

DCI Advisors Ltd
("DCI" or the "Company")

Final Results and Publication of the audited Annual Report for the year ended 31 December 2023

The Company is pleased to announce its final audited results for the year ended 31 December 2023.

Copies of the Annual Report and Accounts will be posted to shareholders today and made available on the Company's website at: www.dciadvisorsltd.com

Please note that trading in the Company's Ordinary Shares will remain suspended until interim results for the six months ended 30 June 2024 are published, which the Company continues to work towards completing shortly. A further announcement will be made as soon as possible.

Enquiries

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CHAIRMAN'S STATEMENT

For the year ended 31 December 2023

Dear Shareholders,

After joining the Board as Chairman in February 2023, I am pleased to report the DCI Advisors Ltd (the "Company" or "DCI") annual results for the financial year ending 31 December 2023.

Temporary Suspension

The Company is required under Rule 19 of the AIM Rules for Companies to present its audited Annual Results within 6 months of the financial year end. There has been a delay in the audit process of the Annual Results for the year ended 31 December 2023. As a result of the delay, trading in the Company's shares on AIM was suspended with effect from 07.30a.m. on 1 July 2024. The Board expects DCI's shares to be relisted shortly after the publication of both the Annual and Interim results.

Corporate Governance, Assets Sales & Distributing Surplus Capital

The focus during the financial year, and which continues apace, was to improve the Company's corporate governance, implement the strategy of selling remaining assets, repaying debt and distributing surplus capital to shareholders. We will start to consult with shareholders about the mechanism for returning capital when a surplus is available.

In addition to the significant events highlighted in the 2022 Final results (to 31 December 2022) and 2023 Interim results (to 30th June 2023) and the unaudited results for the year to 31 December 2023 released in July, there have been a number of events in 2024 which it would be prudent to highlight in this FY2023 statement.

- The Managing Directors' report will update shareholders on the Legal Update which was released on 3 December 2024.
- Likewise, following the Shareholder/Trading Update on 15 April 2024, the Managing Directors' report will update shareholders on the current progress of DCI's major assets. The Managing Directors have been working tirelessly in order to dispose of the DCI's assets now that the Company has been stabilised and corporate governance improved.
- On 8th November 2024 a circular was issued convening an Extraordinary General Meeting on 19th December 2024 proposing redomiciling of DCI from BVI to Guernsey, the ability to repurchase shares and the introduction of an Employee Stock Ownership scheme. The redomiciliation was approved on 19 December and implemented on 23 December 2024.

Summary of Financial Performance

At the 31 December 2023 financial year end, the NAV of the Company measured as the equity attributable to owners of the Company was € 126.4 million (2022: €112.1 million) representing an increase of 12.7% compared to 31 December 2022. The net gain, after tax attributable to the owners of the company, was €14.3 million (2022: loss €7.0 million).

As at 31 December 2023, the DCI group had three principle liabilities:

- €11.3 million owed under the redeemable preference share agreement signed at the Kilada investment level;
- € 4.1 million owed to PBZ, the Croatian lender to the Livka Bay investment; and
- € 2.9 million owed to shareholders in respect of working capital loans received throughout the year.

In sterling terms, DCI's NAV increased from 10p to 12p over the year since 31 December 2022. At the 31 December 2023, DCI had a market capitalisation of approximately £43.4 million, compared with the Company's NAV of £109.8 million after DTL representing a discount to NAV of 60.5%.

Additional Director

It is still the Board's intention to appoint at least one new independent Director in order to enhance the corporate governance within the Company. The Board is considering appointing a Director who can take over from Nick Paris as Chair of the Audit Committee given that he became an executive Managing Director in March 2023. At the time of writing this statement, the process is well under way in conjunction with an independent, external recruitment consultant. We will update shareholders as soon as the process has been completed.

In addition, The Board has appointed Gerasimos Efthimiatis a US based investment professional with knowledge of Greece at the suggestion of one of the large shareholders. From a governance perspective this would mean that the majority of the Board will be non-executive Directors. The Company has received an EGM requisition notice to consider the reappointment of Martin Adams to the Board as a non-executive director.

I would like to thank again DCI's shareholders and our numerous service providers for their support and confidence that they have given the Board in proceeding with the managed wind-down of the Company. The Board continues to liaise with shareholders and remains confident that significant announcements will be made in the near future.

Sean Hurst

Chairman

DCI Advisors Ltd
15 January 2025

MANAGING DIRECTORS' REPORT

Business Overview

The economic environment in each of the three countries in which DCI owns assets continues to improve and we are making progress on selling our assets and finishing the construction of Phase One at Kilada Hills which will enable that asset to be sold too hopefully at an increase to its current Net Asset Value.

Financing

The DCI portfolio of assets generates no income as the assets are either under development (i.e. Kilada) or under the preconstruction phase. However, the costs of constructing Phase One at Kilada and the operating costs of the Group including maintaining its 36 SPVs must be met. We have been trying to avoid taking out a large Group level secured loan since the CastleLake Loan facility was repaid from the proceeds of selling our interest in One & Only Kea Island in December 2022 as a new facility would then need to be repaid before we could return any capital to DCI shareholders. The Board might however consider additional funding in case the execution of exits takes longer than expected in order to repay current shareholder loans and to fund ongoing development at Kilada and operational expenses.

In order to continue the development in 2023 of Phase One at Kilada our JV partner agreed in 2023 to lend the project up to €2.5 million. These funding flows plus the €1.5 million in government grants which we have received have resulted in continued development of the Kilada project, although slower than initially hoped for. More funding is needed for finalising Phase One at Kilada and the current plan is for DCI to fund the remaining cash needs.

We have reduced and covered our operating costs via fifteen short term loans from our shareholders taken out since April 2023. We intend to repay the first nine of these from the proceeds of our next asset sale and the remaining loans which are not pre-payable early when each of them reaches their respective 12 month anniversary.

Legal actions

The Company is currently involved in litigation in the, Greece, and the United Kingdom (UK), all relating to the former Investment Manager or DCP's close business partner Zoniro.

UK: In April 2023, DCP filed a claim in the High Court of Justice of England and Wales against DCI for alleged breach of contract and unpaid fees. DCI is defending the claim, considering it opportunistic and without merit. A reverse summary judgment hearing in March 2024 determined that a full trial is needed.

Greece: In September 2023, Zoniro SA issued a payment order against one of Kilada's Greek companies and blocked its bank account. A judgment in May 2024 ruled in favor of DCI, and the bank account has since been released. In December 2023, DCI filed criminal charges in Greece against key individuals from DCP and Zoniro SA, alleging money laundering and corporate governance abuse. Additionally, DCI filed civil claims in 2024 seeking €50 million in damages.

BM: In August 2023, Zoniro Ltd issued a statutory demand for payment from DCI and another DCI group company. DCI has initiated proceedings to set aside these demands, citing collusion between DCP and Zoniro. A hearing took place on May 3, 2024. DCI was successful in the applications to set aside the two demands. In the judgement the judge upheld our argument that there was a substantial dispute that would need to be resolved before a statutory demand could be issued. He has also ordered Zoniro to pay 75% of the costs incurred.

Market Dynamics

The three countries in which the Company owns assets showed solid GDP growth throughout 2023 following the high growth experienced in 2022 when the world rebounded from the Covid related shutdowns and this trend has continued throughout 2024. Tourist arrival numbers also continued to improve which is a key metric for the development of luxury beachfront land like ours. This helped to improve the prospects for selling our assets where we always target to achieve sales prices above the Net Asset Values at which the assets are carried.

Year	2024 (forecast)	2023	2022
GDP growth (% yoy):			
Greece	2.0	1.8	5.6
Cyprus	2.6	2.5	5.1
Croatia	3.3	3.1	7.0
Tourist arrivals (million):			
Greece	N/a	36	30
Cyprus	N/a	3.8	3.2
Croatia	N/a	20.6	15.0

In Greece, political stability continued to improve with the re-election of the existing pro-business government in June 2023 leading to an upgrade of Greek government debt by the international rating agencies in September and October 2023. In addition, Greek banks began to finance property development again provided that the projects are able to produce reliable future cash flows to service the loans.

In Cyprus, the existing pro-business government was re-elected in February 2023.

In Croatia, the benefits from joining the Euro currency zone and the Schengen passport area in January 2023 were increasingly apparent throughout the year as EU citizens benefitted from easier access for themselves as well as the elimination of cross border exchange rate regimes.

Review of our Major Assets

Greece - Kilada Country Club, Golf and Residences

During 2023/2024, significant progress has been made on the Kilada project. The archaeological team has released 95% of the golf course's land, minimizing concerns about archaeological findings. By the end of 2022, two golf holes were grassed, and in 2023, an additional four holes were completed, totalling six. Four more holes have been shaped and are ready for grassing. Excavations for the golf clubhouse and country club are finished, and foundational reinforcements and columns are in place. Nine holes were ready this summer, facilitating marketing events to attract potential land buyers and speeding up land lot sales. Unfortunately in April 2024 we lost our exceptionally valuable colleague and friend Ioannis Tsaramparis who strongly supported DCI. He served Kilada as the Construction Manager during a very challenging period. He welcomed and supported the termination and change in management and became a member of the boards of the Greek SPVs.

In December 2023, the Greek government approved a €1.5 million grant for the project, with an additional €4.5 million expected over the next year. Preliminary discussions are underway to agree with a 5-star hotel operator to secure hotel development financing.

The progress made in 2023 was confirmed by a strong uplift in the valuation for the project. This valuation increase is, we believe, the result of greater visibility that the 18-holes golf course and countryclub will be finalised. This has supported the land value but also the valuation of the hotel and branded villas component where the strongest valuation uplift was visible. While we support this valuation increase and always were of the opinion that the hotel component was undervalued we are also aware that DCI still has work to do before the 18-holes golf course and countryclub are finalised.

Investor interest has increased, leading to more inquiries about purchasing land lots, and the sales team has been restructured to meet this demand. There have also been several inquiries about purchasing the entire project, which has resulted in DCI signing a Memorandum of Understanding with a potential buyer for DCI's stake in the Kilada asset which gave the potential buyer an initial exclusivity period of 90 days to complete further due diligence in order to present an offer. While the MOU has since expired discussions are still ongoing with this potential buyer. At the same time other interested parties have indicated interest for the project. In the meantime preparations for an official sales process are ongoing in case no agreement can be reached with one of the current interested parties.

Lavender Bay/Plaka Bay and Scorpio Bay

DCI has identified several potential interested parties for our other three developments in Greece, being Lavender Bay, Plaka Bay and Scorpio Bay. In the meantime, we have applied for a special urban planning permit for Plaka Bay (similar to our Kilada asset) in order to mature it and make it more marketable, and have started the same process for Scorpio Bay.

For Lavender Bay, DCI is in discussions with the Greek Church to restructure the original purchase in order to compensate DCI for the money paid and to restructure the original purchase terms in order to better reflect the current situation. Both DCI and the Greek Church have showed willingness to get this restructuring agreed as soon as possible. At the same time we are exploring permitting options under the current ownership situation.

The legal opinion that we and the Greek Church have received is that the land sold to us was owned by the Church and that the Greek state is not the owner. Unfortunately, this needs to be confirmed by a Greek court before the matter can be irrevocably resolved.

The Church has already started its legal proceedings against the Greek State. DCI will do the same for the disputed land banks already held in the name of DCI's subsidiary, Golfing Developments S.A. Both the Greek Church as well as DCI believe their court cases against the Greek State have strong legal grounds based on facts and recent Greek legislation.

Since the current liabilities at the project level are higher than the asset value, Lavender Bay's valuation within the Company's NAV is negative €19.3 million. Due to accounting rules the Company has been obliged to use this negative valuation in its books. Given the fact that the liabilities are at project level and non-recourse, it is the Board of Director's view that it is highly unlikely that this negative valuation will ever be realised. So, while the published Company's NAV is €126.4 million, the Board of Directors believes that the Company's real NAV is closer to €145.7 million. The Board of Directors believe a zero valuation for this asset is the worst-case scenario. However, we would like to emphasise that our focus will be to achieve a positive exit value for this asset going forward.

Cyprus - Aristo Developers

Aristo Developers continued to benefit from a robust market for residential property in Cyprus with its home base in Paphos showing particularly strong demand during 2023 from new buyers. However sales that have been made are only accounted for under IFRS rules when the property is finished and handed over to the buyer. This creates a lag of up to two years which means that the 2023 accounts which are summarised in Note 17 reflect property sales made during 2021 which was a period of significant disruption and weak demand because of the Covid outbreak. Revenue was therefore down 46% on the prior year. However, the company continued to use the majority of the cash flow generated in the year from sales to pay down bank borrowings and these therefore fell by approximately 18% in the year.

At the end of 2023, certain properties were reduced in value as the company took a more conservative approach to their carrying value but DCI retained its valuation of Aristo unchanged as it had previously recognised a valuation impairment which anticipated this.

Apollo Heights

Apollo Heights comprises 447 hectares of contiguous undeveloped land zoned for agricultural and forest purposes. 93% of our site is located within the Sovereign Base Area ("SBA") which surrounds the British military bases in Southern Cyprus. The SBA is administered jointly by the Cyprus and British governments and it forms a buffer zone to protect the security of the bases. Building permissions within the SBA are limited and are governed by five year plans. The last plan was published in May 2022 and DCI filed an appeal to try to improve the planning possibilities of Apollo, but more than 3,000 appeals were lodged in total. The result of these should have been released by the SBA Administration before the end of 2024 and we will be analysing them carefully when they are published.

Although our previous Investment Manager drew up plans for villas, a hotel, various polo fields and an 18 hole golf course on Apollo it is clear that our land will not get planning permission for such a development unless there is a significant and unexpected relaxation of controls. Whilst this may happen sometime in the future, DCI needs to sell its assets before then so we have been exploring a sale to local land buyers who have the time to wait for such relaxation. We are also exploring the potential to instal a Photovoltaic ("PV") facility on the high ground at Apollo but again this will require planning permission plus support from the Cyprus government which has been encouraging the development of PV facilities across the island but has not yet identified its preferred sites.

In 2022, we reduced the value of Apollo in our NAV to reflect the lack of planning permissions and their likely impact on the saleability of the land but we have left it unchanged this year.

Croatia - Livka Bay

Our seafront land on the island of Solta opposite to the Dalmatian City of Split attracted significant interest during our sale exercise that we started in April 2023. The land has special development status from the Croatian government and planning permission to build a 90 room hotel, with villas and bungalows and a marina. We received three Letters of Intent from interested parties and have signed a Sale and Purchase Agreement with the preferred bidder to sell this asset at a price of €22.0 million which exceeds our previous Net Asset Value. The value of this asset has been increased as at 31 December 2023 from €19.2 million to €24.3 million reflecting the expected net proceeds from the sale accordingly however the buyer has been slower at completing this transaction than we expected whilst they secure full funding to buy and develop the project. We expected this to happen during 2024 and as it did not, we will review our options to seek another buyer.

Future Objectives

During 2023, we spent time stabilising the Company following the termination of our Investment Manager in March and cutting our operating costs to reduce our cash burn. We then sought to improve each asset and ready them for sale which disappointingly had not already been done even though each of the assets has been for sale since 2016 when the shareholders voted to start to realise them.

We then designed and implemented disposal processes for each asset except for the Kilada Country Club, Golf and Residences as our shareholders voted in December 2021 to continue to build it and complete the golf course and country club before seeking to sell it ahead of Phase 2 which is the development of several hundred villas, a hotel and a beach club. We have been seeing interest from prospective buyers in many of our assets and have multiple sales discussions underway with Livka Bay announced on the 28 June 2024 as the first to sell.

When assets are sold, the proceeds will be used to refinance the Company, build up a limited reserve for future operating costs, pay off any bank debt and repay our shareholder loans. We expect to be able to commence the payment of surplus capital back to shareholders in 2025.

Thank you for your continued support.

Nicolai Huls & Nick Paris, Joint Managing Directors

15 January 2025

DIRECTORS' REPORT

The Directors present their report together with the financial statements of the Company and its subsidiary undertakings (together the "Group") for the twelve months ended 31 December 2023.

Principal Activities

The principal activity of the Group is the development of beachfront properties in the Eastern Mediterranean - Greece, Cyprus and Croatia.

Change of Company Name

On 1 June 2023, the Company changed its name from Dolphin Capital Investors Ltd to DCI Advisors Ltd and the website address was changed to www.dciadvisorsltd.com

Business Review for the period and Future Developments

The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023 and the statement of financial position as at 31 December 2023 are set out on pages 21 and 22 of the annual report. The assets of the Group are principally development properties and these are valued once a year. The Directors are responsible for the valuations and assisted in their assessment by external valuers in each relevant country at the financial year end to arrive at a current value of those properties.

A review of the development and performance of the Group and of expected future developments has been set out in the Chairman's Statement.

No dividends were declared or paid during 2023.

Principal Risks and Uncertainties

The Group's business is property development in the Eastern Mediterranean. Its principal risks are therefore related to the property market in these countries in general, and also the particular circumstances of the property development projects that it is undertaking.

The Directors seek to mitigate and manage these risks through continual review, policy setting and enforcement of contractual rights and obligations. They also regularly monitor the economic and investment environment in countries that the Group operates in and the management of the Group's property development portfolio.

Directors

The Directors of the Company who held office throughout the financial year and up to the date of the report were as follows:

- Martin Adams - Resigned 10 February 2023
- Sean Hurst - Appointed 13 February 2023
- Nicolai Huls
- Nick Paris
- Gerasimos Efthimiatis Appointed 15 November 2024
- Mitos Kambourides - Removed 18 March 2023

On 10 February 2023, Martin Adams resigned as Chairman of the Board of Directors and Sean Hurst was subsequently appointed to that role on 13 February 2023.

Nicolai Huls and Nick Paris became executive directors when they became Managing Directors of the Company on 20 March 2023 when the management agreement with the previous Investment Manager was terminated.

As of 31 December 2023, Sean Hurst was considered to be an independent non-executive Director and following his appointment Gerasimos Efthimiatis is considered to be a non-independent non-executive Director.

Directors' remuneration during the twelve months ended 31 December 2023

The Directors remuneration details during the period of the annual report were as follows:

Director	Director's fees (€)	Total (€)
Martin Adams	8,425	8,425
Sean Hurst	66,042	66,042
Nicolai Huls	150,000	150,000
Nick Paris	150,000	150,000

Directors' interests

The interests of the Directors in the Company's shares as at 31 December 2023 were as follows:

Director	Numbers of Common Shares of € 0.01 each held
Sean Hurst	475,000
Nicolai Huls - direct shareholding (director of Discover Investments Company)	775,000
Nick Paris - direct shareholding - shareholder loan	1,634,487 €100,000

Nicolai Huls is also a director of Discover Investment Company which owns 30,026,849 shares and has provided a shareholder loan of €350,000.

Substantial Shareholders

The Directors are aware of the following direct and indirect interests comprising more than 3% of the issued share capital of the Company as at 23 December 2024, which is the latest practicable date before the publication of the annual report:

	Number of Common Shares held	Percentage of issued Share Capital (%)
Almitas Capital LLC	180,443,478	19.95
Mr. Lars Ernest Bader	92,925,600	10.27
Fortress Investment Group	89,922,801	9.94
Peter Gyllenhammar AB The Union Discount Company of London Ltd	70,000,000	7.74
Forager Funds Management Pty Ltd	53,889,519	5.96
Progressive Capital Partners Ltd	53,787,814	5.95
Terra Partners Asset Mgt Ltd	53,736,687	5.94
Discover Investment Company*	30,026,849	3.32
Weiss Asset Management	27,400,000	3.03

*Nicolai Huls is a Director of Discover Investment Company

CORPORATE GOVERNANCE STATEMENT

Statement of compliance with the Quoted Companies Alliance Corporate Governance Code (the "QCA statement")

Introduction from the Chairman

The Board of DCI (the Board or the Directors) fully endorses the importance of good corporate governance and applies the QCA Corporate Governance Code, published in April 2018 by the Quoted Companies Alliance (the "QCA Code"), which the Board believes to be the most appropriate recognised governance code for a company of the Company's size with shares admitted to trading on the AIM market of the London Stock Exchange. This is a practical, outcome-oriented approach to corporate governance that is tailored for small and mid-size quoted companies in the UK and which provides the Company with the framework to help ensure that a strong level of governance is maintained.

As Chairman, I am responsible for leading an effective board, fostering a good corporate governance culture, maintaining open communications with the major shareholders and ensuring appropriate strategic focus and direction for the Company. The Board is also supported by a Nomination and Corporate Governance Committee.

Notwithstanding the Board's commitment to applying the QCA Code, we will not seek to comply with the QCA Code where strict compliance in the future would be contrary to the primary objective of delivering long-term value for our shareholders. However, we do consider that following the QCA Code, and a framework of sound corporate governance and an ethical culture, is conducive to long-term value creation for shareholders.

All members of the Board believe strongly in the importance of good corporate governance to assist in achieving objectives and in accountability to our shareholders. In the statements that follow, the Company explains its approach to governance in more detail.

The QCA Code identifies 10 principles that are considered appropriate arrangements and asks companies to disclose how the companies apply each principle. Our compliance with these 10 principles is set out below.

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Company's investment policy is to realize all its portfolio assets in a controlled, orderly and timely manner. The strategy of the Group, which was approved by the Company's shareholders in an Extraordinary General Meeting held on 22 December 2021 (the "EGM"), is set out in detail in the EGM circular dated 2 December 2021 (the "Circular"), specifically the investing policy and realisation strategy is defined in paragraph 4 of Part 1 and the investment management agreement is defined in paragraph 5 in the Circular.

The Circular is available to view at: www.dciadvisorsltd.com

The Company strategy is shaped and formulated by the Board in regular discussions with the Managing Directors. The Company's assets were managed by Dolphin Capital Partners Limited ("DCP"), an investment management company incorporated in February 2005, until their IMA was terminated on 20 March 2023. Nick Paris and Nicolai Huls have taken on this responsibility since the termination of DCP.

The Board is the Company's decision-making body, approving or disapproving each investment and divestment proposed by the Managing Directors. The Board is responsible for acquisitions and divestments, major capital expenditures and focuses upon the Company's long-term objectives, strategic direction, and distributions policy. The Managing Directors are responsible for implementing this strategy and for generally managing and developing the business. Changes in strategy require approval from the Board.

The key challenges and risks that the Group strategy presents relate to the fact that most of the Company's investments are illiquid, and there can be no assurance that the Company will be able to realise financial returns on such investments in a timely manner. Other risks include those associated with general economic climate, local real estate conditions, changes in supply of, or demand for, competing properties in an area, energy and supply shortages, various uninsured or uninsurable risks. As a result, a downturn in the real estate sector or the materialisation of any one or a combination of the aforementioned risks could materially adversely affect the Company and the implementation of the investment policy.

In order to mitigate the above risks, the Board and the Managing Directors, working with the Company's advisers, will continue to explore the best manner in which the divestment of the Company's portfolio can be achieved on an asset by asset basis, in the light of prevailing market conditions and circumstances, in order to maximise returns to shareholders. Moreover, in order to preserve the financial resources of the Company, the allocation of any additional capital investment into any of the Company's projects will be substantially sourced from joint venture agreements with third party capital providers and project level debt and with the sole objective of enhancing the respective asset's realisation potential and value.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company is committed to engaging and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. All Board members have responsibility for shareholder liaison but queries are primarily delegated to the Company's advisers or Managing Directors in the first instance or to the Company's Chairman.

Contact details for the Company's advisers are contained on the Company's website www.dciadvisorsltd.com

Additionally, shareholders can get in touch by sending an e-mail to the Company's administrator, FIM Capital Limited ("FIM") at corporate.governance@fim.co.im

The Board, together with the Managing Directors, are responsible for implementing the strategy that was approved by the shareholders at the EGM in December 2021.

Throughout the year, the Board has regular dialogue with institutional investors, providing them with such information on the Company's progress as is permitted within the guidelines of the AIM Rules, MAR and requirements of the relevant legislation. Twice a year, at the time of announcing the Group's half and full-year results, the Company schedules a round of investor calls with its shareholders to update them on developments and to receive feedback and suggestions from them.

Commencing in 2022, the Company has held an Annual General Meeting each year ("AGM"). This provides investors the opportunity to enter into dialogue with the Board and for the Board to receive feedback and take action if and when necessary. The results of the AGM are subsequently announced via RNS and published on the Company's website. Feedback from, and engagement with, substantial shareholders has historically been successful in ensuring, for example, material transactions are suitably structured with shareholder considerations in mind.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Corporate social responsibility ("CSR") is a cornerstone of the Company's culture. The Board is responsible for the social and ethical frameworks at DCI and the Company is committed to transparency with its approach and business and welcomes interaction with all stakeholders and the local communities.

The Board is aware that engaging with its stakeholders strengthens relationships, assists the Board in making better business decisions and ultimately promotes the long-term success of the Company. The Group's stakeholders include shareholders, members of staff of underlying companies and of Advisers and other service providers, suppliers, auditors, lenders, regulators, industry bodies and the communities surrounding the locations of its investments. DCI is an internally managed company.

The Board as a whole is responsible for reviewing and monitoring the parties contracted to the Company, including their service terms and conditions. The Audit Committee supports Board decisions by considering and monitoring the risks of the Company.

The Board is regularly updated on wider stakeholder views and issues concerning its projects, both formally at Board meetings and informally through ad hoc updates. Advisers involved with the investment portfolio are invited to join Board meetings and provide a report to the Board. Engagement in this manner enables the Board to receive feedback and better equips them to make decisions affecting the business.

The goal is to deliver value for our stakeholders while in parallel to contribute in meaningful ways to the local economies, societies, and environments where DCI invests.

The Company's Corporate Social Responsibility statement can be viewed on its website at: www.dciadvisorsltd.com

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Ultimate responsibility for the process by which risk in the business is managed rests with the Board. The Managing Directors are required to enforce the risk management framework adopted by the Company and report its effectiveness to the Board. The respective risks and processes to implement risk management are reviewed bi-annually.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation continued

The principal risks and uncertainties facing the Group, as well as mitigating actions, are set out in the annual Report. These risks are reviewed by the Audit Committee, whose role is to provide oversight of the financial reporting process, the audit process, the system of internal controls, overall compliance with laws and regulations and review the budgetary process. The Audit Committee is currently chaired by Nick Paris and its other member is Nicolai Huls.

The Company's Directors and its former Investment Manager comply with Rule 21 of the AIM Rules relating to directors' and applicable employees' dealings in the DCI's securities. Accordingly, DCI has adopted an appropriate Share Dealing Code for Directors and applicable employees of the Investment Manager and the Investment Manager had also adopted a conflicts of interest policy.

The Company does not have an Investment Committee as, in accordance with its investment strategy, it is not proceeding to make investments into new projects or the acquisition of additional assets.

Principle 5: Maintain the Board as a well functioning, balanced team led by the Chair

Principle 5: maintain the Board as a well-functioning, balanced team led by the Chair

The Board had three members throughout the majority of 2023, comprising an independent non-executive Chairman and two executive directors. The Company has restrictions on the maximum length of service for Directors. At every annual general meeting any director:

- who has been appointed by the board since the previous annual general meeting;
- who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or
- who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting,

shall retire from office and may offer himself for re-appointment by the members.

The Directors biographies are published on the Company's website at www.dciadvisorsltd.com

In order to maintain stability following the removal of DCP, two of the non-executive Directors took on the role of the Investment Manager, therefore becoming executive Directors. The Board continues to review its structure and are in the process of recruiting a further non-executive Director in order to provide what it considers to be an appropriate balance of experience and skills. Board meetings are held on a frequent basis, in person where possible, with additional meetings held as required.

All Directors receive regular and timely information regarding the operational and financial performance of the Company. Relevant information is circulated to the Directors in advance of the Board meetings. All Directors have direct access to the advice and services of the Company's advisors and are able to receive independent professional advice in the furtherance of their duties, if necessary, at DCI's expense.

9 formal Board meetings (including Board calls) were held in the period during 2023. A summary of Board and Committee meetings attended in the 12 months to 31 December 2023 is set out below:

Director	Board Meetings		Audit Committee		Nomination & Corporate Governance Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
Mr S Hurst*	7	7	-	-	-	-
Mr M Adams**	2	2	-	-	-	-
Mr N Huls	9	9	2	2	-	-
Mr N Paris	9	9	2	2	-	-
Mr M Kambourides***	2	2	-	-	-	-

* Appointed 13 February 2023

** Resigned 10 February 2023

*** Removed 18 March 2023

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The biographical details of all the Directors can be viewed on the Company website: www.dciadvisorsltd.com

The Directors skills are kept up to date by attending seminars, conferences and specialized courses from advisers as well as personal reading into the subjects of real estate management and development and corporate finance. The Directors also receive ad hoc guidance on certain matters, for example, the AIM Rules for Companies from the Company's Nominated Adviser as well as receiving updates on the regulatory environment from FIM, who provide specialist fund administration services to a variety of closed ended funds and collective investment schemes. The role and responsibilities of the Directors are set out in a Statement of Directors' Responsibilities and the Terms of Reference of the Audit Committee are summarised at the end of the annual report.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Board meetings are held on a frequent basis at key geographical locations.

To date, no independent Board evaluation process has been conducted by the Company as the Chairman believes that the Board performs effectively. Key strategic issues and risks are discussed in an open and forthright manner, with decisions being made based on the factual data available.

In future, Board evaluations will take place periodically, whereby Board members will be asked to complete and return an effectiveness questionnaire across a variety of criteria, then return these to FIM, who, where necessary, will seek clarification on any responses given. Responses will then be recorded anonymously to enable the Board to hold open follow-up discussions on the aggregated evaluation data.

The Board's periodic self-evaluations of performance will be based on externally determined guidelines appropriate to the composition of the Board and the Company's operation, including Board committees. The scope of the self-evaluation exercise will be re-assessed in each instance to ensure appropriate depth and coverage of the Board's activities consistent with corporate best practice.

The effectiveness questionnaire underlying the Board evaluation process assesses the composition, processes, behaviours and activities of the Board through a range of criteria, including the size and independence, mix of skills (for example corporate governance, financial, real estate industry and regulatory) and experience, and general corporate governance considerations in line with the QCA code.

All Board appointments are made after consultation with advisers and, when appropriate, with major shareholders. Detailed due diligence is carried out on all new potential Board candidates. The Board will consider using external advisers to review and evaluate the effectiveness of the Board and Directors in future to supplement internal evaluation processes. Additionally, the Board will undertake formal and periodic succession planning.

The independent Directors have remained independent throughout their term of office except for Nicolai Huls and Nick Paris who became executive directors and therefore non-independent on 20 March 2023.

When the Board undertakes a periodic evaluation process, the relevant materials and guidance in respect of this process, following current best practice at the time of the evaluation, is available from FIM.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

Throughout DCI, culture has significant impact on behaviours, risk management and ultimately performance. The Board is responsible for defining the desired culture, delegating the embedding of culture in operations in the Company and then overseeing and monitoring the result. The Board seeks to maintain the highest

the Company and then overseeing and monitoring the results. The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Company's operations. An open culture is encouraged within the Company, with regular communications among shareholders.

The Board believes that if an organization wants to create a culture of ethical conduct, they must be sure that members have the tools that they need to do so. These include adequate and appropriate training, consultation, modelling and supervision. These tools also include being able to bring internal and external experts to the organization to engage staff at all levels of training and problem solving as well.

The Company has made investments in projects that seek to make a contribution to the development of communities in which they are located. In planning its activities, the Board will give consideration to evaluating the social impact of proposed developments with a view to promoting where possible local employment and the delivery of other local benefits; and mitigating negative impacts to the extent possible.

The Company promotes and supports the rights and opportunities of all people to seek, obtain and hold employment without discrimination.

The Company is also committed to being honest and fair in all its dealings with partners, contractors and suppliers. Procedures are in place to ensure that any form of bribery or improper behaviour is prevented from being conducted on the Company's behalf by investee companies, contractors and suppliers. Robust systems are in place to safeguard the Company's information entrusted to it by investee companies, contractors and suppliers, and seeks to ensure that it is never used improperly.

In order to comply with legislation or regulations aimed at the prevention of money laundering, the Company has adopted anti-money laundering and anti-bribery procedures.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

A description of each board member and their experience is available on the Company website at www.dciadvisorsltd.com, and the role of the Company's committees are also available on the Company website.

Responsibilities of the Board

The Board is responsible for the implementation of the investment policy of the Company and for its overall supervision. The Board is also responsible for the Company's day-to-day operations. In order to fulfil these obligations, the Board has delegated certain operational responsibilities to the Managing Directors, to FIM and to other service providers.

The Company has not established a remuneration committee as it is satisfied that any pertinent issues can be considered by the Board as a whole.

The Chairman is responsible for leading an effective Board, focusing the Directors' discussions on the key levers for value creation and risk management as well as the effective running of the Company, fostering a good corporate governance culture, maintaining open communications with the major shareholders and ensuring appropriate strategic focus and direction.

In addition to this, the Chairman is responsible for ensuring that all Directors are fully informed and qualified to take the required decisions.

For this purpose, non-executive directors spend time with the Managing Directors between Board meetings, covering certain aspects of the business where they have special expertise.

The Board receives formal investment reports from the Managing Directors at frequent Board meetings, and receives management accounts, and compliance reports from FIM. The Board maintains regular contact with all its service providers and is kept fully informed of investment and financial controls and any other matters that should be brought to the attention of the Directors. The Directors also have access where necessary to independent professional advice at the expense of the Company.

In addition to these, the Directors review and approve the following matters:

- Strategy and management
- Policies and procedures
- Financial reporting and controls
- Capital structure
- Contracts
- Shareholder documents / Press announcements
- Adherence to Corporate Governance and best practice procedures

The Board has established the following Committees:

Audit Committee: The Audit Committee is chaired by Nick Paris and its other member is Nicolai Huls and it aims to meet at least three times a year.

The Audit Committee provides oversight and review of the financial reporting process, the audit process, the system of internal controls, the accounting policies, principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of internal controls, and overall compliance with laws and regulations and review the budgetary process.

Nomination & Corporate Governance Committee: The Corporate Governance Committee is chaired by Nicolai Huls and its other members are Sean Hurst and Nick Paris. The Committee aims to meet at least twice annually.

The role of the Nomination & Corporate Governance Committee is to evaluate the Company's corporate governance policies and principles and recommend changes to the Board as necessary, and identify, evaluate and recommend to the Board qualified nominees for Board election.

The Directors have access to the advice and services of FIM, the Nominated Adviser (NOMAD), legal counsel, regulatory consultants and other experts where it is deemed appropriate. They can also seek independent external professional advice and any relevant training, as necessary.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining an open dialogue with shareholders. Direct communication with shareholders is coordinated by the Chairman in consultation with the Company's advisers, as appropriate.

Throughout the year, the Board maintains a regular dialogue with institutional investors, providing them with such information on the Company's progress as is permitted within the guidelines of the AIM Rules, MAR and requirements of the relevant legislation.

The Company communicates with shareholders through the yearly Annual Report and Financial Statements, Interim Report, the Annual General Meeting, and other AIM announcements. Investors are also able to contact the Directors and Company's advisors directly at any time.

The Board believes that the Annual Report and the Interim Report play an important part in presenting all shareholders with an assessment of the Group's position and prospects. All reports and press releases are published on the Company's website www.dciadvisorsltd.com

If a significant proportion of independent votes were to be cast against a resolution at any general meeting, the

if a significant proportion of independent votes were to be cast against a resolution at any general meeting, the Board's policy would be to engage with the shareholders concerned to understand the reasons behind the voting results. Following this process, the Board would make an appropriate public statement regarding any different action it has taken, or will take, as a result of the vote.

Details of the Directors' remuneration can be found on page 9 of the annual report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DCI ADVISORS LTD

Report on the audit of the consolidated financial statements

Qualified opinion

We have audited the accompanying consolidated financial statements of DCI Advisors Ltd (the "Company"), and its subsidiaries (together with the Company, the "Group") which are presented on pages 21 to 67 of the annual report and comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effects and the possible effects of the matters described in the Basis for qualified opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU").

Basis for qualified opinion

As described in note 15 to the consolidated financial statements, the Group applies the discounted cash-flow method in arriving at the fair value of a hotel complex included in land and buildings at EUR 29.6 million as at 31 December 2023. We were unable to obtain sufficient appropriate audit evidence about the fair value of the hotel complex as certain assumptions used in the valuation were not adequately supported. Based on the information and explanations provided by management, it was impracticable for us to quantify the financial effects of the adjustments to property, plant and equipment, deferred tax liability, revaluation reserve and retained deficit as at 31 December 2023, and to the change in fair value of property, plant and equipment presented within change in valuation (note 8), taxation and profit for the year then ended, which would have resulted had the Group used supportable assumptions in estimating the fair value of the hotel complex.

As described in note 17 to the consolidated financial statements, the carrying amount of the investment in associate DCI Holdings Two Limited ("DCI H2") is €42.7 million, which the Group estimated to be the recoverable amount as at 31 December 2023. The methodology applied by the Group for estimating the recoverable amount is not in accordance with the principles of International Financial Reporting Standard 13: "Fair value measurement". Our challenger model used resulted in a range of values, based on which the recoverable amount as presented in the consolidated financial statements should increase by €3.8 million. Had management applied an appropriate valuation methodology, the recoverable amount of the investment in DCI H2 as at 31 December 2023 would be €46.5 million, retained deficit as at 31 December 2023 would decrease by €3.8 million, the reversal of impairment loss on equity accounted investees would increase by €3.8 million (note 8) and profit for the year then ended would increase by €3.8 million.

As described in note 19 to the consolidated financial statements, the Company has recognized an amount receivable of €3.0 million from its former Investment Manager. The said amount relates to advance payments made during the year 2022, as part of a now terminated Investment Management agreement, and its settlement depends on the outcome of litigation in progress. As a result, the realization of income as at 31 December 2023 was not virtually certain. This constitutes a departure from International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" ("IAS 37"), which prohibits the recognition of contingent assets. Had the Company management correctly applied IAS 37 requirements for the 'virtually certain' requirement, the amount receivable of €3.0 million would not have been recognized as a financial asset as at 31 December 2023. Accordingly, the receivables and other assets would have been decreased by €1.9 million, the trade and other payables would have increased by €1.1 million, profit for the year would have resulted in a loss for the year of €1.0 million and retained deficit would have increased by €3.0 million.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Relating to Going Concern

material uncertainty relating to going concern

We draw attention to Note 2b to the consolidated financial statements, which indicates that the Group's ability to meet its operating and financial commitments relies heavily on the ability of the Group to dispose its immovable properties and enter future funding arrangements. These events, along with other matters as set forth in Note 2b indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of immovable property

(Refer to notes 15, 16, 18 and 30 to the consolidated financial statements)

Key audit matter	How the matter was addressed in our audit
<p>The Group has a significant portfolio of immovable properties which is classified, depending on the case, as investment property, property, plant and equipment, trading properties and investment property included in assets held for sale. The total carrying amount of the aforementioned immovable properties as at 31 December 2023 was €121.4 million, not including the amount of €29.6 million for which reference is made in the Basis for Qualified Opinion paragraph above.</p> <p>Investment properties are measured at fair value, property, plant and equipment at revalued amounts, which are based on fair value, trading properties at the lower of cost and net realisable value and investment property included in assets held for sale at the lower of its carrying amount and fair value less cost to sell. In determining fair values, the Group utilizes independent professional valuers.</p> <p>There are significant judgements and estimates inherent in estimating fair value and net realisable value (which is based on the intended development and future selling price of these properties).</p> <p>The existence of significant estimation uncertainty coupled with the fact that only a small percentage change in the assumptions (such as discount rate and asking price per square meter) can have a significant impact on the valuation is why we have given specific audit focus and attention to this area.</p>	<p>Our audit procedures in relation to the valuation of immovable properties included among others:</p> <ul style="list-style-type: none">• evaluating the competence, capabilities and objectivity of independent professional valuers engaged by the Group.• involving our internal valuation specialists in challenging the appropriateness of the valuation methodology and assumptions used. Assumptions, such as those relating to the discount rates used and the amounts and timing of forecasted cash inflows and outflows, as well as the comparables used and adjustments made in valuations were challenged based on industry norms and external data. Explanations were sought for significant movements in value.• reperforming the calculations prepared by the independent professional valuers engaged by the Group.• assessing the sensitivity of the forecasts used in valuations.• assessing the adequacy of the disclosures around the valuation of property assets.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Statement, Managing Directors' report, Directors' report and Corporate Governance Statement.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS-EU, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Company or to cease Group's operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' responsibilities for the audit of the consolidated financial statements (continued)

We communicate with those charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other matter

The annual report, including the opinion, has been prepared for and only for the Company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge the annual report may come to. These consolidated financial statements have not been prepared for the purpose of complying with the legal requirements of the British Virgin Islands Law.

The engagement partner on the audit resulting in this independent auditors' report is Antonis I. Shiammoutis.

Antonis I. Shiammoutis, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

15 January 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME **For the year ended 31 December 2023**

		31 December 2023 €'000	31 December 2022 €'000
Continuing operations	Note		
Revenue	6	162	318
Cost of sales	7	-	-
Gross profit		162	318

		2022	2021
Gross profit			
Gain on disposal of equity-accounted investments	17	-	5,421
Change in valuations	8	19,487	(3,684)
Directors' remuneration	27.1	(374)	(205)
Professional fees	10	(3,699)	(1,923)
Administrative and other expenses	11	(2,057)	(1,563)
Depreciation charge	15	(50)	(48)
Total operating and other expenses		13,307	(2,002)
Results from operating activities		13,469	(1,684)
Finance income		-	73
Finance costs		(1,069)	(2,832)
Net finance costs	12	(1,069)	(2,759)
Share of losses on equity-accounted investments, net of tax	17	(12,923)	(1,785)
Loss before taxation		(523)	(6,228)
Taxation	13	(1,427)	157
Loss from continuing operations		(1,950)	(6,071)
Discontinued operation			
Profit from discontinued operation net of tax	30	3,941	275
Profit/(loss) for the year		1,991	(5,796)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit and loss			
Revaluation of property, plant and equipment	15	19,094	-
Related tax	23	(4,201)	-
Foreign currency translation differences	12	(69)	(56)
Other comprehensive income/(loss), net of tax		14,824	(56)
Total comprehensive income/(loss)		16,815	(5,852)
Profit/(loss) attributable to:			
Owners of the Company		1,747	(6,924)
Non-controlling interests		244	1,128
		1,991	(5,796)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		14,337	(6,980)
Non-controlling interests		2,478	1,128
		16,815	(5,852)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (€)	14	0.002	(0.008)
Basic and diluted loss per share - continuing operations (€)	14	(0.002)	(0.008)

The notes on pages 25 to 67 of the annual report are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 December 2023 €'000	31 December 2022 €'000
ASSETS			
Property, plant and equipment	15	42,240	15,226
Investment property	16	27,903	45,943
Equity-accounted investments	17	42,694	42,694
Non-current assets		112,837	103,863
Trading properties	18	56,516	56,516
Receivables and other assets	19	4,530	10,083
Cash and cash equivalents	20	471	2,226
Assets held for sale	30	24,388	-
Current assets		85,905	68,825
Total assets		198,742	172,688
EQUITY			
Share capital	21	9,046	9,046
Share premium	21	569,847	569,847
Retained deficit		(465,567)	(467,314)
Other reserves		13,118	528
Equity attributable to owners of the Company		126,444	112,107
Non-controlling interests		4,281	8,440
Total equity		130,725	120,547
LIABILITIES			
Loans and borrowings	22	11,298	10,434
Lease liabilities	24	3,322	3,347
Deferred tax liabilities	23	10,998	6,577
Trade and other payables	25	21,004	19,795
Non-current liabilities		46,622	40,153
Loans and borrowings	22	2,893	4,611
Lease liabilities	24	88	88
Trade and other payables	25	11,236	7,289
Liabilities directly associated with the assets held for sale	30	7,178	-
Current liabilities		21,395	11,988
Total liabilities		68,017	52,141
Total equity and liabilities		198,742	172,688
Net asset value ('NAV') per share (€)	26	0.14	0.12

The consolidated financial statements were authorised for issue by the Board of Directors on 15 January 2025.

Nick Paris
Managing Director

Nicolai Huls
Managing Director

The notes on pages 25 to 67 of the annual report are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to owners of the Company					Total €'000
	Share capital €'000	Share premium €'000	Translation reserve €'000	Revaluation reserve €'000	Retained deficit €'000	
Balance at 1 January 2022	9,046	569,847	305	279	(460,390)	119,087
COMPREHENSIVE INCOME						
(Loss)/profit	-	-	-	-	(6,924)	(6,924)
Other comprehensive income						
Share of revaluation on equity-accounted investments	-	-	-	-	-	-
Foreign currency translation differences	-	-	(56)	-	-	(56)
Total other comprehensive income	-	-	(56)	-	-	(56)
Total comprehensive income	-	-	(56)	-	(6,924)	(6,980)
TRANSACTIONS WITH OWNERS OF THE COMPANY						
Changes in ownership interests in subsidiaries						
Dividends paid to Non-Controlling Interest	-	-	-	-	-	-
Disposal of interests without a change in control	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
Balance at 31 December 2022	9,046	569,847	249	279	(467,314)	112,107
Balance at 1 January 2023	9,046	569,847	249	279	(467,314)	112,107
COMPREHENSIVE INCOME						
Profit	-	-	-	-	1,747	1,747
Other comprehensive income						
Revaluation of property, plant and equipment, net of tax	-	-	-	12,659	-	12,659
Foreign currency translation differences	-	-	(69)	-	-	(69)
Total other comprehensive income	-	-	(69)	12,659	-	12,590
Total comprehensive income	-	-	(69)	12,659	1,747	14,330
TRANSACTIONS WITH OWNERS OF THE COMPANY						
Changes in ownership interests in subsidiaries						
Capital reduction and settlement of non-controlling interest	-	-	-	-	-	-
Disposal of interests without a change in control	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
Balance at 31 December 2023	9,046	569,847	180	12,938	(465,567)	126,444

The notes on pages 25 to 67 of the annual report are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

31 December
2023

31 December
2022

	Note	€'000	€'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss)		1,991	(5,796)
Adjustments for:			
(Gain)/Loss in fair value of investment property	16	(6,252)	6,316
Gain on disposal of investment in associates/subsidiaries	17	-	(5,411)
Reversal of impairment loss on property, plant and equipment	15	(5,502)	(2,944)
Reversal of impairment loss on equity-accounted investments	8	(12,923)	(388)
Depreciation charge	15	50	48
Interest expense	22	1,327	2,891
Interest income		-	(4)
Exchange difference		(68)	(76)
Share of losses on equity-accounted investments, net of tax	17	12,923	1,785
Taxation		2,292	(12)
		(6,162)	(3,591)
Changes in:			
Receivables		(1,102)	(8,974)
Payables		6,106	568
Cash used in operating activities		(1,158)	(11,997)
Tax paid		-	-
Net cash used in operating activities		(1,158)	(11,997)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of associate	17	-	26,875
Acquisitions of investment property	16	(77)	(75)
Acquisitions of property, plant and equipment	15	(2,469)	(3,264)
Proceeds from other investments		-	99
Interest received		-	4
Net cash (used in)/from investing activities		(2,546)	23,639
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans and borrowings		(500)	(12,370)
New loans		2,760	-
Proceeds from issue of redeemable preference shares		-	3,000
Payment of lease liabilities		(50)	(8)
Interest paid		(261)	(2,363)
Dividend paid to non-controlling interests		-	(2,250)
Net cash from/(used in) financing activities	22	1,949	(13,991)
Net (decrease)/increase in cash and cash equivalents		(1,755)	(2,349)
Cash and cash equivalents at 1 January		2,226	4,575
Cash and cash equivalents at 31 December		471	2,226
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of the following:			
Cash in hand and at bank (see note 20)		471	2,226
Cash and cash equivalents at the end of the year		471	2,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. REPORTING ENTITY

DCI Advisors Ltd (the 'Company') was incorporated and registered in the British Virgin Islands ('BVI') on 7 June 2005. The Company is a real estate investment company focused on the early-stage, large-scale leisure-integrated residential resorts in the Eastern Mediterranean, and managed, until 20 March 2023, by Dolphin Capital Partners Ltd (the 'Investment Manager'), an independent private equity management firm that specialises in real estate investments, primarily in south-east Europe, and thereafter self-managed. The shares of the Company were admitted to trading on the AIM market of the London Stock Exchange ('AIM') on 8 December 2005.

With effect from 1 June 2023, the name of the Company was changed from Dolphin Capital Investors Ltd to DCI Advisors Ltd.

The consolidated financial statements of the Group as at 31 December 2023 comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in equity-accounted investments.

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 are available at www.dciadvisorsltd.com.

2. BASIS OF PREPARATION

a. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 15 January 2025.

b. Basis of preparation

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities in the normal course of business.

On 22 December 2021, an Extraordinary General Meeting was held and the Shareholders approved a continuation of the Company without setting a termination date or a date for a further continuation vote in order to provide time to optimise for Shareholders the value that can be realised from the Company's investments by removing potentially commercially prejudicial deadlines from negotiations with potential buyers.

Notwithstanding the absence of a formal date for Shareholders to consider a continuation of the Company, the Board may, at any time, propose a further continuation vote to Shareholders.

The Group faced liquidity issues during 2023 and 2024 and resolved to finance its operations during those years largely through shareholder loans. This is a temporary measure as the Group is currently negotiating the sale of its immovable properties to improve its liquidity. More specifically, the Group is close to finalizing the sale of the immovable property of its Croatian subsidiary ('Livka Bay Resort'). The sale is expected to generate €22m to the Group. The Group is also in negotiations for the sale of other immovable properties included in its property portfolio although none of these negotiations has yet resulted in signed sale documents.

In order to meet its short-term commitments and be in a position to cover the operating expenses for 2025, the Group will need more than €10m in sales proceeds. Current discussions for the disposal of investments are expected to generate more than the amount needed, referred to above, however as of this date no legally binding agreement has been executed. In the scenario where the Group will experience further delays in completing the respective sales of its property portfolio, the directors will have to take additional measures to secure financing for the business. The Group is also in negotiations to obtain a €15m loan from a financial institution.

These liquidity issues indicate the existence of material uncertainty that may cast doubt on the ability of the Group to continue as a going concern.

Continuation as a going concern is greatly dependent on the successful outcome from the sale of the Group's assets and the ability of the Group to secure additional financing. The financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should the Company not continue as a going concern.

c. Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, with the exception of property (investment property and property, plant and equipment), which are stated at their fair values.

d. New and amended International Financial Reporting Standards ("IFRSs") and Interpretations

As from 1 January 2023, the Group adopted all changes to IFRSs as adopted by the European Union ("EU") which are relevant to its operations. This adoption did not have a material effect on the financial statements of the Group.

The following New IFRSs, Amendments to IFRSs and Interpretations have been issued by International Accounting Standards Board ("IASB") but are not yet effective for annual periods beginning on 1 January 2023. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these New IFRSs, Amendments to IFRSs and Interpretations early.

(i) Standards and interpretations adopted by the EU

IAS 1 Presentation of Financial Statements (Amendments): Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants (effective for annual periods beginning on or after 1 January 2024)

In 2020, the IASB has amended IAS 1 to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early.

On 31 October 2022 the IASB issued further amendments to IAS 1 i.e. Non-current liabilities with covenants. The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt). When a liability includes a counterparty conversion option that involves a transfer of the company's own equity instruments, the conversion option is recognised as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation. The IASB has now clarified that when a company classifies the host liability as current or non-current, it can ignore only those conversion options that are recognised as equity. Companies may have interpreted the existing IAS 1 requirements differently when classifying convertible debt. Therefore, convertible debt may become current.

IFRS 16 Leases (Amendments): Lease Liability in Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The IASB has issued amendments to IFRS 16 Leases, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments issued in September 2022 impact how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale and leaseback transactions entered into since 2019.

The amendments confirm the following: (1) On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale and leaseback transaction. (2) After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

d. Adoption of new and revised standards and interpretations continued

(ii) Standards and interpretations not adopted by the EU

IAS 7 Statement of Cash Flows (Amendments) and IFRS 7 Financial Instruments: Disclosures (Amendments)

The amendments introduce two new disclosure objectives - one in IAS 7 and another in IFRS 7 - to enable the users of the financial statements in understanding and assessing the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk as well as the impact to the entity if supplier finance arrangements were no longer available.

The amendments do not define the supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. Specifically, all the following characteristics should apply:

- a finance provider pays amounts that the entity owes to its suppliers;
- the entity agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid; and
- the entity is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments): Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

The amendments, as issued in August 2023, aim to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. According to the amendments, a currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable at the measurement date, the company will be required to estimate a spot rate as the rate that would have been applied to an orderly exchange transaction between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate, but they set out a framework under which an entity can determine the spot rate at the measurement date using an observable exchange rate without adjustment or another estimation technique.

Companies will be required to provide also new disclosures to help users assess the impact of a currency not being exchangeable to the entity's financial performance, financial position, and cash flows. To achieve this objective, entities will disclose information about the nature and financial impacts of a lack of exchangeability, the spot exchange rate(s) used, the estimation process and risks to the company because the currency is not exchangeable.

IFRS 10 Consolidated Financial Statements (Amendments) and IAS 28 Investments in Associates and Joint Ventures (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely; early adoption continues to be permitted)

The amendments 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 (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

e. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2. BASIS OF PREPARATION CONTINUED

e. Use of estimates and judgements continued

Impairment of investment in equity-accounted investments

The Company follows the requirements of IAS 36 to determine whether the investments in equity-accounted investments are impaired and calculates the amount of the impairment. An impairment loss is recognised for the difference between the carrying amount and the recoverable amount of the asset. The recoverable amount is the greater of the fair value less costs to sell and value in use. As at 31 December 2023, the Group assessed whether the carrying amount of equity-accounted investments is impaired, by comparing it with its fair value less cost to sell.

Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. This includes the Managing Directors who have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

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

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

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

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

the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

- Note 3 and 15: Property, plant and equipment;
- Note 3 and 16: Investment property.

f. Functional and presentation currency

These consolidated financial statements are presented in Euro (€), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

3. MEASUREMENT OF FAIR VALUES

Properties

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

The Directors have appointed American Appraisal and Avison Young, two internationally recognised valuation firms, to conduct valuations of the Group's acquired properties to determine their fair value. These valuations are prepared in accordance with generally accepted appraisal standards, as set out by the Royal Institute of Chartered Surveyors ('RICS'). Furthermore, the valuations are conducted on an 'as is condition' and on an open market comparative basis.

3. MEASUREMENT OF FAIR VALUES CONTINUED

Properties continued

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

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

4. PRINCIPAL SUBSIDIARIES

The Group's most significant subsidiaries were the following:

Name	Project	Country of incorporation	Shareholding interest 2023	Shareholding interest 2022
Scorpio Bay Holdings Limited	Scorpio Bay Resort	Cyprus	100%	100%
Scorpio Bay Resorts S.A.	Scorpio Bay Resort	Greece	100%	100%
Xscape Limited	Lavender Bay Resort	Cyprus	100%	100%
Golfing Developments S.A.	Lavender Bay Resort	Greece	100%	100%
MindCompass Overseas One Limited	Kilada Hills Golf Resort	Cyprus	85%	85%
MindCompass Overseas S.A.	Kilada Hills Golf Resort	Greece	85%	85%
MindCompass Overseas Two S.A.	Kilada Hills Golf Resort	Greece	100%	100%
MindCompass Parks S.A.	Kilada Hills Golf Resort	Greece	100%	100%
Dolphin Capital Greek Collection Limited	Kilada Hills Golf Resort	Cyprus	100%	100%
DCI Holdings One Limited *	Aristo Developers	BVI	100%	100%
D.C. Apollo Heights Polo and Country Resort Limited	Apollo Heights Resort	Cyprus	100%	100%
Symboula Estates Limited	Apollo Heights Resort	Cyprus	100%	100%
Azuma Uvala D.o.o.	Livka Bay Resort	Croatia	100%	100%
Eastern Crete Development Company S.A.	Plaka Bay Resort	Greece	100%	100%
Single Purpose Vehicle Ten Limited **	One&Only Kea Resort	Cyprus	100%	67%

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

* This entity holds a 48% shareholding interest in DCI Holdings Two Ltd ("DCI H2") which is the owner of Aristo Developers Ltd.

** The Company disposed of its interest in the One&Only Kea Resort in December 2022. During 2023 an application was made to reduce the capital of SPV 10 in return for settlement of the outstanding loan with the non-controlling interest and this was successful so the loan has been eliminated.

5. MATERIAL ACCOUNTING POLICIES

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

5.1 Subsidiaries

Subsidiaries are the entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

5.2 Non-controlling interests ('NCI')

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

5.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling Interest ("NCI") and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

5.4 Transactions eliminated on consolidation

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

5.5 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 5.1). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

5.6 Interest in equity-accounted investments

The Group's interests in equity-accounted investments comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and the joint venture are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the income and expenses and equity movements of equity-accounted investments, after adjustments to align the accounting policies with those of the Group, until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.6 Interest in equity-accounted investments continued

After application of the equity method, the Group assess the recoverable amount for each associate or joint venture, unless the associate or joint venture does not generate cash inflows from continuing use that are largely independent of those from other assets of the entity. An impairment loss is recognised for the difference between the carrying amount and the recoverable amount of the equity-accounted investments. The recoverable amount is the greater of the fair value less costs to sell and value in use.

5.7 Investment property

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

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

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

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

5.8 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Once classified as held for sale, property, plant and equipment is no longer depreciated, and any equity-accounted investee is no longer equity accounted.

5.9 Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent accumulated depreciation for buildings and the subsequent accumulated impairment losses. Revaluations are carried out at the end of each year and where necessary, semi-annually. Properties under construction are stated at cost less any accumulated impairment losses. All other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are recognised in profit or loss. Increase is recognised to the profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

profit or loss.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use.

Depreciation charge is recognised in profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Freehold land is not depreciated.

The annual rates of depreciation are as follows:

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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.9 Property, plant and equipment continued

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

5.10 Trading properties

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

5.11 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.11 Leases continued

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.12 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Cash and cash equivalents

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

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.12 Financial instruments continued

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

- *Financial assets at FVTPL:* These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- *Financial assets at amortised cost:* These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- *Debt investments at FVOCI:* These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are

calculated using the effective interest method; foreign exchange gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in Other Comprehensive Income ("OCI") are reclassified to profit or loss.

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.12 Financial instruments continued

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest continued

- *Equity investments at FVOCI:* These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The financial liabilities of the Group are measured as follows:

Interest-bearing borrowings

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

Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

5.13 Share capital and premium

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

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.14 Dividends

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

5.15 Contract liabilities

Payments received in advance on development contracts for which no revenue has been recognised yet are recorded as contract liabilities as at the statement of financial position date.

5.16 Provisions and contingent assets

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent assets

Contingent assets are not recognised in the statement of financial position because doing so may result in the recognition of income that may never be realised. When realisation of a contingent asset is virtually certain, it is no longer considered contingent and is recognised as an asset. The asset is recognised in the period in which this change from contingent asset to asset occurs.

5.17 Expenses

Investment Manager remuneration, Directors' remuneration, operational expenses, professional fees, administrative and other expenses are accounted for on an accrual basis. Expenses are charged to profit or

administrative and other expenses are accounted for on an accrual basis. Expenses are charged to profit or loss, except for expenses incurred on the acquisition of an investment property, which are included within the cost of that investment. Expenses arising on the disposal of an investment property are deducted from the disposal proceeds.

5.18 Impairment

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses ('ECLs') on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12 month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and trading properties) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.18 Impairment continued

Non-financial assets continued

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an

assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.19 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue at a point in time, which is when it transfers control over the property to the buyer. The buyer obtains control when the sale consideration is fully settled, and the ownership of the property is then transferred to the buyer.

5.20 Finance income and costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

5.21 Foreign currency translation

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

5.22 Foreign operations

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

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

5.23 Segment reporting

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

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.24 Earnings per share

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

5.25 NAV per share

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

5.26 Taxation

Income tax

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

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

Deferred tax

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:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

5.27 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (Note 2e and Note 3).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

5. MATERIAL ACCOUNTING POLICIES CONTINUED

5.27 Fair value measurement continued

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5.28 Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represent a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

5.29 Comparatives

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

6. REVENUE

	2023 €'000	2022 €'000
Revenue from contracts with customers:		
Sale of trading properties	-	-
Other revenue		
Other income	162	318
Total	162	318

7. COST OF SALES

	2023 €'000	2022 €'000
Sales of trading properties	-	-
Total	-	-

8. CHANGE IN VALUATION

	Note	2023 €'000	2022 €'000
Gain/(loss) in fair value of investment property	16	1,062	(7,016)
Reversal of impairment loss on equity-accounted investments	17	12,923	388
Reversal of impairment loss of property, plant and equipment	15	5,502	2,944
Total		19,487	(3,684)

9. SEGMENT REPORTING

As at 31 December 2023 and 31 December 2022, the Group is not considered to have reportable operating segments that require disclosure. The Group has one business segment focusing on achieving capital growth through investing in residential resort developments primarily in south-east Europe.

The geographic information analyses the Group's non-current assets by the Company's country of domicile.

The geographic information analysed the Group's non-current assets by the company's country of domicile. The Croatian asset was moved from non-current assets to assets held for sale in 2023. In presenting the geographic information, segment assets were based on the geographic location of the assets.

Non-current assets

	2023 €'000	2022 €'000
Greece	64,623	36,469
Croatia	-	19,180
Cyprus	48,214	48,214
At end of year	112,837	103,863

Assets held for sale

	2023 €'000	2022 €'000
Croatia	24,370	-
At end of year	24,370	-

Country risk developments

Greece

According to the OECD, the GDP of Greece was projected to increase by 1.8% in 2023 and 2.0% in 2024 and 2.5% in 2025 as increased employment, real wage growth and strong tourist activity bolster consumption.

According to the Bank of Greece, in 2023, the balance of travel services showed a surplus of €18.0bn in 2023, €15.7bn in 2022 and €9.4bn in 2021.

Inflation in Greece is now estimated to have peaked in 2022 and to have been 4.2% in 2023 according to the European Commission and is forecast to fall to 2.8% in 2024 and 2.1% in 2025.

Cyprus

The IMF praised Cyprus for its robust economic recovery and fiscal discipline and it forecasts a 2.6% increase in GDP during 2024, 2.8% for 2025 and 3.1% for 2027.

Inflation in Cyprus is now estimated to have peaked in 2022 and to have been 3.9% in 2023 according to the European Commission and is forecast to fall to 2.4% in 2024 and 2.1% in 2025.

Croatia

According to the European Commission, GDP growth continued to recover strongly and grew by 3.1% in 2023 and is forecast to grow 3.3% in 2024 and 2.9% in 2025 and inflation peaked at 8.4% in 2023 and is forecast to fall to 3.5% in 2024 and 2.2% in 2025.

Economic activity and tourism arrival numbers continued to benefit strongly from the adoption of the Euro currency and the admission of Croatia into the Schengen passport zone at the start of 2023.

10. PROFESSIONAL FEES

	2023 €'000	2022 €'000
Legal fees	1,728	383
Auditors' remuneration (see below)	267	261
Accounting expenses	642	241
Appraisers' fees	83	9
Project design and development fees	259	133
Consultancy fees	112	338
Administrator fees	310	270
Other professional fees	298	288
Total	3,699	1,923

	2023 €'000	2022 €'000
Auditors' remuneration comprises the following fees:		
Audit and other audit related services	267	261
Total	267	261

The total for auditors' remuneration all relate to continuing operations.

11. ADMINISTRATIVE AND OTHER EXPENSES

	2023 €'000	2022 €'000
Travelling and accommodation	94	132
Insurance	63	75
Marketing and advertising expenses	37	66
Personnel expenses including social security and other costs	528	568
Immovable property and other taxes	123	243
Third party expenses	124	-
Prior year expenses underprovided	21	-
Irrecoverable VAT	9	-
Rents	97	120
Other	961	359
Total	2,057	1,563

Personnel expenses

	2023 €'000	2022 €'000
Wages and salaries	394	423
Compulsory social security contributions	60	50
Other personnel costs	74	95
Total	528	568

The average number of employees employed by the Group 18* 27*

*The vast majority consists of workers/archaeologists at Kilada

12. FINANCE COSTS

	2023 €'000	2022 €'000
RECOGNISED IN PROFIT OR LOSS		
Interest income	-	4
Exchange difference	-	69
Finance income	-	73
Interest expense	(999)	(2,641)
Transaction costs and other financing expenses	(24)	(43)
Bank charges	(26)	(63)
Exchange difference	(20)	(85)
Finance costs	(1,069)	(2,832)
Net finance costs recognised in profit or loss	(1,069)	(2,759)
	2023 €'000	2022 €'000
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Foreign currency translation differences	(69)	(56)
Finance costs recognised in other comprehensive income	(69)	(56)

13. TAXATION

	2023 €'000	2022 €'000
RECOGNISED IN PROFIT OR LOSS		
Income tax expense		
Current year	68	1
Other	-	6
	68	7
Deferred tax expense		
On valuation gains of investment properties (see note 23)	1,359	(164)
	1,359	(164)
Taxation recognised in profit or loss	1,427	(157)

Reconciliation of taxation based on taxable loss and taxation based on accounting loss:

	2023 €'000	2022 €'000
Loss before taxation	(523)	(6,228)
Taxation using domestic tax rates	2,160	(892)
Effect of valuation gain/(loss) on properties	1,359	(164)
Non-deductible expenses	(3,336)	738
Tax-exempt income	-	(562)
Current year losses for which no deferred tax is recognised	1,176	716
Other	68	7
Total	1,427	(157)

13. TAXATION CONTINUED

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

In Greece, the corporation tax rate applicable to profits is 22% (22% in 2022). Tax losses of Greek companies are carried forward to reduce future profits for a period of five years.

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

In Croatia, the corporation tax rate is 18%. Tax losses of Croatian companies are carried forward to reduce future profits for a period of five years.

14. EARNINGS/(LOSS) PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to owners of the Company by the weighted average number of common shares outstanding during the year

2023 '000	2022 '000
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Loss attributable to owners of the Company from continuing operations	(2,194)	(7,199)
Profit attributable to owners of the Company from discontinued operation	3,941	275
Total profit/(loss) attributable to owners of the Company (€)	1,747	(6,924)
Number of weighted average common shares outstanding	904,627	904,627
Basic loss per share - continuing operations (€)	(0.002)	(0.008)
Basic earnings per share - discontinued operation (€)	0.004	0.000
Basic earnings/(loss) per share - total (€)	0.002	(0.008)

Weighted average number of common shares outstanding	2023 '000	2022 '000
Outstanding common shares at the beginning and end of the year	904,627	904,627

Diluted earnings/(loss) per share

As at 31 December 2023 and 2022, the diluted earnings per share is the same as the basic earnings per share, as there were no outstanding dilutive potential ordinary shares (a financial instrument or other contract that, when converted to ordinary shares, would decrease earnings per share) during these years.

15. PROPERTY, PLANT AND EQUIPMENT

	Property under construction €'000	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
2022					
Cost or revalued amount					
At beginning of year	5,683	20,445	366	45	26,539
Direct acquisitions	3,241	12	11	-	3,264
At end of year	8,924	20,457	377	45	29,803
Depreciation and impairment					
At beginning of year	-	17,080	357	33	17,470
Depreciation charge for the year	-	38	9	1	48
Reversal of impairment loss (note 8)	-	(2,944)	-	-	(2,944)
Exchange difference	-	-	(1)	4	3
At end of year	-	14,174	365	38	14,577
Carrying amounts	8,924	6,283	12	7	15,226

	Property under construction €'000	Land & buildings €'000	Machinery & equipment €'000	Other €'000	Total €'000
2023					
Cost or revalued amount					
At beginning of year	8,924	20,457	377	45	29,803
Revaluation	-	19,093	-	-	19,093
Direct acquisitions	2,468	1	-	-	2,469
At end of year	11,392	39,551	377	45	51,365
Depreciation and impairment					
At beginning of year	-	14,174	365	38	14,577
Depreciation charge for the year	-	47	2	1	50
Reversal of impairment loss (note 8)	-	(5,502)	-	-	(5,502)
Exchange difference	-	-	-	-	-
At end of year	-	8,719	367	39	9,125
Carrying amounts	11,392	30,833	10	6	42,240

The carrying amount at year end of land and buildings, if the cost model was used, would have been €6.3 million (2022: €6.3 million). Land and buildings include right-of-use assets of €442 thousand (2022: €442 thousand) related to leased properties that do not meet the definition of investment property.

Fair value hierarchy

The fair value of land and buildings, amounting to €30,833 thousand (2022: €6,283 thousand), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

15. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

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

2023 €'000	2022 €'000
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At beginning of year	6,283	3,365
Acquisitions	1	12
Gains/(losses) recognised in profit or loss		
Reversal of impairment loss and write offs in 'Change in valuations'	5,502	2,944
Revaluation in excess of amounts previously impaired	19,094	-
Depreciation in 'Depreciation charge'	(47)	(38)
At end of year	30,833	6,283

The effect of the valuation change was an increase of € 24.6 million of which €19.1 million has been recognised on other comprehensive income and €5.5 million has been recognised in profit or loss as a reversal of a previous impairment on this property.

The increase of € 24.6 million relates to the hotel complex at Kilada Hills. This increase in valuation was mainly the result of strong interest from top luxury hotel operators in the project. This increased the feasibility of adding 36 privately owned suites to the hotel complex as well as adding the development 42 branded villas. In addition, a number of branded villas were included in the rental pool of the hotel operation with the related owner share expenses.

As at 31 December 2023 and 31 December 2022, part of the Group's property, plant and equipment is held as security for bank loans (see note 22).

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring land and buildings, as well as the significant unobservable inputs used.

Property Location	Valuation methodology (note 3)	Significant unobservable inputs		Inter-relationship between key valuation inputs and Fair Value measurement
Property in Greece - "Kilada Hills Golf Resort"	Discounted Cash Flow (DCF) Method (Development Perimeter - Hotel component)	Room occupancy rate (annual):	2023: 31% to 40% (avg.: 37%) 2022: 32% to 44% (avg.: 42%)	The estimated Fair Value of the Hotel component of the project would increase/(decrease) if: Room occupancy rate was higher/(lower);
		Average Daily Rate per occupied room:	2023: €1,190 to €1,486 (avg.: €1,333) 2022: €950 to €1,186 (avg.: €1,064)	Average daily rate per occupied room was higher/lower;
		Gross operating margin rate:	2023: 36% to 50% (avg.: 48%) 2022: 20% to 35% (avg.: 33%)	Gross operating margin was higher/(lower);
		Terminal capitalisation rate:	2023: 8.34% [12x multiple] 2022: 8.34% [12x multiple]	Terminal capitalisation rate was lower/(higher);
		Risk-adjusted discount rate (WACC):	2023: 12% 2022: 12%	Risk-adjusted discount rate was lower/(higher).
	Combined Discounted Cash Flow (DCF) Method & Residual (Development Perimeter - Residential component)	Residence selling price (€/m2):	2023: €2,900 to €7,500 (avg.: €4,472) 2022: €2,600 to €5,000 (avg.: €3,875)	The estimated Fair Value of the Residential component of the project would increase/(decrease) if: Selling prices increase (decrease);
		Residence construction cost (€/m2):	2023: €2,400 to €5,000 (avg.: €2,943) 2022: €2,200 to €3,500 (avg.: €2,604)	Construction cost decrease (increase);
		Cash flow velocity (years):	2023: 2 to 9 years 2022: 2 to 9 years	Cash flow velocity was shorter/(longer);
		Selling curve (% p.a.) of total available stock	2023: 0% to 40% 2022: 5% to 20%	Selling curves

15. PROPERTY, PLANT AND EQUIPMENT - CONTINUED

Valuation techniques and significant unobservable inputs -continued

Property Location	Valuation methodology (note 3)	Significant unobservable inputs		Inter-relationship between key valuation inputs and Fair Value measurement
Property in Greece - "Kilada Hills Golf Resort"	Combined Discounted Cash Flow (DCF) Method & Residual (Development Perimeter - Hotel component)	Entrepreneurial Profit (% construction cost as new):	2023: 20.0% 2022: 20.0%	The estimated Fair Value of the Hotel component of the project would increase/(decrease) if: Entrepreneurial profit rate was higher/(lower);
		Depreciation rate (%):	2023: 42% 2022: 40%	Depreciation rate was lower/(higher)
		Useful life (years):	2023: 60 years 2022: 60 years	
		Net operating Income (NOI) (€ thousands p.a.):	2023: €53k to €328k 2022: €53k to €328k	Net operating income per m2 was higher/(lower);
		Terminal capitalisation rate:	2023: 9.34% [10.7x multiple] 2022: 11% [9.1x multiple]	Terminal capitalisation rate was lower/(higher).
		Replacement cost missing	2023: €700 to €1,800 2022: €600 to €1,500	Replacement cost per m2 was higher/(lower);
		Risk-adjusted discount rate (WACC):	2023: 12% 2022: 12%	Risk-adjusted discount rate was lower/(higher)

Sensitivity of fair value measurement to change in unobservable inputs

Given the uncertainties in the market, any changes in unobservable inputs may lead to measurement with significantly higher or lower fair value. A variation of the discount rate would affect the fair value of property in Greece - Hotel complex as follows:

	Change in Assumption	Impact on fair value 2023	
		Increase	(Decrease)
Discount Rate	%	€'000	€'000
- Hotel Complex in Greece	1.00%	(5,050)	5,780

Change in Impact on fair value

	Assumption	2022	
		Increase	(Decrease)
Discount Rate	%	€'000	€'000
- Hotel Complex in Greece	1.00%	(2,232)	2,672

16. INVESTMENT PROPERTY

	Note	2023 €'000	2022 €'000
At beginning of year		45,943	52,188
Capital subsequent expenditure		77	75
Fair value adjustment	30	6,252	(6,316)
Transfer to Assets held for sale		(24,371)	-
Exchange differences		2	(4)
At end of year		27,903	45,943

As at 31 December 2023 and 31 December 2022, part of the Group's immovable property is held as security for bank loans (see note 22).

Changes in fair value are recognised as gain/(losses) in profit or loss and included in "Change in Valuation" (see note 8). All such gains/(losses) are unrealised.

Part of investment property includes land acquired by Golfing Developments S.A. ("Golfing"), a subsidiary company and owner of the Lavender Bay Resort, from third parties and also right-of-use assets on land leased by third parties. It should be noted that in 2010, the Greek State Real Estate Service disputed part of this land owned by Golfing as belonging to the Greek State. In 2011, the vendor of the land lodged an objection (administrative appeal) to the Directorate of Public Property of the Ministry of Finance, requesting the review of the conclusion of the Real Estate Service report, as well as the Final report of the inspector of the Ministry of Finance. Golfing proceeded to various legal actions in order to indicate its ownership of the land at that time. As part of these legal proceedings, the Courts

16. INVESTMENT PROPERTY CONTINUED

had issued a decision in 2019 as part of a criminal law procedure, indicating that there were no grounds indicating the public nature of Golfing's land.

In September 2021, the Greek Council for Public Properties issued an Opinion claiming that a part of the overall land comprising 843,114m², amounting to €3.2 million as at 31 December 2023 (2022: €2.4 million) and included in Investment Property as of 31 December 2023 and 2022 respectively, that was sold from the Archdiocese of Dimitriada ("Vendor") to Golfing in 2006 and 2007, belonged to the Greek State disputing the private character of the land. This Opinion was adopted by the Ministry of Finance in January 2022, who took steps to register the property in the name of the Greek State at the local land registries in April and May 2022. This adoption constitutes a unilateral administrative act and if it is found to be incorrect or illegal, it can be revoked. The Company intends to proceed to an appeal to the Greek courts claiming its ownership of the disputed land, based on Golfing's and the Company's relevant Board of Directors decision that was taken at its meetings on 15 June 2022 and 22 June 2022, respectively.

In addition, the Greek Council for Public Properties disputed the ownership rights of the Vendor on the land leased to Golfing in 2006 and 2007 of 2,097,443 m², from which 1,746,334 m² are activated leased contracts, of an amount of €1.3 million included in Investment Property as of 31 December 2023 (2022: €1.2 million), for which, though, no final opinion was issued by this Council. Golfing and the Vendor proceeded to legal actions relating to this dispute as well in January 2022.

The Group believes, based on legal assessments, that the unilateral registration of the property in the name of the Greek State, does not establish and does not constitute a title deed or a court decision and, therefore does not lead to the loss of property rights of Golfing but the Greek State disputes the private character of the above land of 843,114m² of Golfing, indicating its public character.

Although the dispute is considered as a significant obstacle to the continuation of the investment in the project, Golfing continues to recognize the respective land under its assets as investment property of Golfing, on the basis of legal evidence of ownership of the land as described above.

Golfing, based on third party valuation experts, proceeded to the assessment of fair value of the respective land included in investment property and recorded a positive adjustment of €1.0 million as at 31 December 2023 (2022: negative €1.5 million) in 'Loss in fair value of investment property' in profit or loss in 2023 and 2022.

Golfing and the Greek Church have started discussions on renegotiating the current agreements in place in order to replace these with new ones which better reflect current situation.

During 2023, the Company appointed an agent to actively seek buyers for Azuma Uvala d.o.o. which owns the property at Livka Bay. Heads of terms for the sale were signed in February 2024 and a Sale & Purchase Agreement was signed in June 2024. As a consequence, the disposal group has been accounted for in accordance with IFRS 5 whereby the disposal group's asset and liabilities have been categorised as Assets held for sale and Liabilities held for sale in the consolidated statement of financial position. In accordance with IFRS 5 the operation has been shown as discontinued.

Fair value hierarchy

The fair value of investment property, amounting to €27.9 million and (2022: €45.9 million), has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

16. INVESTMENT PROPERTY CONTINUED

Valuation techniques and significant unobservable inputs

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

Property location	Valuation technique (see note 3)	Significant unobservable inputs		Inter-relationship between key valuation inputs and fair value measurement
Property in Greece	Combined approach (Market and Income)	Market approach - 60% weight Asking prices per m ² : Premiums/(discounts) on the following: Location: Site size:	2023: €13 to €29 2022: €13 to €29 2023: 0% 2022: 0% 2023: 0% 2022: 0%	The estimated fair value would increase/(decrease) if: Asking prices per m ² were higher/(lower); Premiums were higher/(lower); Discounts were lower/(higher);

		Capacity	2022: -20% to -15%	10 to 15%
		Weight allocation	2023: 0%	No asking used
			2022: 0%	
			2023: -5%	All comparables had slightly better infrastructure
			2022: -5% to +15%	
			2023: 0% to 40%	Three comparables had less bed density hence the premium
			2022: -5% to +10%	
			2023: 25%	All comparables had equal weight
			2022: +10% to +33%	

16. INVESTMENT PROPERTY CONTINUED

Valuation techniques and significant unobservable inputs continued

Sensitivity of fair value measurement to change in unobservable inputs

Given the uncertainties in the market, any changes in unobservable inputs may lead to measurement with significantly higher or lower fair value. A variation of the annual estimated fair value per square meter would affect the fair value of investment properties per square meter as follows:

Annual estimated asking price per square meter	Change in Assumption	Impact on fair value			
		2023		2022	
		Increase	Decrease	Increase	(Decrease)
	%	€'000	€'000	€'000	€'000
- Property in Greece	10%	2,238	(2,238)	2,023	(2,023)
- Property in Croatia	10%	2,289	(2,289)	1,770	(1,770)
- Property in Cyprus	10%	552	(552)	552	(552)

17. EQUITY-ACCOUNTED INVESTMENTS

	Note	DCI H2 €'000	SPV14 €'000	Total €'000
2023				
At beginning of year		42,694	-	42,694
Share of loss, net of tax		(12,923)	-	(12,923)
Disposal of Associate		-	-	-
Reversal of impairment loss	8	12,923	-	12,923
At end of year		42,694	-	42,694
2022				
At beginning of year		42,694	22,861	65,555
Share of loss, net of tax		(388)	(1,397)	(1,785)
Disposal of Associate		-	(21,464)	(21,464)
Reversal of impairment loss	8	388	-	388
At end of year		42,694	-	42,694

Single Purpose Vehicle Fourteen Limited ("SPV 14")

On 23 December 2022 it was announced that the Company had completed the disposal of its entire interest in the One&Only at Kea Island ("OOKI") Project. Prior to the sale, the Company was the owner of 66.67% of Single Purpose Vehicle Ten Ltd ("SPV10") which, in turn, indirectly owned 50% of SPV 14, thereby providing the Company with an effective equity interest of 33.33% in SPV 14 and the OOKI project.

Under the share purchase agreement ("SPA") signed on 13 October 2022 SPV10 received €26.9 million for the 50% ownership of SPV14. At the time of the disposal the value of the associate was €21.5 million, following a €1.4 million share of losses recognised, as a result the gain on the disposal was €5.4 million.

Pursuant to the sale, the Company received a net consideration, in aggregate of €17.9 million. From these disposal proceeds, an amount of €13 million was applied towards the repayment in full by 31 December 2022 of the existing loan facility that Company drew down on 7 June and 16 July 2021. All remaining proceeds from the sale of SPV10 was retained by the Company for use as working capital.

DCI Holdings Two Limited ("DCI H2")

Since 31 December 2020, the Company's holding of 47.9% in DCI H2 (owner of Aristo Developers Ltd, 'Aristo'), has been classified as an associate. An impairment loss was recognised in 2016, based on an agreement to dispose of the entire 49.75% shareholding in DCI H2 then owned, for the amount of €45 million. The Group subsequently disposed of 1.82% and as a result the Company's investment in DCI H2 reduced to 47.9% at a value of €42.7 million, which the Group estimates to be the recoverable amount as at the end of the reporting period. The recoverable amount is calculated based on the NAV of DCI H2 group at the reporting date adjusted by an approximately 34% discount on the DCI H2 group's real estate properties. The fair value of the investment in DCI H2 has been categorised as a Level 3 fair value asset based on the inputs to the valuation techniques used.

Pursuant to the terms of a transaction executed in August 2019, for the sale of 37 hectares in the area referred to as 'Atlantis', in the north of the Venus Rock project which was formerly owned by Aristo, to Aristo Ktimatiki (an entity controlled by Mr. Theodoros Aristodemou, chairman of Aristo). The remaining €3.5 million that was due by 30 June 2020 is now expected to be received during 2025. The corresponding preferred shares have been transferred by the Company to Aristo Ktimatiki on a prorated basis in line with the receipt of the commensurate instalments but the underlying land has not yet been transferred pending the receipt of full payment.

The details of the above investments are as follows:

Name	Country of Incorporation	Principal activities	Shareholding interest	
			2023	2022

SPV 14	Cyprus	Development of OOKI Resort	-	-
DCI H2	BVIs	Acquisition and holding of real estate investments in Cyprus	48%	48%

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

17. EQUITY-ACCOUNTED INVESTMENTS CONTINUED

The following table summarises the financial information of DCI H2 and SPV 14 as included in their own financial statements, the table also reconciles the summarised financial information to the carrying amount of the Group's interest in equity-accounted investments:

	DCI H2 €'000	SPV 14 €'000	Total €'000
Percentage ownership interest	48%	-%	48%
31 December 2023			
Current assets	105,253	-	105,253
Non-current assets	182,494	-	182,494
Total assets	287,747	-	287,747
Current liabilities	90,202	-	90,202
Non-current liabilities	37,819	-	37,819
Total liabilities	128,021	-	128,021
Net assets	159,726	-	159,726
Group's share of net assets	76,557	-	76,557
Impairment	(33,863)	-	(33,863)
Carrying amount of interest in investee	42,694	-	42,694
Revenues	25,468	-	25,468
Loss	(27,130)	-	(27,130)
Other comprehensive income	168	-	168
Total comprehensive income	(26,962)	-	(26,962)
Group's share of total comprehensive income	(12,923)	-	(12,923)
	DCI H2 €'000	SPV 14 €'000	Total €'000
Percentage ownership interest	48%	50%	48%
31 December 2022			
Current assets	105,293	-	105,293
Non-current assets	208,873	-	208,873
Total assets	314,166	-	314,166
Current liabilities	69,943	-	69,943
Non-current liabilities	57,367	-	57,367
Total liabilities	127,310	-	127,310
Net assets	186,856	-	186,856
Group's share of net assets	89,560	-	89,560
Impairment	(46,866)	-	(46,866)
Carrying amount of interest in investee	42,694	-	42,694
Revenues	46,986	-	46,986
Loss	(810)	(2,793)	(3,603)
Other comprehensive income	-	-	-
Total comprehensive income	(810)	(2,793)	(3,603)
Group's share of total comprehensive income	(388)	(1,397)	(1,785)

18. TRADING PROPERTIES

	2023 €'000	2022 €'000
At beginning of year	56,516	56,516
At end of year	56,516	56,516

Trading properties comprise land to be sold and to be developed into villas and holiday houses.

19. RECEIVABLES AND OTHER ASSETS

	Note	2023 €'000	2022 €'000
Trade receivables		-	90
Other receivables		1,717	939
Loan Receivable	27.3.1	-	6,637
VAT receivables		915	509
Total Trade and other receivables		2,632	8,175
Amounts Receivable from Investment Manager	27.2	1,898	1,898
Prepayments and other assets		-	10

Total	4,530	10,083
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The amount receivable from the Investment Manager relates to €3.0 million of advance payments made during 2022. As mentioned in note 32 as part of its counterclaim DCI is seeking repayment from DCP of advance payments totaling €3.0 million made to DCP pursuant to the Investment Management Agreement dated 1 December 2021. Management considers that the recovery of this amount is virtually certain and therefore, the amount is recognized in full as an amount receivable and it is presented net of variable management fees payable of €1.1 million relating to previous years.

20. CASH AND CASH EQUIVALENTS

	2023	2022
	€'000	€'000
Bank balances (see note 29)	471	2,226
Total	471	2,226

21. CAPITAL AND RESERVES

Capital

Authorised share capital

	2023		2022	
	'000 of shares	€'000	'000 of shares	€'000
Common shares of €0.01 each	2,000,000	20,000	2,000,000	20,000

Movement in share capital and premium

	Shares in issue	Share capital	Share premium
	'000	€'000	€'000
Capital at 1 January 2023 and to 31 December 2023	904,627	9,046	569,847

All shares are fully paid.

Reserves

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

Revaluation reserve: Revaluation reserve relates to the revaluation of property, plant and equipment from both subsidiaries and equity-accounted investments, net of any deferred tax.

22. LOANS AND BORROWINGS

	Total		Within one year		Two to five years	
	2023	2022	2023	2022	2023	2022
	€'000	€'000	€'000	€'000	€'000	€'000
Loans in Euro	2,893	4,611	2,893	4,611	-	-
Redeemable preference shares	11,298	10,434	-	-	11,298	10,434
Total	14,191	15,045	2,893	4,611	11,298	10,434

Loans denominated in Euros

In the prior year, the maturity date of the outstanding loan of Azuma (the owner of "Livka Bay") was extended to 31 December 2022. This maturity date was further extended to 31 December 2023 and since then is tied to being repaid from the sale of the asset.

During the year, the Company borrowed € 2.76 million from shareholders at a simple interest rate of 12% per annum. The loans are of a fixed duration being 12 months from receipt of the funds.

Redeemable preference shares

On 18 December 2019, the Company signed an agreement with an international investor for a €12.0 million investment in the Kilada Hills Project. The investor agreed to subscribe for both common and preferred shares. The total €12.0 million investment was payable in 24 monthly instalments of €0.5 million each. Under the terms of the agreement, the investor is entitled to a priority return of the total investment amount from the net disposal proceeds realised from the project and retains a 15% shareholding stake in Kilada. As of 31 December 2023, 15.00% (2022: 15.00%) of the ordinary shares have been transferred to the investor.

As of 31 December 2023, 12,000 redeemable preference shares (2022: 12,000) were issued as fully paid with value of €1,000 per share. The redeemable preference shares were issued with a zero-coupon rate and are discounted with a 0.66% effective monthly interest rate, do not carry the right to vote and are redeemable when net disposal proceeds are realised from the Kilada Project. As at 31 December 2023, the fair value of the redeemable preference shares was €11.3 million (2022: €10.4 million).

Terms and conditions of the loans

The terms and conditions of outstanding loans were as follows:

Secured loan	Currency	Interest rate	Maturity dates	2023	2022
				€'000	€'000
Livka Bay*	Euro	Euribor plus 4.25% p.a.	2023	4,155	4,611
Shareholder loans **	Euro/USD	12% per annum	2024	2,893	-
Total interest-bearing liabilities				7,048	4,611

*The loan on Livka Bay has been categorised within liabilities held for sale. The Loan from PBZ was due to be paid on 31 December 2023. The bank has agreed to extend the repayment date until the date on which the sale of Livka Bay completes and this arrangement remains ongoing.

** When any of the shareholder loans reached the 12-month maturity date, the lender has agreed to extend its maturity via a loan extension agreement pending the completion of the sale of one of the Company's assets.

Security given to lenders

As at 31 December 2023, the Group's loans were secured as follows:

- Regarding the Kilada preference shares, upon transfer of the entire amount of €12 million from the investor in accordance with the terms of the agreement, a mortgage is set against the immovable property of the

in accordance with the terms of the agreement, a mortgage is set against the immovable property of the Kilada Hills Project, in the amount of €15.0 million (2022: €15.0 million).

- Regarding the Livka Bay loan, a mortgage against the immovable property of the Croatian subsidiary, Azuma (the owner of "Livka Bay"), with a carrying value of €24.4 million (2022: €19.2 million), two promissory notes, a debenture note and a letter of support from its parent company Single Purpose Vehicle Four Limited.

22. LOANS AND BORROWINGS CONTINUED

Security given to lenders - continued

- In addition, the development at One&Only Kea was partly funded by a construction loan which was secured over its assets and those of the Scorpio Bay asset. Steps are being taken to remove the security over Scorpio Bay now that we have sold our interest in One&Only Kea.
- The shareholders loans are being secured against the issued share capital of the wholly owned subsidiary Eastern Crete Development Company Limited.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings €'000	Lease liabilities €'000	Non-controlling interests €'000	Total €'000
2023				
Balance at the beginning of the year	15,045	3,435	8,440	26,920
<i>Changes from financing cash flows:</i>				
New loans from shareholders	2,760	-	-	2,760
Repayment of loans and borrowings	(500)	-	-	(500)
Payment of lease liability	-	(50)	-	(50)
Interest paid	(261)	-	-	(261)
Other movements	-	-	-	-
Total changes from financing cash flows	1,999	(50)	-	1,949
Other changes- Liability-related				
Interest expense	1,302	25	-	1,327
Other movements	-	-	2,478	2,478
Transfer to liabilities held for sale	(4,155)	-	-	(4,155)
Capital reduction and settlement of non-controlling interest	-	-	(6,637)	(6,637)
Total liability-related other changes	(2,853)	25	(4,159)	(6,987)
Balance at the end of the year	14,191	3,410	4,281	21,882

	Loans and borrowings €'000	Lease liabilities €'000	Non-controlling interests €'000	Total €'000
2022				
Balance at the beginning of the year	24,868	3,420	8,942	37,230
<i>Changes from financing cash flows:</i>				
Issue of redeemable preference shares	3,000	-	-	3,000
New loans	-	-	-	-
Transaction costs related to loans and borrowings	-	-	-	-
Repayment of loans and borrowings	(12,370)	-	-	(12,370)
Payment of lease liability	-	(8)	-	(8)
Dividends Paid	-	-	(2,250)	(2,250)
Interest paid	(2,363)	-	-	(2,363)
Other movements	(620)	-	620	-
Total changes from financing cash flows	(12,353)	(8)	(1,630)	(13,991)

22. LOANS AND BORROWINGS CONTINUED

Reconciliation of movements of liabilities to cash flows arising from financing activities continued

	Loans and borrowings €'000	Lease liabilities €'000	Non-controlling interests €'000	Total €'000
Other changes- Liability-related				
Interest expense	2,535	23	-	2,558
Other movements	(5)	-	1,128	1,123
Total liability-related other changes	2,530	23	1,128	3,681
Balance at the end of the year	15,045	3,435	8,440	26,920

23. DEFERRED TAX LIABILITIES

	2023 €'000	2022 €'000
Balance at the beginning of the year	6,577	6,609
Recognised in profit or loss (see note 13)	1,359	(19)
Recognised in discontinued operations (see note 30)	933	-
Recognised in OCI	4,201	-
Transferred to held for sale assets	(2,071)	-
Exchange differences	(1)	(13)
Balance at the end of the year	10,998	6,577

Deferred tax liabilities are attributable to the following:

Deferred tax liabilities are attributable to the following:

	2023 €'000	2022 €'000
Investment properties	1,121	2,215
Trading properties	4,299	4,299
Property, plant and equipment	5,578	63
Total	10,998	6,577

24 LEASE LIABILITIES

The major lease obligations comprise leases in Greece with 99-year lease terms, for which, as mentioned in note 16, the Greek State disputed the ownership rights of the lessor.

	2023 €'000	2022 €'000
Non-current	3,322	3,347
Current	88	88
Total	3,410	3,435

25. TRADE AND OTHER PAYABLES

	2023 €'000	2022 €'000
Land creditor	20,752	20,752
Investment Management fees (see note 27.2)	-	-
Other payables and accrued expenses	11,488	6,332
Total	32,240	27,084

25. TRADE AND OTHER PAYABLES - CONTINUED

	2023 €'000	2022 €'000
Non-current	21,004	19,795
Current	11,236	7,289
Total	32,240	27,084

Land creditors relate to contracts in connection with the purchase of land at Lavender Bay from the Church. The above outstanding amount bears an annual interest rate equal to the inflation rate, which cannot exceed 2% p.a. Full settlement is due on 31 December 2025. As mentioned in note 16, the Group is in negotiations with the land creditor with a view to ensuring that no additional funds are paid to them under the sale and purchase contracts until the resolution of the legal dispute with the Greek State and, also to reduce the overall quantum of the Group's deferred liabilities to them, potentially swapping all or part of the deferred payments against equity in the project.

Included with other payables is an amount of €1.93m due to the holder of the 15% non-controlling interest in Mindcompass Overseas One Limited. This consists of payments to the subsidiaries Mindcompass Overseas SA and Mindcompass Overseas Two SA. This funding provided is interest free and repayable on demand to the extent that the subsidiary has sufficient means to repay the borrowing.

26. NAV PER SHARE

	2023 '000	2022 '000
Total equity attributable to owners of the Company (€)	126,444	112,107
Number of common shares outstanding at end of year	904,627	904,627
NAV per share (€)	0.14	0.12

27. RELATED PARTY TRANSACTIONS

27.1 Directors' interest and remuneration

Directors' interests

Miltos Kambourides is the founder and managing partner of the Investment Manager whose IMA was terminated on 18 March 2023.

Martin Adams, Nick Paris and Nicolai Huls were non-executive Directors throughout 2022, with Martin Adams serving as Chairman of the Board of Directors. On 10 February 2023, Martin Adams resigned as a Director and on 13 February 2023 Sean Hurst was appointed as a non-executive Director and Chairman.

The interests of the Directors as at 31 December 2023, all of which are beneficial, in the issued share capital of the Company as at this date were as follows:

	Shares '000
Sean Hurst	475
Nicolai Huls	775
Nick Paris	1,634

Miltos Kambourides is 75% shareholder of Dolphin Capital Partners that previously held 88,025,342 shares. Dolphin Capital Partners disposed of all their shares in the Company during April 2023.

Save as disclosed in this Note, none of the Directors had any interest during the year in any material contract for the provision of services which was significant to the business of the Group. Although the Directors believe that DCP with whom Miltos Kambourides is connected acquired an undisclosed option after the sale of Amanzoe by the Company in August 2018.

27. RELATED PARTY TRANSACTIONS CONTINUED

27.1 Directors' interest and remuneration continued

Directors' remuneration

	2023 €'000	2022 €'000
Remuneration	374	205

Remuneration	2023	2022
Total remuneration	374	205

The Directors' remuneration details for the years ended 31 December 2023 and 31 December 2022 were as follows:

	2023 €'000	2022 €'000
Martin Adams	8	75
Sean Hurst	66	-
Nick Paris	150	65
Nicolai Huls	150	65
Total	374	205

Mitos Kambourides waived his fees for both 2023 and 2022. The Executive Directors have been entitled to receive remuneration of €250,000 per annum in total with effect from 1 March 2024 but they have undertaken in writing not to draw such additional fees for the time being.

27.2 Investment Manager remuneration (in place until March 2023)

	2023 €'000	2022 €'000
Fixed management fee	-	-
Total remuneration	-	-
Variable management fee payable	(1,075)	(1,075)
Project Fees	(2)	(2)
Incentive fee advance payments	2,975	2,975
Amount Receivable from Investment Manager	1,898	1,898

On 9 April 2019, the Company signed an Amended and Restated Investment Management Agreement ('IMA'), which was effective from 1 January 2019. The details of it were as follows:

i. Fixed investment management fee

No fixed management fee was due after 31 December 2021. The annual investment management fees for 2021 was previously €3.6 million per annum.

On 22 December 2021, a new IMA was approved by the Shareholders at the Extraordinary General Meeting, which is effective from 1 January 2022, which was terminated on 20 March 2023. The details were as follows:

A. INCENTIVE FEES AND BONUS

I. The Investment Manager is entitled to be paid Incentive Fees which are calculated as follows based on the aggregate Distributions made by the Company to its Shareholders:

Aggregate Distributions(1)	Incentive Fees (as a percentage of Aggregate Distributions)
Up to and including €40 million	0%
In excess of €40 million	15%

- (1) For the avoidance of doubt, the different percentages set out below shall be applied incrementally and not as against the total aggregate Distributions.

27. RELATED PARTY TRANSACTIONS CONTINUED

27.2 Investment Manager remuneration (in place until March 2023) continued

II. In addition to the fees payable to the paragraph above, and subject to paragraphs B and C once aggregate Distributions of €80 million have been made, the Investment Manager shall be entitled to be paid a further bonus (the "Bonus") on the following basis:

Aggregate Distributions	Bonus payment
€80 million	€1 million
For each amount of €5 million of Distributions paid in excess of €80 million up to and including €100 million(1)	€1 million

- (1) For the avoidance of doubt, the total aggregate Bonus payments which may be paid to the Investment Manager shall not exceed a maximum of €5 million.

III. Any Incentive Fees and/or Bonus payable by the Company to the Investment Manager shall be set off against and shall be reduced (to not less than zero) by the amount of any fees (including but not limited to asset management fees and villa sales fees) collected in cash by the Investment Manager under the terms of the Kea Asset Management Agreement accruing from 1 January 2022 onwards (to the extent that these have not already been off set against the Incentive Fee Advance Payments pursuant to paragraph B.II. below).

B. INCENTIVE FEE ADVANCE PAYMENTS

I. As an advance against future Incentive Fees, the Investment Manager shall be entitled to receive the following annual advances, which shall be payable in equal quarterly instalments in advance:

Year	Incentive Fee Advance Payment
2022	€2.4 million
2023	€2.3 million
2024	€1.3 million

II. The Incentive Fee Advance Payments payable by the Company to the Investment Manager shall, (i) be set off against and shall reduce (to not less than zero) the entitlement of the Investment Manager to any Incentive Fees and/or Bonus payable pursuant to paragraphs AI and AII above, and (ii) be set off against and shall be reduced (to not less than zero) by the amount of any fees (including but not limited to asset management fees and villa sales fees) collected in cash by the Investment Manager under the terms of the Kea Asset Management Agreement accruing from 1 January 2022 onwards.

III. For the avoidance of doubt, the Company shall not be obliged to take active steps to generate funding to pay any Incentive Fee Advance Payments and, consequently, the payment of any Incentive Fee Advance Payments shall be deferred, partly or wholly as required, by the Company in the case where:

- (i) the Company does not have freely transferable funds available to pay such Incentive Fee Advance Payments due, or
- (ii) the Company's readily accessible consolidated cash balance (excluding (a) cash that is not readily available to the Company, (b) cash held at Kilada and the One&Only at Kea, and (c) any cash deposited in the interest retention account in connection with the CastleLake Loan Agreement or any subsequent lender to the Company) after the payment of any Incentive Fee Advance Payments due would be less than €1.0 million.

27. RELATED PARTY TRANSACTIONS CONTINUED

27.2 Investment Manager remuneration (in place until March 2023) continued

C ESCROW ACCOUNT

I. An amount equal to 25 per cent of the aggregate of any Incentive Fees and/or Bonus in excess of the aggregate Incentive Fee Advance Payments to which the Investment Manager may become entitled shall be placed in the Escrow Account.

II. The amount held in the Escrow Account from time to time shall become payable to the Investment Manager on the earlier to occur of:

- (i) the date of completion of the disposal of the last Relevant Investment;
- (ii) the date of commencement of the formal liquidation of the Company under BM law; and
- (iii) the date of effective termination of this Agreement by the Company.

III. If the Investment Manager serves notice to terminate this Agreement, any amounts held in the Escrow Account shall be forfeited and shall become due and payable to the Company.

27.3 Other related party transactions

27.3.1 Exactarea Holdings Limited

On 15th December 2022 SPV10 entered into a bridge loan facility with its 33% shareholder Exactarea Holding Limited, making available of a principle amount up to €6.6 million. The loan was interest-free and repayable at the latest six months from the date of the agreement.

This loan was in connection with the sale of the interest in One&Only Kea, and was deemed to be fully repaid when the courts in Cyprus approved an application to reduce the share premium reserve account of SPV10 on 16 January 2023.

27.3.2 One&Only Kea

The Investment Manager (DCP) owned an effective 5% equity interest in SPV14 (an equity-accounted investee and the holding company of the One&Only Kea at the time that the Company sold its interest in SPV14. Under the relevant shareholders agreement dated 27 May 2019, the Investment Manager, One&Only Kea and Exactarea had priority returns for an amount equal to 75% of their equity investment, following the payment of which the Company became entitled to a priority catch-up for the same amount. The Investment Manager also had an asset management agreement dated 1 November 2017 with One&Only Kea and provided management services.

27.3.3 Amanzoe resort

The Investment Manager (DCP) retained a 4.9% equity interest in AZOE Holdings Ltd, the company that owns Amanzoe resort ('AZOE') and it also had an asset management agreement dated 3 October 2018 for the resort. However, the Directors believe that DCP also retained an option over a further 15% of the equity in AZOE. Amanzoe Resort S.A. entered on 2 August 2021 into a contract to buy 24 founder plots in the Company's Kilada project for a price of €10.0 million payable in instalments subject to the achievement of certain construction milestones but this contract was unwound by both parties in February 2023. The Directors believe that DCP sold all of its interests in AZOE Holdings Ltd during March 2023.

27.3.3 AXIA

AXIA Ventures Group Limited ('Axia'), an investment banking operation with offices in Cyprus and Athens was 20% owned by an affiliate of the Investment Manager (DCP) and Miltos Kambourides served on its Board of Directors. However, the affiliate sold its interest during 2022. Axia was appointed by the Company to undertake a process for the sale of its equity interest in OOKI dated 29 September 2020. No transaction was concluded and therefore no fee was due or paid. Axia was also appointed by the Company in December 2022 to undertake a process for the sale of its equity interest in Aristo Developers Limited but no transaction has been concluded. This process is ongoing and no fees have yet been paid but they are believed by the Directors to be under normal commercial terms.

27.3.4 Discover Investment Company

The Company has borrowed €2.8 million from 9 shareholders during the year. The loans are for a 12 month term bearing an interest rate of 12% p.a. with no fees payable on disbursement or repayment. The shareholders loans have been secured against the issued share capital of the wholly owned subsidiary Eastern Crete Development Company Limited. Nicolai Huls is a director of Discover Investment Company.

28. NON-CONTROLLING INTERESTS

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

2023	MCO 1 €'000	SPV 10 €'000
Non-controlling interests' percentage	15.00%	0.00%
Non-current assets	46,129	-
Current assets	58,940	-
Non-current liabilities	(66,270)	-
Current liabilities	(10,259)	-
Net assets	28,540	-
Carrying amount of non-controlling interests	4,281	-
Revenue	125	-
Profit	1,632	-
Other comprehensive income	14,893	-
Total comprehensive income	16,650	-
Dividends Paid	-	-

Profit allocated to non-controlling interests	244	-
Other comprehensive income allocated to non-controlling interests	2,234	-
Dividends paid to non-controlling interest	-	-
Cash flow from/(used in) operating activities	972	-
Cash flow (used in)/from investing activities	(2,470)	-
Cash flow from/(used in) financing activities	1,750	-
Net increase in cash and cash equivalents	252	-

2022	MCO 1 €'000	SPV 10 €'000
Non-controlling interests' percentage	15.00%	33.33%
Non-current assets	18,293	-
Current assets	57,509	19,921
Non-current liabilities	(57,443)	-
Current liabilities	(6,343)	(8)
Net assets	12,016	19,913
Carrying amount of non-controlling interests	1,803	6,637
Revenue	37	-
(Loss)/profit	(588)	4,001
Other comprehensive income	-	-
Total comprehensive income	(588)	4,001
Dividends Paid	-	6,750
(Loss)/profit allocated to non-controlling interests	(206)	1,334
Other comprehensive income allocated to non-controlling interests	-	-
Dividends paid to non-controlling interest	-	2,250
Cash flow from/(used in) operating activities	2,329	(8)
Cash flow (used in)/from investing activities	(6,285)	3,195
Cash flow from/(used in) financing activities	3,885	(3,183)
Net (decrease)/increase in cash and cash equivalents	(71)	4

29. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(i) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group's trade receivables are secured with the property sold. Cash balances are mainly held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution.

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

	2023 €'000	2022 €'000
Trade and other receivables (see note 19)	2,632	8,175
Cash and cash equivalents (see note 20)	471	2,226
Total	3,103	10,401

Trade and other receivables

Credit quality of trade and other receivables

The Group's trade and other receivables are unimpaired.

Cash and cash equivalents

Exposure to credit risk

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

	2023		2022	
	No. of Banks	€'000	No. of Banks	€'000
<i>Bank group based on credit ratings by Mbody's</i>				
Rating Aaa to A	1	67	-	-
Rating Baa to B	3	404	3	1,967
Rating Caa to C	-	-	-	-
Not rated	-	-	1	259
Total bank balances		471		2,226

There is a further deposit of €537,000 within a restricted account at a bank with the rating of Baa2. The restrictions were released on this balance during 2024. This balance has been included within other receivables.

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities do not match. An unmatched position potentially enhances profitability but can also increase the risk of losses. The Group has procedures with the objective of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

above and by having available an adequate amount of confirmed credit facilities.

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

29. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk factors continued

(ii) Liquidity risk continued

2023	Carrying amounts	Contractual cash flows	Within one year	Two to three years	Three to five years	Over five years
	€'000	€'000	€'000	€'000	€'000	€'000
Loans and borrowings	14,191	(15,091)	(3,091)	-	(12,000)	-
Loan included in disposal group	4,155	(4,155)	(4,155)	-	-	-
Lease obligations	3,410	(4,692)	(89)	(89)	(184)	(4,330)
Land creditors	20,752	(26,977)	(7,112)	(19,865)	-	-
Trade and other payables	11,488	(11,488)	(9,890)	(1,598)	-	-
Trade and other payables included in disposal group	952	(952)	(952)	-	-	-
	54,948	(63,355)	(25,289)	(21,552)	(12,184)	(4,330)

2022	Carrying amounts	Contractual cash flows	Within one year	Two to three years	Three to five years	Over five years
	€'000	€'000	€'000	€'000	€'000	€'000
Loans and borrowings	15,045	(16,611)	(7,611)	(3,000)	(6,000)	-
Lease obligations	3,435	(4,705)	(91)	(91)	(193)	(4,330)
Land creditors	20,752	(23,661)	(1,280)	(1,265)	(21,116)	-
Trade and other payables	6,332	(6,332)	(6,332)	-	-	-
	45,564	(51,309)	(15,314)	(4,356)	(27,309)	(4,330)

(iii) Market risk

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

Interest rate risk

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

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2023 €'000	2022 €'000
<i>Fixed rate instruments</i>		
Financial liabilities	2,760	-
<i>Variable rate instruments</i>		
Financial liabilities	4,155	4,611

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December would have decreased equity and profit or loss by €42 thousand (2022: €46 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit or loss and other equity.

29. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk factors continued

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group has minimal exposure to foreign exchange risk as the majority of the assets and liabilities are now within the Euro zone.

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while improving the return to shareholders. The Board of Directors is committed to implementing a package of measures that is expected to focus on the achievement of the Group's investment objectives, achieve cost efficiencies and strengthen its liquidity. Notably, these measures include the completion of certain Group asset divestment transactions, as well as the conclusion of additional working capital facilities at the Group and/or Company level.

30. DISCONTINUED OPERATION AND DISPOSAL GROUP HELD FOR SALE

As of 31 December 2023, the disposal group comprised the following assets and liabilities all of which relate to the land at Liika Bay held by the subsidiary Azuma Uvala d.o.o. This has been regarded as meeting the criteria for the results to be regarded as a discontinued operation. All of the profits arising on the disposal group during the year are attributable to the owners of the parent.

This subsidiary was not previously classified as a discontinued operation and disposal group held for sale. The comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continued operations.

	2023 €'000	2022 €'000
Investment property	24,371	-
Other assets	8	-

Cash and cash equivalents (see note 20)	9	-
Assets held for sale	24,388	-
	2023	2022
	€'000	€'000
Interest bearing loans with third parties	4,155	-
Deferred tax	2,071	-
Trade and other payables	952	-
Liabilities directly associated with the assets held for sale	7,178	-

Results of discontinued operations

	2023	2022
	€'000	€'000
Net change in fair value of investment property	5,190	700
Professional fees	(55)	(64)
Administration and other expenses	(51)	(51)
Total operating and other expenses	5,084	585
Results from operating activities	(5,084)	(585)
Interest expense	(278)	(250)
Realised foreign exchange gain	68	85
Net finance costs	(210)	(165)
Loss before taxation	4,874	420
Taxation	(933)	(145)
Profit from discontinued operations net of tax	3,941	275
Basic earnings per share - discontinued operation (€)	0.004	0.000

30. DISCONTINUED OPERATION AND DISPOSAL GROUP HELD FOR SALE - CONTINUED

Results of discontinued operations - continued

	2023	2022
	€'000	€'000
Cash flow used in operating activities	(80)	(62)
Cash flow used in investing activities	-	-
Cash flow from financing activities	(170)	315
Net decrease in cash and cash equivalents	(250)	253

31. COMMITMENTS

As of 31 December 2023, the Group had a total of €15.2 million contractual capital commitments on property, plant and equipment (2022: €16.5 million).

32. CONTINGENT LIABILITIES

LEGAL ACTIONS RELATED TO THE FORMER INVESTMENT MANAGER

The Company is currently involved in litigation in the British Virgin Islands (BVI), Greece, and the United Kingdom (UK), all relating to the former Investment Manager or DCP's close business partner Zoniro.

On 20 March 2023 it was announced that the Investment Management Agreement ("IMA") dated 1 December 2021 between the Company and Dolphin Capital Partners Ltd ("DCP") was terminated with immediate effect based on repudiatory breach of the contract by DCP further coming into Directors' attention that DCP entered into an undisclosed option agreement with the purchaser of the Amazoe resort in Porto Helli, Greece. The said option agreement had not been disclosed to the Company by DCP at the time of the sale of DolphinCI Fourteen Limited (the special purpose vehicle holding Amazoe resort). The failure by DCP, as agent of the Company under the terms of the IMA, to disclose the existence of the undisclosed option agreement, and to fulfil its other duties as an agent, constitutes a repudiatory breach of the IMA that has resulted in the termination of the IMA by the Company.

UK: In April 2023, following the above-mentioned termination, DCP filed a claim in the High Court of Justice of England and Wales against DCI for alleged breach of contract and unpaid fees for €10,245,000. The Company filed its defence and counterclaim in June 2023. As part of its counterclaim, DCI is seeking repayment from DCP of advanced payments totaling €2,975,000, made to DCP pursuant to the investment management agreement dated 1 December 2021 between DCI and DCP (see note 19). A reverse summary judgement hearing on 21 March 2024 determined that a full trial is needed. The hearing is expected late 2025 or early 2026.

Greece: On 12 December 2023 DCI filed criminal charges in Greece against Mitos Kambourides, Michael Tsirikos, and some members of staff of DCP and DCP's close business partner Zoniro SA in Greece. These criminal charges involve allegations of money laundering, and the abuse of corporate governance. In total 9 individual cases were filed as part of these criminal charges.

In March 2024 DCI also filed civil claims against 10 individuals/companies in order to seek to recover approximately €50.0 million in damages and the cancellation of a transaction against one company in Cyprus. DCI's investigations into potential wrongdoing are continuing.

In September 2023, Zoniro SA issued a payment order against one of Kilada's Greek companies and blocked its bank account. A judgment in September 2024 ruled in favour of DCI, and the bank account was released since.

In June 2024 the Board of the Company received notification that Mitos Kambourides and Michael Tsirikos have filed a counterclaim against the Company in the Greek Court for €12.0 million. The Company believes the Counterclaim to be a response to the Company's criminal and civil claims against these and seven other people. They claim that the accusations made against them are false and were known to be false by the complainants (DCI) when they made their complaint. In July 2024 the Board of the Company has been informed that Mitos Kambourides, Michael Tsirikos and some other people who worked for or were associated with Dolphin Capital Partners ("DCP"), they have filed a criminal lawsuit against Nicolai Huls, Nick Paris and certain other individuals connected to the current management of DCI. DCP also claims that the accusations made against them are false and were known to be false by the complainants (DCI) when they made their complaint. DCI is fully convinced these actions are an attempt by DCP to intimidate DCI and to distract from the fact that DCP was terminated for serious reasons in March 2023.

32. CONTINGENT LIABILITIES - CONTINUED

LEGAL ACTIONS RELATED TO THE FORMER INVESTMENT MANAGER - CONTINUED

BM: In August 2023, Zoniro Ltd issued a statutory demand for payment from DCI and another DCI group

On 17 August 2023, Zoniro Ltd received a statutory demand for payment from DCP and another DCP group company. DCP initiated proceedings to set aside these demands, citing collusion between DCP and Zoniro. A hearing took place on May 3, 2024. The Company was successful in the applications to set aside the two demands. In the judgement the judge upheld our argument that there was a substantial dispute that would need to be resolved before a statutory demand could be issued. He has also ordered Zoniro to pay 75% of the costs incurred.

Each of the above cases are in the early stages within the legal process and as such it is difficult to predict the outcomes of any of the cases with any degree of certainty nor is it possible to add any expected outflow from these while the legal process is in progress. Management believes that the defence against each of the actions will be in their favour. As a consequence, there is no provision within the financial statements for any liability which may arise in the event of an unfavourable judgment on any of the cases.

OTHER MATTERS

Companies of the Group are involved in pending litigation. This principally relates to day-to-day operations as a developer of second-home residences and largely derives from certain clients and suppliers. Based on advice from the Group's legal advisers, the Directors believe that there is sufficient defence against any claim and does not expect that the Group will suffer any material loss. All provisions in relation to these matters which are considered necessary have been recorded in these consolidated financial statements.

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

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

33. SUBSEQUENT EVENTS

Since 31 December 2023, the Company has borrowed a total of €1.565 million from a further seven shareholders on the same terms as the previous loans. In addition, the first four loans that were borrowed in 2023 reached their 12 month anniversaries in 2024 and the lenders each agreed to roll them forward. The intention is to repay them from asset sales proceeds.

Subsequent events in regards to litigations relating to the former Investment Manager or DCP's close business partner Zoniro are disclosed in Note 32.

In April 2024, the Company announced that an agreement had been reached with a Family Office investor for additional funding for the Kilada Hills resort for up to €2.5 million.

In June 2024, the Company signed a Memorandum of Understanding with a potential buyer of the Company's investment in the Kilada Hills resort giving them an initial 90 day exclusivity period to undertake due diligence. In addition, the Company signed a Sale and Purchase Agreement to sell its land at Livka Bay in Croatia for €22 million.

On 1 July 2024, the Company announced that the publication of these audited Annual Accounts to 31 December 2023 had been delayed and as a result the listing of the Company's shares was temporarily suspended from trading on the AIM market.

33. SUBSEQUENT EVENTS - CONTINUED

On 8 November 2024, the Company announced the proposed migration of the Company from the British Virgin Islands to Guernsey. This should be seen as a continuation of the Company. There will be no change to the investment strategy following the migration. At the same time the Directors announced the adoption of a new management incentive plan through the creation of an Employee Stock Option Plan ("ESOP"). The Directors have also announced the intention to create B shares in the Guernsey entity which allow a more favourable mechanism for the return of Capital. This change was subject to the approval of the shareholders at an extraordinary general meeting held on 19 December 2024. At the meeting, the migration and B share creation were approved but the ESOP was not. The migration took place on 23 December 2024.

On 9 December, the Company announced that it was changing its accounting reference date from 31 December to 30 June and as a result the next set of audited financial statements will be published for the eighteen-month period ending 30 June 2025.

There were no other material events after the end of the reporting period which have a bearing on the understanding of the consolidated financial statements as at 31 December 2023.

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