fair value reserve.

When an investment is derecognsied, the cumulative gains or losses in other comprehensive income are transferred to profit or loss.

Measurement at fair value

Fair value is the amount that could be recovered from the sale of an asset or paid to transfer a liability in a current transaction between participants in the principal or, failing this, in the most advantageous market in which the Group has access at the measurement date. The fair value of the liability reflects the risk of a failure.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-derivative financial instruments (continued)

Investments (continued)

The Group measures the fair value of an element using the values presented in an active market where these are available. A market is considered active if the transactions for the asset or liability are presented with sufficient frequency and volume to provide values on a continuous basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of data in the markets and minimize the use of unobservable inputs. The valuation technique used incorporates all the main parameters that market participants would consider in pricing a transaction. The best evidence of fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration paid or received.

Based on the Group's judgment on whether the fair value on the initial recognition differs from the transaction price and the fair value is not established by the quoted market price in an active market for similar assets or liabilities, and it is not based on a valuation technique that uses only data extracted from the markets then, the financial asset is measured initially at fair value, adjusted so that the difference between the fair value at initial recognition and transaction value is presented as deferred income / expense. Then, the difference is recognised to the profit or loss throughout the life of the instrument using appropriate apportionment methodology, but not later than when the valuation is entirely supported by data extracted exclusively from the markets or the transaction has been completed.

If an asset or a liability measured at fair value has a bid price and an ask price, the Group measures its assets at bid price and liabilities at an ask price.

The Group recognises transfers between levels of the fair value hierarchy at the end of reporting period in which the change occurs.

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 amortized cost using the effective interest method.

Impairment of assets

Financial assets
A financial asset not carried at fair value through profit or loss is assessed at the end of the reporting period to determine whether there is objective evidence for impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's initial effective interest rate.

Losses on assets are recognised as an expense of the year. When an event occurs which causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed in profit or loss.

Impairment losses on investments available for sale are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve, in profit or loss. The cumulative loss that is transferred from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of assets *(continued)*

If, in a subsequent period, the fair value of an impaired investment available for sale increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired investment available for sale is recognised in other comprehensive income.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at end of the year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives the recoverable amount is estimated each year at the same time.

In assessing value in use, 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 if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of the year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investments in subsidiary companies
The investments in subsidiary companies are stated in the parent Company's books at cost less adjustments for any permanent impairment in the value of the investments. Any adjustments that arise are recorded in profit or loss.

Taxation
Taxation comprises current and deferred tax. Taxation is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of 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 goodwill, 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 to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right from the Group 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 or their tax assets and liabilities will be realised simultaneously.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation (continued)

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 differences can be utilised. Deferred tax assets are reviewed at the end of the year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currency transactions

Transactions in foreign currencies are translated using the exchange rates enacted at the date of the transaction at the respective functional currency of each company of the Group. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated to the functional currency at the exchange rate ruling at that date.

The foreign currency gain or loss on monetary items is the difference between the 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.

Translation of results of foreign subsidiary companies

The results of foreign subsidiary companies are translated to Euro at the average exchange rate prevailing during the year, while assets and liabilities are translated to Euro at the rate prevailing at the end of the year. Any foreign currency differences on translation are transferred to the other comprehensive income.

Long term loans that represent part of the Group's net investment in foreign subsidiary companies

All foreign exchange differences arising on long term loans to foreign subsidiaries are recorded in other comprehensive income in the financial statements of the Group and are transferred to profit or loss at the disposal of the subsidiary company.

All foreign exchange differences arising on long-term loans, are recognised in profit or loss in the year they are incurred in the parent Company's financial statements.

Deferred taxation arising from net foreign exchange differences that arise from the long-term loans is transferred to other comprehensive income.

Hedge of a net investment in foreign operation

The Group applies hedge accounting to exchange differences arising between the functional currency of the investment in foreign operation and the parent Company's functional currency, irrespectively of whether the net investment is held directly or through a different Group company. Exchange differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the Hedge Reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the Hedge Reserve is transferred to profit or loss as part of the profit or loss on disposal.

Non-derivative financial instruments including hedge accounting

On initial designation of the non derivative financial instrument as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currency transactions (continued)

Non-derivative financial instruments including hedge accounting *(continued)*

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125 percent.

Intangible assets
Software development and licensing costs for the use and distribution of computer software are capitalized and amortised in profit or loss on a straight line basis over their useful economic lives. Intangible assets are amortised as follows:

Development costs	5 years
Licensing costs	2 years

Goodwill arising from the difference between the acquisition cost and the net assets of subsidiary companies at the acquisition is capitalised and is assessed annually for impairment. Provision for impairment is recognised in profit or loss.

Negative goodwill that arises from the difference between the net assets of subsidiary companies and the cost of acquisition during the acquisition is recognised in profit or loss in the same year.

Operating segments
Operating segments relate to components of the Group which may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Lease
Leases where a significant part of the risks and rewards of the property remains with the lessor are classified as operating leases. All operating lease payments (after deduction of motives received from the lessor) are charged using the straight line method during the period of the lease.

Warranties
No provision is made for warranties given by the Group on computers and computer components because all computers and computer components carry a warranty from suppliers equal to the warranties given.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it's probable that an outflow of economic benefits will be required to settle the obligation. 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.

Deferred income
Deferred income consists of sales of services based on contracts, and relates to services that were incurred in the period after the year end. The deferred income is included in trade and other payables.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Deferred expenditure

Deferred expenditure are the expenses that consist of purchases of services based on contracts, and relates to services that were incurred in the period after the year end. The deferred expenditure is included in trade and other receivables.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to risks arising from exchange differences from operational or financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. The derivative financial instruments are recognised initially at fair value and the attributable transaction costs are recognised in profit or loss. Subsequent to initial recognition, they are measured at fair value and the gain or loss arising from the measurement at fair value is recognised in profit or loss. The fair value of the forward exchange contracts for rate of exchange is their quoted market price at the end of the year, being the present value of the quoted forward price.

Events after the reporting date

Assets and liabilities are adjusted for events that occurred during the period from the year end to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the valuation of amounts relating to events existing at the year end or imply that the going concern concept in relation to part or the whole of the Group is not appropriate.

Share capital

(i) Ordinary shares
Ordinary shares issued and fully paid are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a reduction from equity, net of any tax effects.

(ii) Dividends
Dividends are recognised as a liability in the year they are declared, according to IAS 10.

Earnings per share

The Company presents basic and diluted earnings per share that corresponds to the shareholders. The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of issued shares outstanding during the year. The diluted earnings per share are calculated by adjusting the profit attributable to the shareholders of the Company and the weighted average number of issued shares.

Comparative amounts

Where necessary, comparative amounts are restated in order to comply with the changes in accounting policies, the application of new and revised International Financial Reporting Standards as adopted by the European Union and the presentation of the current financial year.

4. OPERATING SEGMENTS

The Group can be divided into two important segments, the distribution segment and the services segment. The distribution segment that mainly operates in the distribution of high technology products and the production of computers is divided in three main geographical segments as described below. The services segment operates mainly in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software to customers in Cyprus and abroad. The following summary describes the operations in each of the Group's Reportable Segments:

- European markets distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in Cyprus, Greece and Italy.
- UAE and Saudi Arabia distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in United Arab Emirates and Saudi Arabia.

4. OPERATING SEGMENTS *(continued)*

- Other markets distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in other countries that the Group operates in, other than the countries mentioned above.
- Services segment – This segment operates in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software to customers in Cyprus and abroad.

Information regarding the results of each reportable segment is presented below. The information is used for the preparation of the consolidated and separate financial statements.The performance is evaluated based on the profit before taxation of each segment, as presented in the management reports which are examined by the Board of Directors. The profit of each segment is used for the evaluation of the performance since the management believes that this information is the most appropriate for the evaluation of the results of all segments that are reported. The accounting policies of the operating segments are presented in note 3.

Revenue and total non-current assets that relate to intangible assets and property, plant and equipment are allocated between Cyprus and abroad as follows:

	Revenue		Total non-current assets	
	2014	2013	2014	2013
	€	€	€	€
Cyprus	63.072.058	52.650.776	23.339.980	22.174.348
Greece	84.164.302	66.310.066	271.696	281.195
United Arab Emirates	256.849.236	204.674.712	3.368.938	3.811.573
Other Foreign Countries	227.090.752	166.368.164	2.750.649	1.456.600
	631.176.348	490.003.718	29.731.263	27.723.716

Major Customer

Revenue from one customer of the Group's European Markets Segment represents approximately €11.300.000 (2013: €10.500.000) of the Group's total revenue.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2014

4. OPERATING SEGMENTS *(continued)*

2014	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segment €	Transactions between Operating Segments €	Total €
External revenue	153.273.544	365.380.531	67.544.939	44.977.334	-	631.176.348
Intersegment revenue	69.476.340	112.003.097	1.346.009	5.886.834	(188.712.280)	-
Other income	4.533.738	813.102	2.753	1.282.695	(5.618.921)	1.013.367
Depreciation and amortisation	449.904	337.247	157.108	164.427	-	1.108.686
Personnel costs	4.875.763	6.063.751	2.692.273	4.230.061	-	17.861.848
Travelling expenses	478.341	160.914	79.389	209.926	-	928.570
Provision for doubtful debts	39.695	142.091	315.897	12.238	-	509.921
Professional fees	848.966	687.635	194.325	478.355	(20.000)	2.189.281
Rent	276.767	532.241	260.741	285.095	-	1.354.844
Credit insurance	358.371	477.500	82.617	-	-	918.488
Transportation expenses	323.628	300.174	257.416	44.661	(150.000)	775.879
Profit from operations	2.919.730	13.000.470	(646.247)	5.402.146	(6.828.454)	13.847.645
Net foreign exchange (loss)/profit	(2.287.772)	(7.864)	(330.271)	(1.132.068)	2.877.805	(880.170)
Interest receivable	17.122	-	23.552	126.790	-	167.464
Interest payable and bank charges	(3.299.549)	(2.547.172)	(82.213)	(261.063)	521.173	(5.668.824)
Net finance expenses	(5.570.199)	(2.555.036)	(388.932)	(1.266.341)	3.398.978	(6.381.530)
Share of loss of associated companies and partnership (net of taxation)	(1.205.601)	-	-	-	-	(1.205.601)
Profit before taxation	(3.856.070)	10.445.434	(1.035.179)	4.135.805	(3.429.476)	6.260.514
Acquisition of property plant and equipment	202.992	452.792	564.943	676.134	-	1.896.861
Total assets	190.101.716	141.540.001	30.234.411	60.132.366	(136.579.460)	285.429.034
Total liabilities	161.085.256	103.135.264	29.191.487	38.749.401	(109.544.962)	222.616.446

4. OPERATING SEGMENTS *(continued)*

2013	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segment €	Transactions between Operating Segments €	Total €
External revenue	131.471.532	268.465.565	55.472.571	34.594.050	-	490.003.718
Intersegment revenue	56.929.856	79.008.953	604.533	2.356.846	(138.900.188)	-
Other income	3.657.436	719.108	30.539	1.446.739	(4.661.654)	1.192.168
Depreciation and amortisation	547.317	258.492	113.719	742.906	-	1.662.434
Personnel costs	4.916.565	5.210.589	2.245.933	3.868.589	-	16.241.676
Travelling expenses	467.177	123.440	141.528	139.844	-	871.989
Provision for doubtful debts	194.531	158.775	299.357	101.578	(12.000)	742.241
Professional fees	862.745	179.653	251.523	425.205	(384.889)	1.334.237
Rent	313.315	412.109	124.719	273.041	-	1.123.184
Credit insurance	369.242	447.590	110.021	-	-	926.853
Transportation expenses	259.256	131.955	257.087	38.248	(34.900)	651.646
Profit from operations	3.800.862	7.198.753	(942.941)	4.095.468	(4.305.584)	9.846.558
Net foreign exchange (loss)/profit	170.847	70.490	(25.157)	596.743	(465.996)	346.927
Interest receivable	241.214	-	12.457	222.741	-	476.412
Interest payable and bank charges	(3.269.400)	(1.861.625)	(99.219)	(443.374)	317.652	(5.355.966)
Net finance expenses	(2.857.339)	(1.791.135)	(111.919)	376.110	(148.344)	(4.532.627)
Share of loss of associated companies and partnership (net of taxation)	(296.833)	-	-	-	-	(296.833)
Profit before taxation	646.690	5.407.618	(1.054.860)	4.471.578	(4.453.928)	5.017.098
Acquisition of property plant and equipment	103.688	2.015.059	162.387	411.757	-	2.692.891
Total assets	155.321.097	95.534.086	28.105.795	51.398.997	(109.711.983)	220.647.992
Total liabilities	121.217.799	67.937.897	26.447.984	32.927.778	(85.905.602)	162.625.856

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2014

5. OTHER INCOME

THE GROUP

	2014 €	2013 €
Commissions and other income	1.005.530	1.237.922
Profit/(loss) from the sale of property, plant and equipment	7.837	(45.754)
	1.013.367	1.192.168

THE COMPANY

	2014 €	2013 €
Dividends receivable from subsidiary companies	4.121.530	2.978.361
Commissions and other income	271.391	428.442
Profit from the sale of property, plant and equipment	2.709	1.397
	4.395.630	3.408.200

6. ADMINISTRATIVE EXPENSES

THE GROUP

(a) Personnel expenses

	2014 €	2013 €
Staff salaries	14.326.951	13.060.438
Social insurance and related costs	1.721.063	1.924.112
Contributions to Provident Fund	-	20.930
Other personnel expenses	1.528.149	1.011.403
	17.576.163	16.016.883

The average number of employees during the year was 643 (2013: 524).

6. ADMINISTRATIVE EXPENSES *(continued)*

(b) Other administrative expenses

	2014	2013
	€	€
Depreciation	1.018.686	1.572.434
Amortisation of licensing costs	90.000	90.000
Directors fees - Non executives directors	47.950	70.600
- Executive directors	237.734	154.193
Rent	1.354.844	1.123.184
Common expenses	53.344	64.220
Taxes and licences	226.087	112.121
Electricity and water	315.098	320.754
Cleaning	89.455	78.318
Insurance	1.282.211	1.248.709
Repairs and maintenance expenses	155.700	98.266
Other expenses	225.957	260.035
Telephone and postage expenses	564.020	557.401
Printing and stationery	131.964	105.886
Subscriptions and donations	154.033	118.373
Staff training expenses	67.066	43.512
Other staff expenses	259.787	250.533
Computer hardware maintenance expenses	98.887	79.541
Auditors' remuneration for the statutory audit of annual accounts	294.797	195.081
Legal fees	248.053	311.817
Other professional fees	1.243.536	827.338
Advertising expenses	370.279	328.618
Traveling expenses	928.570	871.989
Entertainment expenses	157.570	135.116
Motor vehicles expenses	479.288	489.126
Transportation expenses	775.879	651.646
Subontractors	402.896	344.889
Provision for doubtful debts	509.921	742.241
	11.783.612	11.245.941
Total administrative expenses	29.359.775	27.262.824

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2014

6. ADMINISTRATIVE EXPENSES *(continued)*

THE COMPANY

(a) Personnel expenses

	2014	2013
	€	€
Staff salaries	1.888.179	1.945.555
Social insurance and related costs	263.100	251.785
Other personnel expenses	(4.837)	(10.754)
	2.146.442	2.186.586

The average number of employees during the year was 71 (2013: 68).

(b) Other administrative expenses

	2014	2013
	€	€
Depreciation	269.259	327.778
Amortisation of licensing costs	90.000	90.000
Directors fees - Non executives directors	47.950	70.600
- Executive directors	237.734	154.193
Rent	88.512	93.448
Common expenses	1.509	1.593
Taxes and licences	83.991	8.047
Electricity and water	56.342	65.043
Cleaning	5.727	5.444
Insurance	170.235	49.518
Repairs and maintenance expenses	66.473	36.159
Other expenses	38.115	(1.034)
Telephone and postage expenses	90.154	86.495
Printing and stationery	24.655	8.928
Subscriptions and donations	111.735	67.469
Staff training expenses	7.773	8.237
Other staff expenses	32.793	13.567
Computer hardware maintenance expenses	24.234	23.393
Auditors' remuneration for the statutory audit of annual accounts	65.500	44.617
Legal fees	95.179	130.961
Other professional fees	79.358	106.748
Advertising expenses	141.912	57.585
Traveling expenses	325.671	279.141
Entertainment expenses	41.675	40.695
Motor vehicles expenses	78.352	72.696
Transportation expenses	30.810	30.975
Subontractors	348.143	325.202
Provision for doubtful debts	2.858	35.304
	2.656.649	2.232.802
Total administrative expenses	4.803.091	4.419.388

6. ADMINISTRATIVE EXPENSES *(continued)*

Note 1

The total fees for the services of the lawyers and legal advisors of the law office Scordis, Papapetrou & Co LLC, to which Adamos Adamides is a partner, amount to €60.154 and are included in the legal fees and other professional fees. The total fees for the services of secretary of the company Adaminco Secretarial Ltd, amount to €23.607 and are included in other professional fees.

7. NET FINANCE EXPENSES

THE GROUP

	2014	2013
	€	€
Finance income		
Interest receivable	167.464	476.412
Net foreign exchange profit	-	346.927
	167.464	823.339
Finance expenses		
Interest payable and bank charges	(5.668.824)	(5.355.966)
Net foreign exchange loss	(880.170)	-
	(6.548.994)	(5.355.966)
Net finance expenses	(6.381.530)	(4.532.627)
Net finance expenses recognized in other comprehensive income that are to be reclassified to profit or loss in future periods		
Exchange difference from translation and consolidation of financial statements from foreign operations	4.389.114	(1.935.883)
Deferred taxation arising from exchange differences in relation to foreign operations	98.915	32.933
Surplus from revaluation of investments in shares available for sale	185.959	1.221.891
	4.673.988	(681.059)

THE COMPANY

	2014	2013
	€	€
Finance income		
Interest receivable	3.534	220.955
	3.534	220.955
Finance expenses		
Interest payable and bank charges	(2.373.468)	(2.531.697)
Net foreign exchange loss	(184.032)	(193.040)
	(2.557.500)	(2.724.737)
Net finance expenses	(2.553.966)	(2.503.782)

8. TAXATION

THE GROUP

	2014 €	2013 €
Corporation tax - current year	900.738	1.101.660
Adjustment for prior years	306.064	-
Special defence contribution	13.409	94.232
Deferred tax - credit (Note 26)	(975.324)	(138.026)
	244.887	1.057.866

The subsidiary companies of the Group are taxed in the countries in which they operate as follows:

Company	Country	Tax rate %
Logicom (Overseas) Limited	Cyprus	12,5
Logicom Solutions Limited	Cyprus	12,5
Netcom Limited	Cyprus	12,5
Inteli-scape Ltd	Cyprus	12,5
Logicom (Middle East) SAL	Lebanon	15
ENET Solutions - Logicom S.A.	Greece	26
Logicom FZE	United Arab Emirates	0
Logicom Dubai LLC	United Arab Emirates	0
Logicom Jordan LLC	Jordan	14
Logicom Italia s.r.l.	Italy	27,5
Logicom IT Distribution Limited	Turkey	20
Rehab Technologies Limited	Saudi Arabia	20
Logicom Bulgaria EOOD	Bulgaria	10
Logicom Information Technology Distribution s.r.l.	Romania	16
Noesis Ukraine LLC	Ukraine	18
Logicom Services Ltd	Cyprus	12,5
Logicom Solutions LLC	United Arab Emirates	0
ICT Logicom Solutions SA	Greece	26
Logicom Saudi Arabia LLC	Saudi Arabia	20
Newcytech Business Solutions Ltd	Cyprus	12,5
Newcytech Distribution Ltd	Cyprus	12,5
Logicom Distribution Germany GmbH	Germany	15
Logicom LLC	Oman	12
Logicom Kuwait Computer Company Ltd	Kuwait	15
Logicom Trading & Distribution LLC	Qatar	10
Cadmus Tech Points S.A.L.	Lebanon	15

THE COMPANY

	2014 €	2013 €
Special defence contribution	3.361	54.858
Deferred tax - charge/(credit) (Note 26)	300.788	(435.571)
	304.149	(380.713)

The Company is subject to corporation tax at 12,5% on all of its profits.

LOGICOM PUBLIC LIMITED

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8. TAXATION *(continued)*

Reconciliation of taxation with the taxation based on accounting profit

THE GROUP

	2014 €	2013 €
Profit before taxation	6.260.514	5.017.098
Effective tax rate	17,60%	16,93%
Tax for the year based on accounting profit	1.101.850	849.395
Tax effect for:		
Depreciation	109.495	94.359
Capital allowances	(40.903)	(58.381)
Income not allowed in computation of taxable income	(1.669.302)	(1.531.654)
Expenses not allowed in computation of taxable income	667.924	1.410.441
Tax effect of tax losses brought forward	731.674	337.500
Special defence contribution	13.409	94.232
Deferred tax	(975.324)	(138.026)
Adjustment for prior years	306.064	-
	244.887	1.057.866

Reconciliation of taxation with the taxation based on accounting profit

THE COMPANY

	2014 €	2013 €
Loss before taxation	(2.921.686)	(412.039)
Effective tax rate	12,50%	12,50%
Tax for the year based on accounting profit	(365.211)	(51.505)
Tax effect for:		
Depreciation	33.654	52.222
Capital allowances	(27.696)	(27.917)
Income not allowed in computation of taxable income	(1.151.406)	(765.099)
Expenses not allowed in computation of taxable income	61.522	453.016
Tax effect of tax losses brought forward	1.449.137	339.283
Special defence contribution	3.361	54.858
Deferred tax	300.788	(435.571)
	304.149	(380.713)

Deffered taxation recognized in other comprehensive income

THE GROUP

	2014 €	2013 €
Temporary differences arising from foreign exchange differences	98.915	32.933
Revaluation of land and buildings	(6.465)	(132.879)
	92.450	(99.946)

8. TAXATION *(continued)*

THE COMPANY

	2014	2013
	€	€
Revaluation of land and buildings	(7.988)	129.546
	(7.988)	129.546

9. DIVIDEND

	2014	2013
	€	€
Dividend paid	1.851.989	1.111.194
	1.851.989	1.111.194

During the year a final dividend for 2013 of €1.851.989 was paid. This corresponds to €0,025 cent per share. In accordance with IAS 10, dividends are recognised in the year in which they are declared.

The proposed final dividend for 2014 of €2.963.184, corresponds to €0,040 cent per share and in accordance with IAS 10, it will be recognized during 2015, the year in which it will be declared.

10. EARNINGS PER SHARE

THE GROUP

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the shareholders of the parent Company, the weighted average number of issued shares and the weighted average number of issued shares during the year as follows:

	2014	2013
Profit attributable to shareholders (€)	6.473.576	4.055.495
Weighted average number of shares in issue during the year	74.079.600	74.079.600
Basic profit per share (cent)	8,74	5,47
Diluted weighted average number of shares	74.079.600	74.079.600
Diluted profit per share (cent)	8,74	5,47

10. EARNINGS PER SHARE *(continued)*

THE COMPANY

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the shareholders of the parent Company, the weighted average number of issued shares and the weighted average number of issued shares during the year as follows:

	2014	2013
Loss attributable to shareholders (€)	(3.225.835)	(31.326)
Weighted average number of shares in issue during the year	74.079.600	74.079.600
Basic loss per share (cent)	(4,35)	(0,04)
Diluted weighted average number of shares	74.079.600	74.079.600
Diluted loss per share (cent)	(4,35)	(0,04)

11. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings	Computers	Furniture and fittings	Motor vehicles	Total
	€	€	€	€	€
Cost or revaluation					
2013					
Balance at 1 January 2013	7.638.459	5.422.338	2.296.862	1.465.136	16.822.795
Additions for the year	1.499.554	867.229	128.957	197.151	2.692.891
Disposals for the year	-	(166.101)	(423)	(50.935)	(217.459)
Adjustment on revaluation	(903.841)	-	-	-	(903.841)
Exchange differences	(113.012)	(36.500)	(38.046)	(11.409)	(198.967)
Balance at 31 December 2013	8.121.160	6.086.966	2.387.350	1.599.943	18.195.419
2014					
Balance at 1 January 2014	8.121.160	6.086.966	2.387.350	1.599.943	18.195.419
Additions for the year	366.410	787.710	395.783	346.958	1.896.861
Disposals for the year	(823.111)	(677.293)	(158.821)	(279.835)	(1.939.060)
Exchange differences	346.956	260.611	210.702	52.969	871.238
Adjustment on revaluation	(58.193)	-	-	-	(58.193)
Balance at 31 December 2014	7.953.222	6.457.994	2.835.014	1.720.035	18.966.265
Depreciation					
2013					
Balance at 1 January 2013	647.710	2.915.374	1.422.380	1.097.767	6.083.231
Charge for the year	274.955	951.636	209.871	135.972	1.572.434
Disposals for the year	-	(102.640)	(423)	(50.935)	(153.998)
Exchange differences	(14.331)	(32.389)	(28.197)	(9.369)	(84.286)
Adjustment on revaluation	(585.095)	-	-	-	(585.095)
Balance at 31 December 2013	323.239	3.731.981	1.603.631	1.173.435	6.832.286
2014					
Balance at 1 January 2014	323.239	3.731.981	1.603.631	1.173.435	6.832.286
Charge for the year	219.668	948.864	214.092	156.901	1.539.525
Disposals for the year	(73.833)	(645.043)	(93.944)	(231.936)	(1.044.756)
Exchange differences	12.420	140.883	59.742	33.713	246.758
Balance at 31 December 2014	481.494	4.176.685	1.783.521	1.132.113	7.573.813
Net book value					
Balance at 31 December 2013	7.797.921	2.354.985	783.719	426.508	11.363.133
Balance at 31 December 2014	7.471.728	2.281.309	1.051.493	587.922	11.392.452

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

THE COMPANY	**Land and buildings**	**Computers**	**Furniture and fittings**	**Motor vehicles**	**Total**
	€	€	€	€	€
Cost or revaluation					
2013					
Balance at 1 January 2013	4.518.932	1.441.884	550.634	503.279	7.014.729
Additions for the year	-	81.779	712	-	82.491
Disposals for the year	-	(856)	-	(42.313)	(43.169)
Adjustment on revaluation	(1.031.432)	-	-	-	(1.031.432)
Balance at 31 December 2013	3.487.500	1.522.807	551.346	460.966	6.022.619
2014					
Balance at 1 January 2014	3.487.500	1.522.807	551.346	460.966	6.022.619
Additions for the year	-	121.099	14.331	-	135.430
Disposals for the year	-	(25)	-	(19.307)	(19.332)
Balance at 31 December 2014	3.487.500	1.643.881	565.677	441.659	6.138.717
Depreciation					
2013					
Balance at 1 January 2013	236.260	1.076.258	405.134	360.298	2.077.950
Charge for the year	119.793	136.204	23.835	47.946	327.778
Disposals for the year	-	(372)	-	(42.313)	(42.685)
Adjustment on revaluation	(356.053)	-	-	-	(356.053)
Balance at 31 December 2013	-	1.212.090	428.969	365.931	2.006.990
2014					
Balance at 1 January 2014	-	1.212.090	428.969	365.931	2.006.990
Charge for the year	65.250	141.436	24.209	38.363	269.258
Disposals for the year	-	(25)	-	(19.307)	(19.332)
Balance at 31 December 2014	65.250	1.353.501	453.178	384.987	2.256.916
Net book value					
Balance at 31 December 2013	3.487.500	310.717	122.377	95.035	4.015.629
Balance at 31 December 2014	3.422.250	290.380	112.499	56.672	3.881.801

On December 1998 the Company acquired land and buildings at Strovolos. At the end of the same month the land and buildings were revalued by independent professional valuers. The transfer of ownership of the building in the Land Registry Department was made in March 1999.

On 31 December 2014 the Group assesses that the net book value of land and buildings of Logicom (Middle East) SAL in Lebanon is not materially different from its fair value.

The revaluations were made according to the comparative valuation method for the computation of market value, with the cost of construction method for the purchase price of the building and also on the basis of the future prospects of the immovable properties under examination. These valuations were made by independent professional valuers.

The provision for deferred taxation arising from the revaluation of land and buildings is presented in note 26.

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

If the total amounts of land and buildings were carried out at historic cost, these would have been as follows:

	2014	2013
	€	€
Cost	4.851.022	5.307.723
Depreciation	(1.475.193)	(1.295.316)
	3.375.829	4.012.407

The value of the land which is not depreciated is as follows:

	2014	2013
	€	€
Balance at 31 December	354.091	354.091

The subsidiary company Logicom (Overseas) Limited acquired buildings (land, offices and warehouse) in the Larnaca Free Zone Area in December 1994. Land was acquired on a long term lease agreement from the Cyprus Government to the subsidiary, ending on 30 September 2016 with an option for renewal for another two lease periods of 33 years. There is no commitment on behalf of the Company for renewal of the lease. The buildings are owned by the Group with an initial cost of €130.178 followed by additions of cost €29.672 and the annual lease payment of €3.225.

On 31 December 2013 the Group proceeded with the revaluation of land and buildings held by Logicom Public Limited, Logicom (Overseas) Limited, Logicom FZE and Logicom Jordan LLC resulting to a total deficit of €318.742.

The subsidiary company Logicom FZE acquired land in the Free Trade Zone Area in Jebel Ali. The land is under an operating lease for 10 years from the 1 August 2007 with an option for renewal. The annual lease payment is €99.488.

LOGICOM PUBLIC LIMITED

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12. INTANGIBLE ASSETS AND GOODWILL

THE GROUP	Development costs	Licensing costs	Goodwill	Total
	€	€	€	€
Cost or revaluation				
2013				
Balance at 1 January 2013	101.603	459.814	9.621.060	10.182.477
Balance at 31 December 2013	101.603	459.814	9.621.060	10.182.477
2014				
Balance at 1 January 2014	101.603	459.814	9.621.060	10.182.477
Additions for the year	40.000	13.028	-	53.028
Adjustments for the year	-	-	(304.956)	(304.956)
Balance at 31 December 2014	141.603	472.842	9.316.104	9.930.549
Amortisation				
2013				
Balance at 1 January 2013	101.566	142.472	653.169	897.207
Amortisation for the year	-	90.000	-	90.000
Impairment for the year	37	-	-	37
Balance at 31 December 2013	101.603	232.472	653.169	987.244
2014				
Balance at 1 January 2014	101.603	232.472	653.169	987.244
Amortisation for the year	-	90.000	-	90.000
Balance at 31 December 2014	101.603	322.472	653.169	1.077.244
Net book value				
Balance at 31 December 2013	-	227.342	8.967.891	9.195.233
Balance at 31 December 2014	40.000	150.370	8.662.935	8.853.305

12. INTANGIBLE ASSETS AND GOODWILL *(continued)*

THE COMPANY	**Licensing costs** €
Cost or revaluation	
2013	
Balance at 1 January 2013	450.000
Balance at 31 December 2013	450.000
2014	
Balance at 1 January 2014	450.000
Additions for the year	13.028
Balance at 31 December 2014	463.028
Amortisation	
2013	
Balance at 1 January 2013	132.658
Amortisation for the year	90.000
Balance at 31 December 2013	222.658
2014	
Balance at 1 January 2014	222.658
Amortisation for the year	90.000
Balance at 31 December 2014	312.658
Net book value	
Balance at 31 December 2013	227.342
Balance at 31 December 2014	150.370

Goodwill

Logicom Solutions Limited / DAP Noesis Business Solutions Limited
Goodwill amounting to €1.102.924 arose on the acquisition of the subsidiary company Logicom Solutions Limited on 1 January 2000 and on the acquisition of the subsidiary company DAP Noesis Business Solutions Limited on 20 March 2002. Goodwill that arose on the acquisition of the above named subsidiaries had been capitalized and was amortized annually in the statement of profit or loss until 31 December 2004. As of 1st January 2005, in accordance to IFRS 3, goodwill is no longer amortized but is assessed annually for impairment.

The carrying amount of goodwill that arose from DAP Noesis Business Solutions Limited has been impaired with an amount equal to its net book value as at 31 December 2005. The recoverable amount of the goodwill of Logicom Solutions Limited is assessed annually during the reporting date by calculating the greater of the value in use and the fair value less costs to sell. Based on the fact that the fair value cannot be measured, the recoverable amount equals with the value in use which is calculated as present value of the estimated future cash flows, using a discount rate of 11% for a period of 3 years and the terminal value of the company. For the determination of terminal value the cash flows until 2017 by dividing the difference of weighted average cost of capital and growth rate have been used. The weighted average cost of capital was calculated at 11% and the growth rate in perpetuity at 2%. There is no impairment on the goodwill at the end of the year because the net value of the goodwill is lower than its recoverable amount.

12. INTANGIBLE ASSETS AND GOODWILL *(continued)*

The amount of goodwill of Logicom Solutions Limited arising from the acquisition on 31 December 2014 is €449.755 (2013: €449.755).

Newcytech Business Solutions Limited
Goodwill amounting to €7.535.670 arose on the acquisition of the subsidiary company Newcytech Business Solutions Limited ("Newcytech") on 30 October 2009. The acquisition cost was based on a valuation report for Newcytech that was prepared by external advisors. The calculation of the value was based on the assumption of a growth rate of 1% and weighted average cost of capital of 15,59%.

Management estimates that there is no need for impairment of the goodwill, that arose on the acquisition of Newcytech, on the basis that the recoverable amount exceeds the carrying amount of goodwill. The recoverable amount equals the value in use that is calculated as the present value of the estimated future cash flows for a period of 3 years and the terminal value of the company. For the determination of the terminal value the cash flows after 2017 were used divided with the difference of the weighted average cost of capital and the growth rate. The weighted average cost of capital was calculated to 11% and the growth rate to perpetuity to 2%.

The amount of goodwill of Newcytech Business Solutions Limited arising from the acquisition on 31 December 2014 is €449.755 (2013: €449.775). The decrease results from the adjustment of the provisions.

Inteli-scape Limited
Goodwill amounting to €1.893.733 arose on the acquisition of the subsidiary company Inteli-scape Limited ("Inteliscape") on 29 November 2011. The acquisition cost was based on a valuation report for Inteliscape that was prepared by external advisers. The calculation of the value was based on the assumption of a growth rate of 1,5% and weighted average cost of capital of 18%. Management estimates that there is no need for impairment of the goodwill that arose on the acquisition of Inteliscape on the basis that the acquisition is higher than the net value of goodwill. The recoverable amount is equal to the value in use which is calculated as the present value of estimated future input for a period of 3 years and the terminal value of the Company. For the determination of the terminal value the cash flows after 2017 were used divided by difference of the weighted average cost of capital and the growth rate. The weighted average cost of capital was calculated to 11% and the growth rate to perpetuity to 2%.

The amount of goodwill of Inteli-scape Limited arising from the acquisition on 31 December 2014 is €1.893.733 (2013: €1.893.733).

The main assumptions that were used in calculating the present value of the estimated future cash flows as assessed and evaluated by the management are:

Discount rate
The discount rate is calculated at the same level as the weighted average cost of capital of the Group. For the calculation the interest rate on 5 year government bonds, the cost of financing after the tax deduction, the market interest rate and the effect of changes in the market on the Company were taken into account.

Growth rate for terminal value
The rate is calculated based on previous experience of the company's growth rate and the company's segments of operations, and by also taking into account the ongoing technological development, expertise and experience of the company. The rate is compared with the growth rate of the Gross Domestic Product of Cyprus, the country in which the company is operating.

Estimated future inflows
The future inflows from the above subsidiaries have been calculated based on the growth rates of the companies in recent years as well as on the business development plans of the companies:

12. INTANGIBLE ASSETS AND GOODWILL *(continued)*

- The budget for 2015 shows that the turnover of Newcytech Business Solutions Ltd and Logicom Solutions Ltd will remain at the same levels as in 2014, whereas the turnover of Inteli-scape Ltd will increase. Taking into consideration projects that the companies expect to perform during the year as well as the difficult economic conditions that are expected to affect the achievement of the planned development.
- The growth for 2016 is estimated to be at possitive rates at the level of 1%, for Newcytech Business Solutions Ltd and 3% for Inteli-scape Ltd while projected marginal increase of 2% is estimated for the year 2017 as a result of the economic conditions in Cyprus.
- The growth after 2017 is expected to be within the expectations of the management based on growth data for the country and segment of operations of the companies.

Management does not consider that there will be a considerable change in the above main assumptions that will affect the recoverable amount of goodwill so that it will be lower than the carrying amount.

Development/licensing costs

The software development costs and licensing costs arose on the acquisition of the subsidiary company DAP Noesis Business Solutions Limited on 20 March 2002.

These costs, relate to the use and distribution of software, are capitalized and then amortized in profit and loss on a straight line basis over their useful economic life as follows:

Development costs	5 years
Licensing costs	2 years

Licencing costs relate to the acquisition of the distribution rights of Nokia products in Cyprus which have been acquired by Logicom Public Ltd on 11 July 2011 through a distribution contract with duration until the end of 2014 with a right of renewal for a further year. This contract was renewed successfully up to the end of 2015 with the right for renewal for an addtional one year.

Costs relating to the distribution of products are capitalised and amortised in profit and loss with equal annual charges over the expected useful economic life for 5 years.

13. ACQUISITION OF SUBSIDIARY COMPANY/CONTINGENT CONSIDERATION

NewCytech Business Solutions Limited
On 27 July 2009, the Company acquired 36,77% of the shares of Newcytech Business Solutions Limited for €3.015.000. On 30 October 2009, the Company acquired the remaining 63,23% for €5.300.000. The total cost of the subsidiary which amounted to €10.240.329, included contingent consideration which amounted to €1.925.329.

On 31 December 2014 (31 December 2013: €304.956) the Group does not owe any amount for the repayment of the contingent consideration relating to Newcytech.

Inteli-scape Limited
On 29 November 2011, the Company acquired the 100% of the shares of Inteli-scape Limited for €2.554.376. The total cost for the acquisition of the subsidiary includes a contingent consideration of €1.244.376.

The purchase agreement provides that the contingent consideration is payable subject to the achievement of the targets set for the annual profit before tax of Inteli-scape Limited for the years 2011 until 2014. The consideration will be payable in partial payments within 30 days from the finalization of the audited financial statements of Inteli-scape Limited for each of the years stated above.

The contingent consideration has been determined between the Group and former shareholder at €975.000 The discounted value of this amount was estimated at €836.529.

13. ACQUISITION OF SUBSIDIARY COMPANY/CONTINGENT CONSIDERATION *(continued)*

The contingent consideration was adjusted in 2014 as follows:

	€
Balance at 1 January 2014	1.141.485
Adjustment on provision	(304.956)
Payment during the year	(200.000)
Balance at 31 December 2014	636.529

The contingent consideration is analysed in short term and long term as follows:

	2014 €	2013 €
Short-term	200.000	504.956
Long-term	436.529	636.529
	636.529	1.141.485

The total contingent liabilities are analysed in long-term and short-term as follows:

	Long-term €	Short-term €	Total €
Inteli-scape Limited	436.529	200.000	636.529
	436.529	200.000	636.529

14. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company has the following investments in subsidiary companies:

Name	Country of incorporation	2014 Percentage %	2013 Percentage %	Cost 2014 €	Cost 2013 €
Logicom (Overseas) Limited	Cyprus	100	100	-	-
Logicom Solutions Limited	Cyprus	100	100	-	-
Logicom (Middle East) SAL	Lebanon	100	100	52.652	52.652
ENET Solutions - Logicom S.A.	Greece	100	100	1.205.400	1.205.400
Logicom FZE	United Arab Emirates	100	100	3.296.728	3.296.728
Logicom Dubai LLC	United Arab Emirates	100	100	92.124	92.124
Logicom Jordan LLC	Jordan	100	100	78.372	78.372
Logicom Italia s.r.l.	Italy	100	100	2.569.544	1.834.834
Rehab Technologies Limited	Saudi Arabia	100	100	100.382	100.382
Logicom Hungary Ltd	Hungary	100	100	12.217	12.217
Logicom Information Technology Distribution s.r.l.	Romania	100	100	63	63
Logicom Bulgaria EOOD	Bulgaria	100	100	10.048	10.048
Noesis Ukraine LLC	Ukraine	46	46	11.214	11.214
Logicom Services Ltd	Cyprus	100	100	10.000	10.000
Verendrya Ventrures Ltd	Cyprus	60	60	600	600
Logicom Distribution Germany GmbH	Germany	100	100	27.000	27.000
Cadmus Tech Points S.A.L	Lebanon	100	100	16.365	-
				7.482.709	6.731.634

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, the 100% of Logicom Solutions Ltd in Cyprus with share capital of €8.550.

The Company owns indirectly, through the subsidiary companies Enet Solutions – Logicom S.A. and Logicom FZE, the 100% of Logicom IT Distribution Ltd in Turkey with share capital of €5.240.392.

The Company owns indirectly, through the subsidiary company Logicom Solutions Ltd, the remaining 54% of the subsidiary Noesis Ukraine LLC in Ukraine.

The Company owns indirectly, through the subsidiary company Verendrya Ventures Ltd, the 100% of the subsidiary Netcom Ltd in Cyprus.

The Company owns indirectly, through the subsidiary company Logicom FZE, the 100% of the subsidiary Logicom Saudi Arabia LLC in Saudi Arabia with share capital of €4.960.896.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, the 100% of Newcytech Business Solutions Ltd in Cyprus with share capital of €756.776.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, the 100% of Newcytech Distribution Ltd in Cyprus with share capital of €8.550.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, the 100% of the subsidiary Logicom Solutions LLC in the United Arab Emirates with share capital of €56.589.

14. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, the 100% of the subsidiary ICT Logicom Solutions SA in Greece, with share capital of €100.000.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, the 100% of the subsidiary Inteli-scape Limited in Cyprus, with share capital of €85.500.

The Company owns indirectly, through the subsidiaries Logicom FZE and Logicom Dubai LLC, the 100% of Logicom LLC in Oman, with share capital of €41.075.

The Company owns indirectly, through its subsidiary Logicom FZE, the 100% of Logicom Kuwait for Computer Co. in Kuwait, with share capital of €50.997.

The Company owns indirectly, through its subsidiary Logicom Dubai LLC, the 100% of Logicom Trading and Distribution LLC in Qatar, with share capital of €40.015.

On 31 December 2014, the Company made an impairment assessment of its investments by comparing the net asset value of each investment with the carrying amount. There was no indication for impairment in the value of the investments in subsidiaries, except for Netcom Ltd, Verendrya Ventures Ltd, Logicom Bulgaria EOOD, Logicom Information Technology Distribution s.r.L, Rehab Technologies Ltd and Logicom Solutions LLC based on the criteria discussed above.

The Company issued a financial support commitment to the Group companies noted above, confirming that the Group will continue to provide financial support to enable them to continue as a going concern and meet their liabilities as they fall due.

14. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

The following table includes the dates of acquisition, the nominal values and the number of shares of the main subsidiary companies:

	Date of acquisition/ incorporation	Nominal Value	Number of shares
Logicom (Overseas) Limited	01/01/1999	EUR 1,71	10.000
Logicom Solutions Limited	01/01/1999	EUR 1,71	5.000
Netcom Limited	27/04/2000	EUR 1,71	10.000
Logicom (Middle East) SAL	25/07/2000	LBP 15.000	5.000
ENET Solutions - Logicom S.A.	21/02/2001	EUR 2,94	410.000
Logicom Jordan LLC	07/08/2001	JOD 1	50.000
Logicom FZE	03/10/2001	AED 1m.	1
Logicom Dubai LLC	07/11/2001	AED 100	3.000
Logicom Italia s.r.l.	14/06/2005	EUR 10.000	1
Logicom IT Distribution Limited	01/12/2005	YTL 25	520.000
Rehab Technologies Limited	01/08/2006	SAR 500	1.000
Logicom Information Technology Distribution s.r.l.	19/03/2007	RON 200	1
Logicom Bulgaria EOOD	12/04/2007	BGN 20.000	1
Logicom Hungary Ltd	15/06/2007	HUF 3 m.	1
Noesis Ukraine LLC	30/05/2008	UAH 184.176	1
Verendrya Ventrures Ltd	30/01/2009	EUR 1	1.000
Logicom Services Ltd	06/05/2009	EUR 1	10.000
Logicom Solutions LLC	16/08/2009	AED 1.000	300
ICT Logicom Solutions SA	03/11/2009	EUR 1	100.000
Logicom Saudi Arabia LLC	29/09/2009	SAR 10	2.680.000
Newcytech Business Solutions Ltd	30/10/2009	EUR 1,71	442.559
Newcytech Distribution Ltd	30/10/2009	EUR 1,71	5.000
Logicom Distribution Germany GmbH	29/09/2010	EUR 1	25.000
Inteli-scape Ltd	29/09/2011	EUR 1,71	50.000
Logicom LLC	02/09/2012	OR 1	20.000
Logicom Kuwait Computer Company W.L.L	02/09/2012	KD 200	100
Logicom Trading & Distribution LLC	23/03/2014	QR 1.000	200
Cadmus Tech Points S.A.L	01/10/2013	LBP10.000	3.000

15. EQUITY-ACCOUNTED INVESTEES

The Group participates in the consortium M.N Limassol Water Co. Ltd and M.N. EPC Water Co. (partnerhsip) with 50% holding through its subsidiary Verendrya Ventures Ltd. These consortiums have undertaken the construction and management of the desalination plant in Episkopi.

During 2012, the Group has also acquired a 50% holding through its subsidiary Verendrya Ventures Ltd, in a consortium for the renovation and operation of the existing desalination unit in Larnaca.

The Group recognizes the above investments using the equity method.

The Group has fully impaired the above investments, which are recognised using the equity method, based on the losses attributable to Verendrya Ventures Ltd. The losses that exceed the amount of the investments were credited to the loans granted from Verendrya Ventures Ltd to M.N. Limassol Water Co. Ltd and M.N. Larnaca Desalination Co. Ltd.

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15. EQUITY-ACCOUNTED INVESTEES *(continued)*

The Group through the consolidation of the results of the subsidiary company Verendrya Ventures Ltd recognised a total loss of €1.205.601 (2013: €296.833) resulting from the indirect involvement in the partnership M.N. E.P.C Water Co., in the company M.N. Limassol Water Co. Ltd and in the company M.N. Larnaca Desalination Co. Ltd.

Regarding the investment in the desalination Unit of Larnaka, management has prepared the consolidated financial statements for the year ended 31 December 2014 on the basis of a legal opinion in relation to the validity of claims in favour and against the Company and an opinion from its consultants in respect of the level of the compensation it is expected to be entitled to. The determination of the level of compensation required the application of management's judgment and involves estimates. Judgement has also been applied in the allocation of the expected compensation between the financial and intangible asset in the financial model of the desalination project.

Significant total amounts of investments accounted for using the equity method:

2014	M.N. Larnaca Desalination Co. Ltd	M.N. EPC Water Co.	M.N. Limassol Water Co. Ltd	Total
Percentage	50%	50%	50%	
Statement of financial position Date	31/12/2014	31/12/2014	31/12/2014	
	€	€	€	€
Non-current assets	16.859.604	11.999	47.893.344	64.764.947
Current assets	2.695.333	2.140.966	7.847.780	12.684.079
Total assets	19.554.937	2.152.965	55.741.124	77.449.026
Current liabilities	(1.648.186)	(2.165.751)	(5.147.642)	(8.961.579)
Liabilities	(19.977.416)	-	(51.670.622)	(71.648.038)
Total liabilities	(21.625.602)	(2.165.751)	(56.818.264)	(80.609.617)
Net Assets	(2.070.665)	(12.786)	(1.077.140)	(3.160.591)
Revenue	11.783.509	16	5.394.822	17.178.347
Expenses	(13.777.697)	(11.798)	(5.800.054)	(19.589.549)
Loss	(1.994.188)	(11.782)	(405.232)	(2.411.202)
Group's share in net assets	(1.035.333)	(6.393)	(538.570)	(1.580.296)
Group's share in loss	(997.094)	(5.891)	(202.616)	(1.205.601)

15. EQUITY-ACCOUNTED INVESTEES *(continued)*

2013	M.N. Larnaca Desalination Co. Ltd	M.N. EPC Water Co.	M.N. Limassol Water Co. Ltd	Total
Percentage	50%	50%	50%	
Statement of financial position Date	31/12/2013	31/12/2013	31/12/2013	
	€	€	€	€
Non-current assets	5.323.428	21.841	50.299.839	55.645.108
Current assets	1.186.948	3.153.232	5.995.727	10.335.907
Total assets	6.510.376	3.175.073	56.295.566	65.981.015
Current liabilities	(1.875.178)	(3.176.077)	(5.247.951)	(10.299.206)
Liabilities	(4.711.675)	-	(51.719.523)	(56.431.198)
Total liabilities	(6.586.853)	(3.176.077)	(56.967.474)	(66.730.404)
Net Assets	(76.477)	(1.004)	(671.908)	(749.389)
Revenue	5.627.500	147	1.032.625	6.660.272
Expenses	(5.713.977)	(7.669)	(1.532.292)	(7.253.938)
Loss	(86.477)	(7.522)	(499.667)	(593.666)
Group's share in net assets	(38.239)	(502)	(335.954)	(374.695)
Group's share in loss	(43.239)	(3.761)	(249.834)	(296.833)

16. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

THE GROUP

	2014	2013
	€	€
Shares of the companies listed in ASE	75.991	233.566
Shares of the companies listed in CSE	15.258	6.254
Other investments	8.543	8.543
	99.792	248.363

THE COMPANY

	2014	2013
	€	€
Shares of the companies listed in ASE	75.991	233.566
Shares of the companies listed in CSE	5.918	4.694
Other investments	8.543	8.543
	90.452	246.803

As at the date of the approval of the financial statements, on 2 April 2015, the value of the shares traded in the CSE was €6.819 and the shares traded in ASE was €57.576.

17. AVAILABLE-FOR-SALE INVESTMENTS

Investments available for sale consist of shares in the public companies Demetra Investments Public Ltd (''Demetra''), Hellenic Bank Public Ltd (''Hellenic'') and Bank of Cyprus Public Company Ltd (''BOC''). The shares are traded on the Cyprus Stock Exchange. The investment in BOC securities was a result of the conversion of the 47,5% of Logicom Solutions Ltd and Newytech Business Solutions Ltd deposits held into BOC, into shares. These investments are presented at fair value.

THE GROUP

	2014	2013
	€	€
Balance at 1 January	4.692.462	2.547.545
Purchases	1.085.481	923.026
Transfer to Investments at fair value through p&l	(36.016)	-
Increase in fair value of investments	185.959	1.221.891
Balance at 31 December	5.927.886	4.692.462

THE COMPANY

	2014	2013
	€	€
Balance at 1 January	-	-
Purchases	-	-
Balance at 31 December	-	-

18. INVENTORIES

THE GROUP

	2014	2013
	€	€
Net value of inventories at 31 December	60.857.033	51.319.697

The provision for the decrease of the value of inventories has increased by €306.384 (2013: decrease €649.578 as a result of the sale of inventories for which a provision was recorded in previous years and of the increase in the provision of the year) as a result of the provisions which have been recognised in certain subsidiary companies.

THE COMPANY

	2014	2013
	€	€
Net value of inventories at 31 December	5.002.316	2.221.534

The provision for the decrease of the value of inventories was decreased by €9.455 (2013: decrease €13.508) as a result of the sale of inventories for which a provision was recorded in previous years of a total value €9.455.

Inventories consist of finished goods for sale and spare parts. Part of the spare parts, in certain cases, can be sold as finished goods. Work in progress has been determined by management as immaterial and therefore it is not presented separately. Inventories are stated net of any provision for inventory determined as obsolete and which it is possible that they cannot be sold.

19. TRADE AND OTHER RECEIVABLES

THE GROUP

	2014 €	2013 €
Trade receivables	135.460.157	100.065.951
Other receivables	22.942.290	14.288.268
Prepayments	6.171.820	3.415.171
	164.574.267	117.769.390

THE COMPANY

	2014 €	2013 €
Trade receivables	5.262.978	5.351.838
Other receivables	7.425.226	6.039.897
Prepayments	259.981	204.421
Amounts receivable from associated companies (Note 36)	932.169	932.295
	13.880.354	12.528.451

Trade and other receivables are stated after the deduction of the provision for doubtful debts. The provision which amounted to €2.443.599 (2013:€5.821.314) for the Group and to €122.181 (2013:€148.938) for the Company.

Part of trade receivables of Logicom Public Ltd in Cyprus and Malta and the subsidiaries Enet Solutions -Logicom S.A. in Greece and Logicom FZE in United Arab Emirates have been settled through the factoring agreement without recourse. The total amount of debtors that were settled on 31 December 2014 amounted to €20.918.952 (2013:€13.262.685).

The risks in relation to trade and other receivables are presented in note 30.

20. CASH AND CASH EQUIVALENTS

THE GROUP

	2014 €	2013 €
Cash in hand	22.062	72.892
Current accounts with banks	25.679.556	22.859.109
	25.701.618	22.932.001

THE COMPANY

	2014 €	2013 €
Cash in hand	969	1.430
Current accounts with banks	1.578.876	3.066.253
	1.579.845	3.067.683

The deposit interest rates for 2014 were 3,0% per annum (2013: 4,0%).

20. CASH AND CASH EQUIVALENTS *(continued)*

For cash flow statement purposes, cash and cash equivalents include::

THE GROUP

	2014 €	2013 €
Cash at bank and in hand	25.701.618	22.932.001
Bank overdrafts (Note 25)	(49.286.099)	(42.671.787)
	(23.584.481)	(19.739.786)

THE COMPANY

	2014 €	2013 €
Cash at bank and in hand	1.579.845	3.067.683
Bank overdrafts (Note 25)	(29.686.796)	(30.750.673)
	(28.106.951)	(27.682.990)

21. SHARE CAPITAL

	2014 Number of shares	2014 €	2013 Number of shares	2013 €
Authorised				
Ordinary shares of €0,34 each	100.000.000	34.000.000	100.000.000	34.000.000
Issued and fully paid				
Balance at 1 January	74.079.600	25.187.064	74.079.600	25.187.064
Balance at 31 December	74.079.600	25.187.064	74.079.600	25.187.064

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22. RESERVES

THE GROUP

	Difference arising on the conversion the share capital to Euro €	Share Premium Reserve €	Consolidated Retained earnings €	Revaluation Reserve €	Fair Value Reserve €	Translation reserve €	Hedging reserve €	Statutory reserve €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2013	116.818	10.443.375	24.040.997	3.400.590	-	(5.811.837)	(2.415.273)	209.362	29.984.032	49.686	30.033.718
Profit for the year	-	-	4.055.495	-	-	-	-	-	4.055.495	(96.263)	3.959.232
Exchange differences in relation to foreign operations	-	-	-	-	-	(1.902.950)	820.242	-	(1.082.708)	-	(1.082.708)
Deficit on revaluation of land and buildings	-	-	-	(318.746)	-	-	-	-	(318.746)	-	(318.746)
Deferred tax on revaluation of land and buildings	-	-	-	132.879	-	-	-	-	132.879	-	132.879
Surplus arising from the revaluation of investments in shares available for sale	-	-	-	-	1.221.891	-	-	-	1.221.891	-	1.221.891
Total comprehensive income	-	-	4.055.495	(185.867)	1.221.891	(1.902.950)	820.242	-	4.008.811	(96.263)	3.912.548
Proposed dividend for 2012 that was paid in 2013 (note 9)	-	-	(1.111.194)	-	-	-	-	-	(1.111.194)	-	(1.111.194)
Revaluation reserve realised through use	-	-	22.080	(22.080)	-	-	-	-	-	-	-
	-	-	(1.089.114)	(22.080)	-	-	-	-	(1.111.194)	-	(1.111.194)
Balance at 31 December 2013	116.818	10.443.375	27.007.378	3.192.643	1.221.891	(7.714.787)	(1.595.031)	209.362	32.881.649	(46.577)	32.835.072

LOGICOM PUBLIC LIMITED

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Year ended 31 December 2014

22. RESERVES *(continued)*

THE GROUP

	Difference arising on the conversion the share capital to Euro €	Share Premium Reserve €	Consolidated Retained earnings €	Revaluation Reserve €	Fair Value Reserve €	Translation reserve €	Hedging reserve €	Statutory reserve €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2014	116.818	10.443.375	27.007.378	3.192.643	1.221.891	(7.714.787)	(1.595.031)	209.362	32.881.649	(46.577)	32.835.072
Profit for the year	-	-	6.473.576	-	-	-	-	-	6.473.576	(457.949)	6.015.627
Exchange differences in relation to foreign operations	-	-	-	-	-	4.389.114	(3.941.794)	-	447.320	-	447.320
Deferred tax on revaluation of land and buildings	-	-	-	(6.465)	-	-	-	-	(6.465)	-	(6.465)
Surplus arising from the revaluation of investments in shares available for sale	-	-	-	-	185.959	-	-	-	185.959	-	185.959
Total comprehensive income	-	-	6.473.576	(6.465)	185.959	4.389.114	(3.941.794)	-	7.100.390	(457.949)	6.642.441
Proposed dividend for 2013 that was paid in 2014 (note 9)	-	-	(1.851.989)	-	-	-	-	-	(1.851.989)	-	(1.851.989)
Revaluation reserve realised through use	-	-	22.080	(22.080)	-	-	-	-	-	-	-
	-	-	(1.829.909)	(22.080)	-	-	-	-	(1.851.989)	-	(1.851.989)
Balance at 31 December 2014	116.818	10.443.375	31.651.045	3.164.098	1.407.850	(3.325.673)	(5.536.825)	209.362	38.130.050	(504.526)	37.625.524

22. RESERVES *(continued)*

THE COMPANY

	Difference arising on the conversion the share capital to Euro €	Share Premium Reserve €	Retained earnings €	Revaluation Reserve €	Total €
Balance at 1 January 2013	116.818	10.443.375	(6.250.757)	2.553.950	6.863.386
Loss for the year	-	-	(31.326)	-	(31.326)
Deficit on revaluation of land and buildings	-	-	-	(675.379)	(675.379)
Deferred tax on revaluation of land and buildings	-	-	-	129.546	129.546
Total comprehensive income	-	-	(31.326)	(545.833)	(577.159)
Proposed dividend for 2012 that was paid in 2013 (note 9)	-	-	(1.111.194)	-	(1.111.194)
Revaluation reserve realised through use	-	-	22.080	(22.080)	-
	-	-	(1.089.114)	(22.080)	(1.111.194)
Balance at 1 January 2014	116.818	10.443.375	(7.371.197)	1.986.037	5.175.033
Loss for the year	-	-	(3.225.835)	-	(3.225.835)
Deferred tax on revaluation of land and buildings	-	-	-	(7.988)	(7.988)
Total comprehensive income	-	-	(3.225.835)	(7.988)	(3.233.823)
Proposed dividend for 2013 that was paid in 2014 (note 9)	-	-	(1.851.989)	-	(1.851.989)
Revaluation reserve realised through use	-	-	22.080	(22.080)	-
	-	-	(1.829.909)	(22.080)	(1.851.989)
Balance at 31 December 2014	116.818	10.443.375	(12.426.941)	1.955.969	89.221

Retained earnings
Retained earnings include accumulated gains or losses of the Company.

Share premium reserve
Share premium reserve consists of amounts incurred from the issue of shares at prices higher than the nominal value.

Reserve arising from the change of the nominal value of the shares
Reserve arising from the change of the shares nominal value consists of the difference arising from the change of the nominal value of the shares, following the adoption of the Euro as the official currency of the Republic of Cyprus.

Revaluation reserve
Revaluation reserve consists of the accumulated amounts of revaluations of land and buildings and the Deferred taxation on revaluations.

Fair value reserve
Fair value reserve consists of the accumulated amounts of revaluations of investments available for sale at their fair value.

Translation Reserve
Translation reserve consists of the accumulated exchange differences that arise on the translation of the equity of the foreign subsidiary companies and the exchange differences that arise from the long-term loans of the parent company to the foreign subsidiary companies.

22. RESERVES *(continued)*

Exchange differences that arise from the long-term loans to foreign subsidiary companies are transferred to other comprehensive income and presented in the translation reserve in the financial statements of the Group. Exchange differences are transferred to profit and loss on the disposal of the subsidiary company. Deferred taxation arising from net exchange differences that arise from the translation of the long-term loans is transferred to other comprehensive income and is presented in the translation reserve.

Exchange differences arising from long-term loans to foreign subsidiary companies are recognised in profit and loss in the year they are incurred in the financial statements of the parent Company.

Hedging Reserve

Hedging Reserve consists of the accumulated amounts of the hedging of the net investment in foreign subsidiary companies with the Group's liabilities at a foreign currency.

Statutory reserve in United Arab Emirates, Lebanon and Jordan

This reserve consists of amounts transferred every year from retained earnings, according to the statutory requirements applicable in these countries.

23. TRADE AND OTHER PAYABLES

THE GROUP

	2014	2013
	€	€
Trade payables	69.119.419	49.793.808
Accrued expenses	11.297.241	5.226.082
Other payables	16.060.184	10.650.216
Deferred income	365.930	76.323
	96.842.774	65.746.429

THE COMPANY

	2014	2013
	€	€
Trade payables	47.935.885	32.575.842
Accrued expenses	1.012.674	(24.025)
Other payables	1.471.643	1.558.317
	50.420.202	34.110.134

The risks in relation to trade and other payables are presented in note 30.

24. TAX REFUNDABLE AND PAYABLE

THE GROUP

	2014	2013
	€	€
Tax refundable	4.465.061	654.825
Tax payable	825.099	1.279.986

THE COMPANY

	2014	2013
	€	€
Tax refundable	137.059	137.059
Tax payable	3.400	29.721

Refundable taxes include the amount of €3.852.077 which was paid by the subsidiary company Enet Solutions-Logicom S.A.

25. LOANS AND BANK OVERDRAFTS

THE GROUP

	2014	2013
	€	€
Long-term loans	11.018.933	15.334.542
Short term loans	39.611.692	21.682.785
Bank overdrafts (Note 20)	49.286.099	42.671.787
	99.916.724	79.689.114

25. LOANS AND BANK OVERDRAFTS *(continued)*

The long-term loans of the Group are repayable as follows:

THE GROUP

	2014 €	2013 €
Within one year	5.531.959	7.679.363
Between two and five years	5.486.974	7.655.179
	11.018.933	15.334.542

THE COMPANY

	2014 €	2013 €
Long-term loans	9.767.131	9.770.885
Short term loans	4.133.103	4.097.600
Bank overdrafts (Note 20)	29.686.796	30.750.673
	43.587.030	44.619.158

The long-term loans of the Company are repayable as follows:

THE COMPANY

	2014 €	2013 €
Within one year	4.367.585	3.247.907
Between two and five years	5.399.546	6.522.978
	9.767.131	9.770.885

The long term loans of the Group and the Company consist of:

Loan in Euro repayable in eight years, with 15 equal quarterly installments of Euro 225.000. The interest rate is equal to 6 month EURIBOR + 2,0% annually and the first installment was paid on 31/12/2009.

Loan in Euro repayable in eight years, with 15 equal quarterly installments of Euro 408.000. The interest rate is equal to 6 month EURIBOR + 2,0% annually and the first installment was paid on 30/04/2011.

Loan in United States Dollars (USD) repayable in seven years including a grace period of two years. Two equal quarterly installments of USD 467.000 (30/9/2015 and 31/12/2015) remained for the full repayment of the loan. The interest rate is equal to 3 month LIBOR +4,0% annually.

Loan in United States Dollars (USD) repayable in seven years including a grace period of two years. Eleven equal quarterly installments of USD 718.000 remained for the full repayment of the loan. The interest rate is equal to 3 month LIBOR +4,0% annually.

Two loans in Euro of a total amount of Euro 458.000 repayable in three years, with 36 equal monthly installments of a total amount of Euro 14.080.

The weighted average cost of the bank overdraft is 4,7% annually (2013: 6,0%). The bank overdrafts are repayable on demand by the respective banks.

25. LOANS AND BANK OVERDRAFTS *(continued)*

The interest rate of short-term loans is equal to 3 month LIBOR plus 4,25% annually and 6 month LIBOR plus 4,25% annually (2013: 3 month LIBOR plus 4,25% annually and 6 month EURIBOR plus 4,25% annualy). Short-term loans are repayable within three months from the day they are signed.

The undrawn balance of the bank overdrafts of the Group at 31 December 2014 amounted to €47,3 million (2013: €43,5 million) and of the Company to €3 million (2013: €8,5 million).

The banking facilities are secured by:

1. The guarantee of Logicom Solutions Limited for €32.000.000, €19.648.916, $3.000.000, €7.688.706, €3.199.662 and €600.000.
2. First mortgage with registration number Y2258/85 for factory and offices in Larnaca with registration number L8 on the name of Logicom (Overseas) Limited for €170.861 (it also secures the liabilities of Logicom (Overseas) Limited).
3. First mortgage with registration number Y1858/99 amounts to €598.010, second mortgage with registration number Y3404/99 amounts to €256.290 and third mortgage with registration number Y3405/99 amounts to €170.860 on building with registration number N1664 at Ayia Paraskevi owned by Logicom Public Limited
4. First mortgage with registration number Y1953/99 dated 15 September 1999 for plot with registration number N1665 in Nicosia (Ayia Paraskevi area, Strovolos) for €133.270, owned by Logicom Public Limited.
5. Second mortgage with registration number Y5753/00 dated 21 July 2000 on plot with registration number N1665 in Nicosia (Ayia Paraskevi area, Strovolos) for €136.688, owned by Logicom Public Limited.
6. Notice accounts of Logicom Public Limited, Logicom Solutions Limited and Logicom FZE.
7. Pledge of 100% of the shares in Newcytech Business Solutions Ltd with reg. number 145820.
8. Corporate guarantees on guarantee document NT6 dated 07/10/2005 of the company Logicom Solutions Limited for the amount of €20.503.217.
9. Corporate guarantees on guarantee document NT6 dated 07/10/2005 of the company Logicom Solutions Limited for the amount of €2.562.906.
10. Assignment of receivables of Logicom Public Ltd for the amount €1.998.533 and $9.998.678.
11. The guarantee of Logicom (Overseas) Limited for €170.861.
12. First, second, third, fourth, fifth and sixth floating charge on the assets of Newcytech Business Solutions Limited, for the amount €4.991.105 (2013: €4.991.105).
13. Assignment of trade agreements of Newcytech Business Solutions Limited, for the amount €208.000 (2013: €208.000).
14. Assignment of trade receivables of Newcytech Business Solutions Limited, for the amount €900.000 (2013: €900.000).
15. Corporate guarantee of Logicom Public Limited for €6.202.375 (2013: €5.991.875).
16. Promissory note of Logicom Public Ltd, for the amount $10.073.510 and $8.439.967.
17. Corporate guarantee of Logicom Public Ltd for $45.000.000.

26. DEFERRED TAX

Liabilities/Assets of deferred taxation

	Liabilities 2014 €	Assets 2014 €	Transfer to other Reserves €	Transfer to Statement of Comprehensive Income €	Liabilities 2013 €	Assets 2013 €
THE GROUP						
Deferred taxation arising from:						
Temporary differences arising from differences between depreciation and capital allowances	(600.700)	(1.643)	-	51.004	(651.704)	(1.643)
Temporary differences arising from loss for the year	-	2.854.084	-	756.734	-	2.097.350
Revaluation of land and buildings	(465.250)	-	(6.465)	-	(458.785)	-
Temporary differences arising from administrative expenses	(368.164)	1.062.346	-	967.420	(368.164)	94.926
Temporary differences arising from unrealised exchange difference	(835.425)	438.067	-	(799.835)	(35.590)	438.067
Exchange difference	820.880	(795.234)	-	-	259.879	(155.812)
	(1.448.659)	3.557.620	(6.465)	975.323	(1.254.364)	2.472.888
THE COMPANY						
Deferred taxation arising from:						
Temporary differences arising from differences between depreciation and capital allowances	(3.728)	-	-	5.851	(9.579)	-
Temporary differences arising from loss for the year	-	2.566.956	-	710.971	-	1.855.985
Revaluation of land and buildings	(438.812)	-	(7.988)	-	(430.824)	-
Temporary differences arising from unrealised exchange difference	(635.282)	-	-	(1.017.610)	-	382.329
	(1.077.822)	2.566.956	(7.988)	(300.788)	(440.403)	2.238.314

The Company calculates deferred taxation on debit balances for all deductible temporary differences and tax losses when it expects that a tax liability will arise from future profits.

Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax assets and liabilities and when the deferred taxes relate to the same tax authority.

27. CONTINGENCIES AND LITIGATIONS

The most important guarantees are as follows:

1. The Company has provided a bank guarantee of up to USD 4.000.000 (€3.294.622) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 19 February 2014 until 18 February 2015.
2. The Company has provided a second bank guarantee of up to EURO 1.500.000 to a second foreign supplier for providing a trading credit facility. This quarantee was due on 10 February 2014 and was renewed until 10 March 2015.
3. The Company has provided a third bank guarantee of up to USD 1.600.000 (€1.317.849) to a third foreign supplier for providing a trading credit facility. This guarantee is valid from 12 April 2014 until 12 April 2015.
4. The Company has provided a fourth bank guarantee of up to EUR34.172 to the Director of Customs and Excise Department for the use of a Bonded Warehouse in the Free Trade Zone in Larnaca.
5. Companies of the Group have provided bank guarantees in order to participate to government projects and private sector projects.

Apart from the tax liabilities that have already been accounted for in the consolidated financial statements based on the existing information, it is possible that additional tax liabilities may arise during the examination of the tax and other affairs of the companies of the Group.

Litigation

Trade and other receivables include an amount of USD 1,6 million (€1,3 m.) due from a customer of the subsidiary company Logicom FZE, that in 2007, ceased his operations in the Middle East. The company filed a legal claim demanding payment of outstanding invoices from the sale of computer systems. The court decision ordered the customer to pay the required amount of USD 1,6 m (€1,3 m). The lawyer of the company shall monitor the implementation of the action in this matter. A provision has been made in respect of 100% of the outstanding amount.

28. OPERATING LEASE

THE GROUP

	2014	2013
	€	€
Within one year	825.447	401.951
Between one and five years	1.232.719	1.083.264
After more than five years	246.413	288.060

The Group rents a number of buildings, warehouses and motor vehicles. The Group assesses the categorization to operating lease or hire purchase for the reason that firstly, the land is not transferable and secondly, because the rents are adjusted to the market rent prices at regular intervals and for the reason that the Group is not involved in the residual values of the buildings, it was assessed that substantially the risks and rewards remain with the owner. Based on the above factors, it is concluded that the leases are operating leases.

The Group acquired land in the Larnaca Free Trade Zone Area in December 1994, on a long-term operating lease agreement ending on 30 September 2016 from the Cyprus Government, with an option for renewal for another two lease periods of 33 years.

The Group acquired land in the Free Trade Zone Area in Jebel Ali through the subsidiary Logicom FZE in the United Arab Emirates. The land was acquired on a long-term operating lease agreement for 10 years from 1 August 2007, with an option for renewal.

The Group also acquired offices and a warehouse in Greece through the subsidiary Enet Solutions – Logicom S.A. under a lease agreement.

The amount of leases that was recognized during 2014 in the statement of profit or loss and other comprehensive income is €631.892 (2013: €354.798).

Included in operating leases is an amount which relates to hire purchases, which is considered as immaterial to be disclosed separately.

29. FAIR VALUES

Management believes that the fair values of the financial assets and liabilities of the Group and the Company are approximately equal to the amounts shown in the books at the end of the year.

30. RISK MANAGEMENT

The main financial assets held by the Group and the Company are cash at bank, investments and trade and other receivables. The main financial liabilities of the Group and the Company are bank facilities and loans and trade payables. The Group and the Company are exposed to the following risks from their financial assets and liabilities.

30.1 Credit risk

Credit risk is the risk of default by counter parties to transactions mainly from trade receivables of the Group and the Company. The Group and the Company ensure the application of appropriate mechanisms and ensure the maintenance of related monitoring procedures and controls over credits. Credit risk is monitored on an ongoing basis.

The Group entered into an agreement with Atradius Credit Insurance N.V. for the insurance of the credit that the Group offers to its customers. The issuance of such insurance agreement is considered to be the most appropriate method for hedging against credit risk.

30. RISK MANAGEMENT *(continued)*

30.1 Credit risk (continued)

The insurance agreements for the trade receivables and the procedures required by these agreements, have improved significantly the monitoring and control of trade receivables, mainly in the approval of credit limits, which is done in cooperation with the credit insurance company that has the resources for a better evaluation of the credibility of each debtor. It should be noted that the credit insurance covers all trade receivables other than governmental or semi-governmental organizations as well as physical persons.

The carrying value of investments represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date of the consolidated financial statements was:

THE GROUP

	2014	2013
	€	€
Available-for-sale investments	5.927.886	4.692.462
Investments at fair value through profit and loss	99.792	248.363
Trade and other receivables	168.426.344	117.769.390
Cash and cash equivalents	25.701.618	22.932.001
	200.155.640	145.642.216

THE COMPANY

	2014	2013
	€	€
Investments at fair value through profit and loss	90.452	246.803
Long-term loans to subsidiary companies	11.003.212	9.686.752
Trade and other receivables	13.880.354	12.528.451
Cash and cash equivalents	1.579.845	3.067.683
Balances with subsidiary companies	74.589.665	68.460.312
	101.143.528	93.990.001

Cash and cash equivalents
The Group held cash and cash equivalents amounting to €25.679.556 (2013: €22.859.109), which is the maximum credit risk exposure for these assets, after the trade and other receivables from whom any risk has been limited as explained below. Cash and cash equivalents are deposited in banks and financial institutions, which are valuated at Caa1 up to A2, based on Moody's valuation, from CCC up to A+ based on Standard & Poor's valuation and from RD up to AA- based on Fitch's valuation.

The maximum exposure to credit risk of the Group, for trade receivables by geographic region, is as follows:

THE GROUP

	2014	2013
	€	€
Europe	61.008.562	46.697.840
Middle East	74.451.595	53.368.111
	135.460.157	100.065.951

30. RISK MANAGEMENT *(continued)*

30.1 Credit risk (continued)

THE COMPANY

	2014 €	2013 €
Europe	5.262.978	5.351.838
	5.262.978	5.351.838

In accordance to the above analysis 45% of the Group's trade receivables (2013: 47%) originates from Europe. 55% (2013: 53%) of the Group's trade receivables originates from the Middle East.

The ageing of the remaining trade receivables is as follows:

THE GROUP

	2014 €	2013 €
0 until 90 days	126.973.068	87.852.711
91 until 180 days	3.397.152	6.985.032
more than 180 days	5.089.937	5.228.208
	135.460.157	100.065.951

THE COMPANY

	2014 €	2013 €
0 until 90 days	5.126.336	4.887.657
91 until 180 days	13.172	304.428
more than 180 days	123.470	159.753
	5.262.978	5.351.838

It is not considered necessary to provide for the amount of trade receivables of the Group that are outstanding for a period longer than 180 days since the largest part of this amount arises from the services segment where the credit period is much higher, the credibility of the customers is at higher levels and the repayment is made based on special agreement. The amount that arises from the distribution segment has been recovered in some cases after the year end or it is considered to be recoverable based on the facts of each case.

It is not considered necessary to provide for the amount of trade receivables of the subsidiaries since it has been estimated that all Group companies have the ability to repay their obligations.

The ageing of the balances of the subsidiary companies in the Company’s books is as follows:

THE COMPANY

	2014 €	2013 €
0 until 180 days	74.589.665	68.460.312
more than 180 days	11.003.212	9.686.752
	85.592.877	78.147.064

30. RISK MANAGEMENT *(continued)*

30.1 Credit risk (continued)

The provision for doubtful debts for the year was slightly increased in relation to the provision of the corresponding period of 2013. Group's management estimates that the credit insurance has significantly reduced the risk for doubtful debts. The provision for doubtful debts is analysed as follows:

THE GROUP

	2014 €	2013 €
At 1 January	5.821.314	5.254.019
Provision for doubtful debts	686.623	754.791
Decrease in provision for doubtful debts	(4.064.338)	(187.496)
At 31 December	2.443.599	5.821.314

THE COMPANY

	2014 €	2013 €
At 1 January	148.938	126.512
Provision for doubtful debts	4.503	35.303
Decrease in provision for doubtful debts	(31.260)	(12.877)
At 31 December	122.181	148.938

The Group estimates that the fair value of trade and other receivables is not significantly different from the carrying value in the financial statements, as the average repayment period of trade and other receivables is less than 6 months.

30.2 Interest rate risk

Interest rate risk is the risk of fluctuations in the value of financial instruments due to movements in market interest rates. Income and cash flows from operations of the Group and the Company are dependent on changes of market interest rates, since the Group and the Company have material assets which bear interest. The Group and the Company are exposed to interest rate risk on borrowings. Borrowing in variable interest rates exposes the Group and the Company in interest rate risk that affects cash flows. Borrowing in fixed interest rates exposes the Group and the Company in interest rate risk that affects the fair value. The management of the Group and the Company is monitoring the fluctuations of interest rates on an ongoing basis and ensures that the necessary actions are taken.

The interest rates and repayment dates applicable for loans and bank facilities are stated in note 25.

30. RISK MANAGEMENT *(continued)*

30.2 Interest rate risk (continued)

Sensitivity analysis on interest rates

A possible increase of the interest rates by 1% in relation to the weighted average interest rates of the year, would decrease the profit for the year. The analysis below assumes that all other parameters remain constant:

THE GROUP

	2014 €	2013 €
Long-term loans	(110.189)	(153.345)
Short term loans	(396.117)	(351.973)
Bank overdrafts	(492.843)	(426.688)
Cash and cash equivalents	256.796	228.591
Promissory notes	(229.467)	(135.145)
	(971.820)	(838.560)

THE COMPANY

	2014 €	2013 €
Long-term loans	(97.671)	(97.709)
Short term loans	(41.331)	(40.976)
Bank overdrafts	(296.868)	(307.507)
Cash and cash equivalents	15.789	30.669
	(420.081)	(415.523)

A possible decrease of the interest rates by the same percentage would have an equal but opposite effect on the profit for the year.

30.3 Foreign exchange risk

This risk arises from adverse movements in foreign exchange rates.

The Company and the Group are subject to foreign exchange risk on sales, purchases and loans in currencies other than the Company's and subsidiary companies functional currency, and on the long term loans to foreign subsidiaries. Management is aware of foreign exchange risk and is examining alternative methods to hedge the risk.

The hedging of foreign exchange risk is managed by the Group Financial Controller together with the Executive Directors. This issue is discussed and examined at the Board of Directors meetings because the Company is materially affected from the movements in foreign currencies against the Euro.

30. RISK MANAGEMENT *(continued)*

30.3 Foreign exchange risk (continued)

Until today, the hedging methods that have been used against foreign exchange risk are the following:

1. Natural Hedging. The Company maintains to the maximum possible degree, assets (investments in foreign subsidiaries) and liabilities (bank overdrafts, short and long term loans) at the same currency, mainly the United States Dollars (USD). In this way any gain or loss in assets is hedged by the corresponding loss or gain in liabilities.
2. The percentage of sales in foreign currency on total turnover, is approximately the same with the percentage of bank borrowing in foreign currency in relation to the total borrowings of the Group.
3. The bank borrowing is usually made in the currency that the suppliers invoice the Company.
4. In cases of projects were the total cost of completion of the project is known from the time of the validation of the tender, then forward contracts are used, for the period required to complete the project, for the specific amount in foreign currency that the Company will be invoiced.
5. In addition, the Company enters into forward exchange contracts based on turnover at regular intervals e.g. weekly, for covering the payments to suppliers based on the credit period that they give to the Company. In this way the purchase of foreign currency for payments to suppliers in future periods is secured with the receipts from trade receivables.

Hedging of net investment in foreign operation

The Group applies hedge accounting to decrease foreign exchange risk.

More specifically, the equity and long-term loans that are part of the net investment in subsidiaries Logicom FZE, Logicom Dubai LLC, Logicom (Middle East) SAL, Logicom Jordan LLC and Logicom Saudi Arabia LLC, where the functional currency is the U.S. Dollar are hedged with the bank borrowings of the Group in U.S. Dollar. Hedging is determined on a quarterly basis and the amount is adjusted accordingly. The hedge effectiveness is assessed on a monthly basis and to the extent the hedging is ineffective the exchange differences are recognized in profit or loss.

On 31 December 2014 the amounts that were hedged were, USD 40.000.000 of net investment in the above foreign companies and USD 40.000.000 of bank borrowings.

The carrying value of financial assets and liabilities of the Group denominated in foreign currency at the date of presentation of the consolidated financial statements is as follows:

THE GROUP	EURO		USD	
	2014	2013	2014	2013
	€	€	€	€
Trade and other receivables	115.128	-	8.851.057	12.721.662
Trade and other payables	(199.600)	(83.243)	(72.204.618)	(46.797.297)
Long-term loans	-	-	(10.327.671)	(17.723.158)
Short term loans	-	-	(4.345.520)	(5.651.000)
Bank overdrafts	1.119	5.036	(27.329.615)	(34.436.265)
	(83.353)	(78.207)	(105.356.367)	(91.886.058)

30. RISK MANAGEMENT *(continued)*

30.3 Foreign exchange risk (continued)

THE COMPANY	USD	
	2014	2013
	€	€
Trade and other receivables	6.039.442	10.436.077
Trade and other payables	(46.848.369)	(43.801.242)
Long-term loans	(6.895.052)	(8.188.231)
Short term loans	(4.133.103)	(5.651.000)
Bank overdrafts	(27.393.119)	(34.508.347)
Balances with subsidiary companies	53.742.648	92.040.448
	(25.487.553)	10.327.705

The following foreign exchange rates were used in the preparation of the consolidated financial statements:

	Average Rate		Rate as at reporting date	
	2014	2013	2014	2013
	€	€	€	€
USD 1	0,7527	0,7530	0,8237	0,7251

Sensitivity analysis on fluctuations of foreing exchange rates
A possible strengthening of the Euro against the US Dollar and the other currencies by 10% on 31 December 2014 would have increased/decreased respectively the profit for the year and the shareholders funds. The analysis below assumes that all other parameters and mainly interest rates remain constant:

THE GROUP

	Effect on the shareholders funds		Effect on profit or loss	
	2014	2013	2014	2013
	€	€	€	€
USD	4.402.783	6.013.368	8.097.391	8.353.278

THE COMPANY	Effect on the shareholders funds		Effect on profit or loss	
	2014	2013	2014	2013
	€	€	€	€
USD	2.317.050	938.882	2.317.050	938.882

A possible weakening of the Euro against the above currencies by 10% would have equal but opposite effect, if all other parameters remain constant.

30.4 Liquidity risk
Liquidity risk is the risk that arises when the expiry date of assets and liabilities does not concur. When expiries do not concur, the performance can increase but at the same time the risk for losses can also increase. The Group and the Company have procedures in place to minimize such losses, like retaining sufficient amounts in cash and other highly liquid assets and retaining sufficient amounts in secured credit facilities in order to cover liabilities when they fall due.

30. RISK MANAGEMENT *(continued)*

30.4 Liquidity risk (continued)

The Management estimates that the ability of the Group to receive in advance its trade receivables through the factoring agreement without recourse in Greece reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 25.

The expected cash outflows based on the information included in the consolidated financial statements are presented below:

THE GROUP

Liquidity Risk		Cash outflows arising from contractual liabilities				
	Balance	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
31 December 2014						
Long-term loans	11.018.933	2.324.804	3.207.152	3.718.965	1.768.012	-
Short term loans	39.611.692	4.133.103	35.478.589	-	-	-
Operating leases	2.304.579	412.725	412.723	308.179	924.539	246.413
Trade and other payables	96.842.774	96.842.774	-	-	-	-
Bank overdrafts	49.286.099	30.143.292	19.142.807	-	-	-
Contingent consideration	636.529	636.529	-	-	-	-
	199.700.606	134.493.227	58.241.271	4.027.144	2.692.551	246.413
31 December 2013						
Long-term loans	15.334.542	3.934.808	3.068.109	7.000.695	612.640	718.290
Short term loans	21.682.785	21.682.785	-	-	-	-
Operating leases	1.773.275	211.902	190.049	611.975	471.289	288.060
Trade and other payables	65.746.429	65.746.429	-	-	-	-
Bank overdrafts	42.671.787	42.671.787	-	-	-	-
Contingent consideration	1.141.485	504.955	-	315.000	321.529	-
	148.350.303	134.752.666	3.258.158	7.927.670	1.405.458	1.006.350

THE COMPANY

Liquidity Risk		Cash outflows arising from contractual liabilities				
	Balance	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
31 December 2014						
Long-term loans	9.767.131	1.815.766	2.551.815	3.631.538	1.768.012	-
Short term loans	4.133.103	4.133.103	-	-	-	-
Trade and other payables	50.420.202	50.420.202	-	-	-	-
Bank overdrafts	29.686.796	29.686.796	-	-	-	-
	94.007.232	86.055.867	2.551.815	3.631.538	1.768.012	-

30. RISK MANAGEMENT *(continued)*

30.4 Liquidity risk (continued)

31 December 2013						
Long-term loans	9.770.885	1.623.955	1.623.952	5.997.765	525.213	-
Short term loans	4.097.600	4.097.600	-	-	-	-
Trade and other payables	34.110.134	34.110.134	-	-	-	-
Bank overdrafts	30.750.673	30.750.673	-	-	-	-
	78.729.292	70.582.362	1.623.952	5.997.765	525.213	-

30.5 Fair Value

Items of the assets and liabilities of the Group and the Company as these are classified in amortised cost or fair value are presented below:

Assets and liabilities in amortised cost:

THE GROUP

	2014 €	2013 €
Trade and other receivables	164.574.267	117.769.390
Cash and cash equivalents	25.701.618	22.932.001
Long-term loans	(11.018.933)	(15.334.542)
Short term loans	(39.611.692)	(35.197.263)
Bank overdrafts	(49.286.099)	(42.671.787)
Contingent consideration	(636.529)	(1.724.375)
Trade and other payables	(96.842.774)	(65.746.429)
	(7.120.142)	(19.973.005)

THE COMPANY

	2014 €	2013 €
Long-term loans to subsidiary companies	11.003.212	9.686.752
Balances with subsidiary companies	74.589.665	68.460.312
Trade and other receivables	13.880.354	12.528.451
Cash and cash equivalents	1.579.845	3.067.683
Long-term loans	(9.767.131)	(9.770.885)
Short term loans	(4.133.103)	(4.097.600)
Bank overdrafts	(29.686.796)	(30.750.673)
Trade and other payables	(50.420.202)	(34.110.134)
	7.045.844	15.013.906

The fair values of the financial assets and liabilities of the Group and the Company are approximately the same as the amounts reported in the financial statements at the end of year.

30. RISK MANAGEMENT *(continued)*

30.5 Fair Value (continued)

Assets and liabilities in fair value:

THE GROUP

	2014	2013
	€	€
Investments at fair value through profit and loss	99.792	248.363
Available-for-sale investments	5.927.886	4.692.462
	6.027.678	4.940.825

THE COMPANY

	2014	2013
	€	€
Investments at fair value through profit and loss	90.452	246.803

The table below analyses financial assets carried at fair value, based on the valuation method used to determine their value. The different levels have been defined as follows:

- Level 1: investments measured at fair value using quoted prices in active markets.
- Level 2: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are based on observable market data.
- Level 3: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are not based on observable market data.

THE GROUP

31 December 2014	Level 1	Level 2	Level 3
	€	€	€
Investments at fair value through profit and loss	99.792	-	-
Available-for-sale investments	5.927.886	-	-
	6.027.678	-	-

31 December 2013	Level 1	Level 2	Level 3
	€	€	€
Investments at fair value through profit and loss	248.363	-	-
Available-for-sale investments	4.567.470	-	124.992
	4.815.833	-	124.992

During both 2014 and 2013 there were transfers between the two levels reported above.

The fair value of investments through profit and loss is based on the stock exchange prices at the reporting date.

The fair value of shares that are classified to investments available for sale are based on stock exchange prices at the reporting date. The investment in Bank of Cyprus shares which are re-traded on the CSE and ASE since December 2014, were reclassified from Level 3 to Level 1.

30. RISK MANAGEMENT *(continued)*

30.6 Capital Management

Group's and Company's management has as a principle the maintenance of a strong capital base for the support of the credibility and trust of the investors and creditors as well as the market as a whole. Management monitors continuously the return on equity.

31. OPERATING ENVIRONMENT OF THE GROUP

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

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

On 29 March 2013 the Central Bank of Cyprus issued decrees relating to Laiki Bank and Bank of Cyprus, implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

On the basis of the relevant Decrees, Laiki Bank was placed into resolution. What remained in Laiki Bank were mainly the uninsured deposits and assets outside Cyprus. The assets of Laiki Bank in Cyprus, the insured deposits and the Eurosystem financing have been transferred to Bank of Cyprus, with compensation for the value of the net assets transferred, the issue of shares by Bank of Cyprus to Laiki Bank.

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through "bail-in", that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses. As a result of the above process the balances of the Group in the Laiki Bank have decreased in value by €84.897. 47.5% of uninsured deposits at the Bank of Cyprus Group were converted into shares of nominal value €1 and 37.5% were converted into pledged deposits worth €128.600.

Taking into account the existing debt, the available banking facilities the Group maintains with foreign banks, the available cash and the fact that over 90% of the turnover of the Group relates to activities abroad, the Company's management has concluded that the developments in the Cyprus economy have not been and are not expected to have a material effect on the assets and liabilities of the Company and the Group.

The Company's management is unable to predict all the developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

32. DIRECTORS' INTEREST

The percentage of the share capital of the Company that was held by each member of the Board of Directors, directly or indirectly, is as follows:

	31/12/2014 Fully paid Shares %	2/4/2015 Fully paid Shares %
Adamos Adamides[1]	0,27	0,27
Varnavas Irinarchos[2]	51,55	51,55
Sparsis Modestou	0,06	0,06
Takis Klerides	0,34	0,34
Nicos Michaelas	-	-
George Papaioannou	0,68	0,68
Anthoulis Papachristoforou	0,50	0,50

1. The direct ownership of Mr. Adamos Adamides on 2 April 2015 is 0,25% and the indirect ownership that arises from the participation of the Company Adaminco Secretarial Limited is 0,02%, and his wife Mrs. Maro Adamidou, is 0,01%.

2. The indirect ownership of Mr. Varnavas Irinarchos on 2 April 2015 of 51,55% arises from the participation of the company Edcrane Ltd.

33. SHAREHOLDERS' INTEREST

The shareholders who held, directly or indirectly, more than 5% of the share capital of the Company were as follows:

	31/12/2014 %	2/4/2015 %
Varnavas Irinarchos[1]	51,55	51,55
Demetra Investment Public Ltd	10,28	10,28

1. The indirect ownership of Mr. Varnavas Irinarchos on 2 April 2015 is through the company Edcrane Ltd.

34. DIRECTORS' CONTRACTS

No important contract exists or existed at the end of the financial year and at the date of issuing the financial statements in which the members of management, their spouses or their underage children have or had, direct or indirect significant interest, except from the employment contracts of Mr. Varnavas Irinarchos and Mr. Anthoulis Papachristoforou.

(1) **Contract of Mr. Varnavas Irinarchos, Managing Director**

Employment contract as Managing Director of the Company for two years from 1 January 2005, with annual salary (13 months) of €93.973 which will be increasing at a proportion equal to the annual rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4% over his last salary, whichever is higher. For 2014 the annual salary of the Managing Director was €109.460. The Company will also pay annually (12 months) for entertainment expenses an amount of €25.629, that will be increasing in every following annual period at a proportion equal to the rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4%, whichever is higher. For 2014 the allowance for entertainment expenses amounted to €25.629.

In addition, the Company provides to the Director an appropriate vehicle and covers all related expenses.

The contract was renewed for one year from 1 January 2015, with the same annual salary (13 months) of €109.460. The Company will also pay annually (12 months), for entertainment expenses the same amount of €25.629.

34. DIRECTORS' CONTRACTS *(continued)*

Mr. Varnavas Irinarchos is committed not to form, assist or take part in any way in the incorporation of a company or business, which performs operations similar or competitive to the operations of the Company during his employment and for at least five years after his departure from the Company. Mr. Varnavas Irinarchos accepts that this constraint is by no means in contrast with the general principle of Restraint of Trade, and that it is considered reasonable as the employee benefited from the bonus issue of shares during the listing of the Company in the CSE.

(2) **Contract of Mr Anthoulis Papachristoforou, Group Financial Controller**

Mr. Anthoulis Papachristoforou has no employment contract with the company. In 2014 the annual salary of Mr. Papachristoforou amounted to €102.645. The remuneration of Mr. Papachristoforou for 2015 will be the same as 2014.

35. REMUNERATION OF NON EXECUTIVE DIRECTORS

The remuneration of non-executive directors are analysed as follows:

	2014	2013
	€	€
Adamos Adamides	20.950	27.700
Sparsis Modestou	7.560	10.500
Takis Klerides	6.760	8.800
Nicos Michaelas	7.600	9.150
George Papaioannou	5.080	7.050
Michalis Sarris	-	7.400
	47.950	70.600

36. RELATED PARTY TRANSACTIONS

The companies of the Group buy and sell goods and services according to their needs from other Group companies. Transactions are mainly carried out at cost. There are cases where transactions are carried out at a price other than cost when this is agreed between the parties involved. When necessary, Logicom Public Limited charges every year its subsidiary companies with a fee for administration services.

The amounts that Logicom Public Limited charged its subsidiary companies were as follows:

	2014	2013
	€	€
Administration Services		
Logicom Solutions Limited	127.000	144.000
Commissions		
Logicom Solutions Limited	120.000	120.000

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom Public Ltd to its subsidiary companies were as follows:

Sales

	2014 €	2013 €
Logicom Solutions Limited	1.549.176	869.056
Newcytech Distribution Ltd	-	176
Newcytech Business Solutions Ltd	3.110.272	2.208.215
ENET Solutions - Logicom S.A.	25.940.644	21.051.057
Logicom Jordan LLC	2.542.940	2.260.223
Logicom (Middle East) SAL	174.354	492.798
Logicom FZE	296	-
Logicom Italia s.r.l.	1.262.360	4.509.924
Logicom Information Technology Distribution s.r.l.	11.369.336	7.975.907
Logicom Saudi Arabia LLC	526	276
Verendrya Ventures Ltd	523.377	-

The balances between Logicom Public Ltd and its subsidiary companies in the books of the parent company were as follows:

Long-term loans to subsidiary companies:

	2014 €	2013 €
ENET Solutions - Logicom S.A.	2.110.205	1.857.733
Logicom (Middle East) SAL	3.934.025	3.463.346
Logicom FZE	2.441.809	2.149.663
Logicom Jordan LLC	2.517.173	2.216.010
	11.003.212	9.686.752

There is no written agreement between the parent and the subsidiary companies, regarding the long-term loans receivable from subsidiary companies. The loans bear no interest and there is no fixed repayment date.

36. RELATED PARTY TRANSACTIONS *(continued)*

Balances with subsidiary companies

	2014 € Debit/ (Credit)	2013 € Debit/ (Credit)
Logicom (Overseas) Limited	(345.855)	(325.762)
Netcom Limited	83.774	81.312
Logicom Solutions LLC	3.668.197	(3.868.087)
Inteli-scape Ltd	14.884	(278.686)
Logicom Services Ltd	15.071.275	15.528.143
Newcytech Distribution Ltd	139.261	(13.435)
Newcytech Business Solutions Ltd	906.008	759.126
ENET Solutions - Logicom S.A.	4.274.442	3.025.471
ICT Logicom Solutions SA	3.137	-
Logicom Jordan LLC	1.428.147	2.346.870
Logicom (Middle East) SAL	2.470.794	4.162.200
Logicom FZE	(5.527.634)	(3.669.068)
Logicom Dubai LLC	2.617.379	7.075.677
Logicom Solutions LLC	748.377	563.514
Logicom Italia s.r.l.	6.383.331	6.191.558
Logicom IT Distribution Limited	5.536.486	5.237.475
Logicom Saudi Arabia LLC	15.584.241	19.490.246
Logicom Information Technology Distribution s.r.l.	8.878.865	4.459.899
Logicom Bulgaria EOOD	949.658	973.380
Logicom Distribution Germany GmbH	(377.842)	(306.655)
Verendrya Ventrures Ltd	12.082.740	7.027.134
	74.589.665	68.460.312

The above balances are repayable according to the nature of each transaction.

Balances with associated companies

	2014 € Debit/ (Credit)	2013 € Debit/ (Credit)
M.N. E.P.C Water Co.	182.314	182.314
M.N. Larnaca Desalination Co Ltd	335.107	335.956
M.N. Limassol Water Co. Ltd	414.748	414.026
	932.169	932.296

The balances with the associated companies and the subsidiary company Verendrya Ventures Ltd, relate to the financing of the construction, maintenenace and operation of the desalination plants in Cyprus. The ability of the Company to recover the amounts receivable depends on the operating environment that the Company operates in and its analysed in note 31.

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom FZE to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Public Limited	540.991	483.118
Logicom Jordan LLC	2.395.884	2.802.819
Logicom (Middle East) SAL	1.816.145	2.956.984
Logicom Dubai LLC	92.736.601	69.699.967
Logicom Solutions LLC	5.278	-
Logicom IT Distribution Limited	201.872	43.682
Logicom Saudi Arabia LLC	5.110.344	2.860.721
Logicom Kuwait Computer Company Ltd	4.367.129	-
Logicom Trading & Distribution LLC	4.303.635	-

The sales made by Logicom (Middle East) SAL to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Public Limited	2.712	15.454
Cadmus Tech Points S.A.L.	74.788	-
Logicom Jordan LLC	51.319	109
Logicom (Middle East) SAL	12.059	6.363
Logicom FZE	342.114	15.008
Logicom IT Distribution Limited	794	-
Logicom Saudi Arabia LLC	40.461	1.240
Logicom Dubai LLC	-	100.853
Logicom Italia s.r.l.	3.001	-
Logicom Solutions Limited	2.355	-

The sales made by Logicom Dubai LLC to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom (Middle East) SAL	-	37
Logicom Solutions LLC	880	-

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom Jordan LLC to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Public Limited	-	10.724
Logicom (Middle East) SAL	2.981	27.244
Logicom FZE	438.059	17.379
Logicom IT Distribution Limited	-	3.429
ENET Solutions - Logicom S.A.	-	6.876

The sales made by ENET Solutions - Logicom S.A. to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Public Limited	5.358.110	3.684.493
Logicom Solutions Limited	185.123	17.119
ICT Logicom Solutions SA	83.953	40.201
Logicom Italia s.r.l.	6.581	2.691
Logicom IT Distribution Limited	13.622.624	11.653.769
Logicom Information Technology Distribution s.r.l.	2.804.695	1.420.579
Newcytech Business Solutions Ltd	8.074	-
Logicom Dubai LLC	-	1.972

The sales made by Logicom Solutions Ltd to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Public Limited	222.873	33.228
Newcytech Business Solutions Ltd	563.475	461.331
ICT Logicom Solutions SA	3.255.424	849.134
Inteli-scape Ltd	13.173	93.604

The sales made by Logicom Italia s.r.l. to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Public Limited	15.225	-
ENET Solutions - Logicom S.A.	706.486	147.290
Logicom Information Technology Distribution s.r.l.	4.126	32.562

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom IT Distribution s.r.l. to Group companies were as follows:

Sales

	2014	2013
	€	€
Logicom Public Limited	28.834	-
ENET Solutions - Logicom S.A.	188.833	180.970
ICT Logicom Solutions SA	92.480	-
Logicom Italia s.r.l.	57	-

The sales made by Logicom Saudi Arabia LLC to Group companies were as follows:

Sales

	2014	2013
	€	€
ENET Solutions - Logicom S.A.	-	5.262
Logicom Jordan LLC	31.418	25.460
Logicom (Middle East) SAL	29.414	1.256
Logicom FZE	352.530	129.646
Logicom IT Distribution Limited	56.738	-
Logicom Information Technology Distribution s.r.l.	19.789	-

The sales made by Newcytech Business Solutions Limited to Group companies were as follows:

Sales

	2014	2013
	€	€
Logicom Public Limited	1.140	2.524
Logicom Solutions Limited	140.726	54.604
Inteli-scape Ltd	680.437	110.619
Newcytech Distribution Ltd	157.910	-

The sales made by Newcytech Distribution Limited to Group companies were as follows:

Sales

	2014	2013
	€	€
Logicom Public Limited	869	32.481
Newcytech Business Solutions Ltd	113	36.028
ICT Logicom Solutions SA	-	689
Logicom Solutions Limited	-	9.805
Inteli-scape Ltd	37.468	-

36. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Inteli-Scape Limited to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Public Limited	52.806	28.115
Newcytech Business Solutions Ltd	16.600	774
Logicom Solutions Limited	500.797	552.096
Newcytech Distribution Ltd	219.948	-

The sales made by Logicom I.T. Distribution Limited to Group companies were as follows:

Sales

	2014 €	2013 €
ENET Solutions - Logicom S.A.	306.866	6.294
Logicom FZE	131.850	222.525
Logicom Jordan LLC	-	3.439
Logicom Saudi Arabia LLC	44.565	1.686

The sales made by ICT Logicom Solutions S.A. to Group companies were as follows:

Sales

	2014 €	2013 €
ENET Solutions - Logicom S.A.	-	40.302
Logicom Solutions Limited	121.797	-

The sales made by Logicom Distribution Germany Gmbh to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom Italia s.r.l.	169.612	147.146

The sales made by Cadmus Tech Points S.A.L. to Group companies were as follows:

Sales

	2014 €	2013 €
Logicom (Middle East) SAL	9.226	-

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36. RELATED PARTY TRANSACTIONS *(continued)*

The balances between Group companies and the parent Company are stated below:

Balances with related companies

	2014 € Debit/ (Credit)	2013 € Debit/ (Credit)
Logicom (Overseas) Limited	345.855	325.762
Netcom Limited	(83.774)	(81.312)
Logicom Solutions Limited	(3.668.197)	3.868.087
Inteli-scape Ltd	(14.884)	278.686
Logicom Services Ltd	(15.071.275)	(15.528.143)
Newcytech Distribution Ltd	(139.261)	13.435
Newcytech Business Solutions Ltd	(906.008)	(759.126)
ENET Solutions - Logicom S.A.	(6.384.647)	(4.883.204)
ICT Logicom Solutions SA	(3.137)	-
Logicom Jordan LLC	(3.945.320)	(4.562.880)
Logicom (Middle East) SAL	(6.404.819)	(7.625.546)
Logicom FZE	3.085.825	1.519.405
Logicom Dubai LLC	(2.617.379)	(7.075.677)
Logicom Solutions LLC	(748.377)	(563.514)
Logicom Italia s.r.l.	(6.383.331)	(6.191.558)
Logicom IT Distribution Limited	(5.536.486)	(5.237.475)
Logicom Saudi Arabia LLC	(15.584.241)	(19.490.246)
Logicom Information Technology Distribution s.r.l.	(8.878.865)	(4.459.899)
Logicom Bulgaria EOOD	(949.658)	(973.380)
Logicom Distribution Germany GmbH	377.842	306.655
Verendrya Ventrures Ltd	(12.082.740)	(7.027.134)

During the year the companies of the Group paid dividends to the Company, as follow:

Dividend for 2014:

	2014 €
Logicom FZE	4.107.730
Verendrya Ventrures Ltd	13.800

37. PROMISSORY NOTES

	THE GROUP		THE COMPANY	
	2014	2013	2014	2013
	€	€	€	€
Liabilities	22.946.661	13.514.478	-	-

The Group (through its subsidiary Logicom FZE) has signed an agreement for the financing of invoices issued from certain suppliers operating in the Gulf region, with Macquarie Bank with a limit of USD 45 m. Logicom FZE uses this facility to settle the invoices issued by Hewlett-Packard Europe B.V. The parent company has granted a corporate guarantee to Macquarie Bank for the corresponding amount of the facility.

38. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting date that have a bearing on the understanding of the consolidated financial statements.