GEFINOR S.A.

SOCIETE ANONYME DE TITRISATION

CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

JUNE 30, 2014

GEFINOR S.A.

Société Anonyme

TABLE OF CONTENTS

MANAGEMENT REPORT

We are pleased to present to you the report on the consolidated financial statements and the unconsolidated accounts for the period ended June 30, 2014.

Financial statements

Total consolidated assets at June 30, 2014 were USD 153.5 million compared with USD 155.7 million as of December 31, 2013. Consolidated stockholders' equity was USD 101.6 million at June 30, 2014 compared with USD 100.6 million at December 31, 2013. Consolidated profit attributable to the owners of the Company was a profit of USD 0.8 million for the period ending June 30, 2014 compared with a loss of USD 1.9 million for the period ending June 30, 2013. The Company's investment portfolio is valued at market value, as required by IFRS, and, accordingly, unrealised gains and losses are included in Income (Loss) from Investments.

Organisation and activities

<u>Gefinor Finance Holding Limited (formerly Gefinor Advisors Limited), Gibraltar</u>

The finance activity regroups the operations of Gefinor Management Limited, Gefinor Finance SA, and Gefinor Finance SAL.

In New York, the private equity management business which includes Gefinor Capital Limited, Gefinor Capital Advisors Limited, Gefinor Capital Advisors, Inc. and GEF Private Equity Associates Limited, collectively (GCL) has been sold in January 2014 by the Group to the management team and an investment partner.

In Geneva, the set-up of a new company, Gefinor Advisors SA, resulted in the transfer of the Geneva advisory operations to this new company. The new entity was funded in 2014 with a total of CHF 1 million of equity from Gefinor and Bank Mirabaud for 44.5% each and senior management for 11%.

For the period ending June 30, 2014 the net result is a profit of USD 0.4 million.

<u>Gefinor Private Equity Limited (GPEL), Gibraltar</u>

The private equity holding covers investment operations in private equity.

During the period, Gefinor (USA) Inc. sold its interest in Gefinor Ventures Management Inc., the management company of Gefus Capital Partners I, LP.

During the period, Gefinor Private Equity Limited invested an additional USD 4'804 thousand in Gefus Capital Partners II, LP, USD 47 thousand in GEFPEP and USD 148 thousand in Monterro I, AB. During the period, Gefinor Private Equity Limited received USD 533 thousand in distributions from GEFPEP.

For the period ending June 30, 2014 the net result is a loss of USD 1.1 million.

<u>Gefinor Real Estate Limited (GREL), Gibraltar</u>

In June 2014, GREL has, in a first step, sold its interest in Globe Holding SAL (Globe) to Lebanese investors. In a second step, GREL has sold to Globe its interest of 7.7% in the Garden City project in Beirut (formerly New City), as well as, its interest in International Project Company Limited Inc., the holding owning the interests in the lands in Byblos, Kfardebian and Aramoun (see Notes 6 and 9).
GREL provides the financing to Globe by a loan (bonds) for a total of USD 49.7 million, GREL as bond holder will keep the same economical rights and benefits in the assets sold as the Globe shareholders. These transactions generated a profit of USD 1'830 thousand for the consolidated financial statements of Gefinor SA.

In June 2014, the Development and Investment Company Ltd (The Garden City Project) distributed a dividend of USD 272 thousand to GREL.

For the period ending June 30, 2014 the net result is a profit of USD 1.6 million.

G E F I N O R S. A.

Management representation
on the consolidated financial statements as at June 30, 2014

In compliance with the requirements of the law of January 11, 2007, we hereby certify, to the best of our knowledge and belief, that:

- The attached unaudited consolidated financial statements of Gefinor S.A., Société Anonyme de Titrisation, give a true and fair view of the assets, liabilities, financial situation and profits and losses of the company and its subsidiaries as of and for the period ended June 30, 2014 in accordance with International Financial Reporting Standards as adopted by EU;

- The management report presents fairly the operations, results and situation of the Company and its subsidiaries and a description of the principal risks and uncertainties with which they are faced.

Mohamed Ousseimi
Chief Executive Officer

William J. Beckett
Chief Financial Officer

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Year ended June 30, 2014

(expressed in thousands of US dollars except earnings per share)

	Notes	30.06.2014	30.06.2013
Operating Income			
Dividends	16	276	184
Real estate income	18	317	84
Net realised gains / (losses) on investments	17	1'797	-
Net unrealised gains / (losses) on investments	17	(316)	(49)
Foreign exchange gains / (losses)		(52)	791
Income (Loss) from Investments		**2'022**	**1'010**
Management fee income	19	124	979
Net commission income / (expenses)		(20)	(91)
Income from Services		**104**	**888**
Total Operating Income (Loss)		**2'126**	**1'898**
Operating Expenses			
Personnel		(598)	(2'327)
Office		(236)	(507)
Professional fees		(250)	(497)
Management fees		(400)	-
Other general administrative expenses		(68)	(352)
Depreciation		(55)	(59)
Total Operating Expenses		**(1'607)**	**(3'742)**
Net Operating Income (Loss)		**519**	**(1'844)**
Interest income		953	720
Interest expense		(430)	(530)
Net Interest		**523**	**190**
Other income / (expenses)		4	-
Income (Loss) Before Tax		**1'046**	**(1'654)**
Income tax expenses		(278)	(222)
Net Income (Loss) before discontinued operations		**768**	**(1'876)**
Profit (loss) from discontinued operations		-	(20)
Net Income (Loss)		**768**	**(1'896)**
Other Comprehensive Income, net of tax			
Revaluation of available -for-sale investments		167	-
Exchange difference on translating foreign operations		114	(388)
Total Comprehensive Income (Loss) for the year		**1'049**	**(2'284)**
Weighted average shares outstanding		39'551'142	38'578'920
Basic and Diluted Earnings per share from continuing and discontinuing operations (expressed in USD dollars per share)		**0.0194**	**(0.0491)**
Basic and Diluted Earnings per share from continuing operations (in USD dollars per share)		**0.0194**	**(0.0486)**

The notes are an integral part of the consolidated financial statements

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

June 30, 2014

(expressed in thousands of US dollars)

	Notes	30.06.2014	31.12.2013
ASSETS			
Current Assets			
Cash and cash equivalents	5	15'425	26'805
Trading investments	6	1'881	1'822
Loans and advances	7	36'164	32'665
Trade receivables and other current assets	8	5'395	4'256
Total Current Assets		**58'865**	**65'548**
Non-Current Assets			
Financial assets at fair value through P&L	6	15'923	36'455
Available for sale investments	6	8'720	9'759
Investment in associated companies	22	501	-
Loans and advances	7	51'611	1'305
Investment property	9	14'522	39'157
Property, plant and equipment	10	3'292	3'410
Intangible assets		39	39
Total Non-Current Assets		**94'608**	**90'125**
Total Assets		**153'473**	**155'673**
LIABILITIES			
Current Liabilities			
Bank overdrafts and short term bank debt	11	8'492	8'579
Client deposits	12	25'882	27'434
Trade and other payables		1'520	3'072
Current tax liabilities	14	262	352
Total Current Liabilities		**36'156**	**39'437**
Non-Current Liabilities			
Borrowings and other long term payable	11	13'798	13'904
Deferred tax liabilities	14	1'735	1'596
Provisions		189	189
Total Non-Current Liabilities		**15'722**	**15'689**
Equity			
Share capital	13	50'000	50'000
Reserves	13	35'448	35'448
Reserves for revalaution AFS investments		13	(154)
Retained earnings		20'462	27'560
Treasury shares		(5'096)	(5'096)
Net income (loss)		768	(7'211)
Total Stockholders' Equity		**101'595**	**100'547**
Total Liabilities		**153'473**	**155'673**

The notes are an integral part of the consolidated financial statements

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

June 30, 2014

(expressed in thousands of US dollars)

	Share capital	*Reserves*	*Legal reserve*	*Revaluation AFS reserve*	*Treasury shares*	*Retained earnings and net income for the year*	*Sub-total attributable to owners of Gefinor SA*
Balance, 01.01.2013	50'000	28'948	10'000	-	(18'338)	40'212	110'822
							-
Dividend in cash	-	-	-	-	-	-	-
Allocation of reserves	-	-	-	-	-	-	-
Dividend in treasury shares	-	-	-	-	13'242	(13'242)	-
Profit for the period	-	-	-	-	-	(1'876)	(1'876)
Variation of revaluation of available-for sale investments (*)	-	-	-	-	-	-	-
Variation of exchange difference on translating foreign operations (*)	-	-	-	-	-	(388)	(388)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(2'264)**	**(2'264)**
Discontinued operations	-	-	-	-	-	(20)	(19)
Balance, 30.06.2013	**50'000**	**28'948**	**10'000**	**-**	**(5'096)**	**24'687**	**108'539**

	Share capital	*Reserves*	*Legal reserve*	*Revaluation AFS reserve*	*Treasury shares*	*Retained earnings and net income for the year*	*Sub-total attributable to owners of Gefinor SA*
Balance, 01.01.2014	50'000	30'448	5'000	(154)	(5'096)	20'348	100'546
							-
Dividend in cash	-	-	-	-	-	-	-
Allocation of reserves	-	-	-	-	-	-	-
Dividend in treasury shares	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	768	768
Variation of revaluation of available-for sale investments (*)	-	-	-	167	-	-	167
Variation of exchange difference on translating foreign operations (*)	-	-	-	-	-	114	114
Total comprehensive income for the period	**-**	**-**	**-**	**167**	**-**	**882**	**1'049**
Discontinued operations	-	-	-	-	-	-	-
Balance, 30.06.2014	**50'000**	**30'448**	**5'000**	**13**	**(5'096)**	**21'230**	**101'595**

(*) These variations ae part of the other comprehensive income, net of taxes.

The notes are an integral part of the consolidated financial statements.

GEFINOR S.A.

Société Anonyme

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended June 30, 2014

(expressed in thousands of US dollars)

	Notes	30.06.2014	30.06.2013
Cash Flow from Operating Activities			
Real estate income paid by customers		317	-
Income from services paid by customers		(2)	84
Other operating assets and liabilities		(17)	690
Payments to services providers and employees		(2'212)	(4'384)
Income taxes paid		(183)	(222)
Net Cash From Operating Activities		**(1'998)**	**(3'832)**
Cash Flow from Investing Activities			
Dividends received		272	232
Acquisition of investments		(5'500)	(2'297)
Proceeds from sale of financial assets at FVTPL		1'533	-
Payments for property, plant and equipment		-	-
Net Cash Flow from Investing Activities		**(3'695)**	**(2'065)**
Cash flow from Financing Activities			
Interest received		355	43
Interest paid		(425)	(140)
(Increase) / decrease in loans and advances		(2'237)	-
Proceeds from borrowing		-	-
Repayment of borrowings		(201)	(2'000)
Increase /(decrease) in client deposits		(3'179)	(1'428)
Sale of treasury shares		-	-
Dividends paid		-	-
Net Cash Flow from Financing Activities		**(5'687)**	**(3'525)**
Net increase / (decrease) in cash equivalents		**(11'380)**	**(9'422)**
Cash and cash equivalents, beginning of period	5	**26'805**	**45'511**
Cash and cash equivalents, end of period	5	**15'425**	**36'089**

The notes are an integral part of the consolidated financial statements.

NOTE 1 - GENERAL

Gefinor S.A. ("the Company") was incorporated in Luxembourg on December 31, 1968 as a "Holding" company under the law of July 31, 1929. Since January 1, 1984, the Company has been accepted for tax purposes as a "société holding milliardaire". In conformity with European Union requirements, the law on holding companies has been repealed, with the result that the fiscal regime was maintained for a transitional period until December 31, 2010 according to conditions defined by the law of December 22, 2006 amending the law of July 31, 1929. After considering the implications of this change, the Company has decided to adopt the legal form of a securitisation company under Luxembourg law. At an Extraordinary General Meeting of shareholders of Gefinor S.A., held on 8 December 2010, the articles of association of Gefinor were amended in order to make them compliant with the law on securitisation and the object and status of a securitisation company under Luxembourg law.

The registered office is at 5, rue Guillaume Kroll, Luxembourg. Since 1986, the shares of the Company have been quoted on the Luxembourg stock exchange. The activities of the Company and its subsidiaries ("the Group") are described in Note 23.

The Company's financial year coincides with the calendar year.

The financial statements are approved and authorized for issue on August 29, 2014.

NOTE 2 - ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies that were used for the preparation of the consolidated financial statements at June 30, 2014 are the same as those used for the preparation of the consolidated financial statements at December 31, 2013.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

33.1. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

3.2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments and non-current assets. The principal accounting policies are set out below.

3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Gefinor S.A. and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests’ share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of the non-controlling’s interest in the subsidiary’s equity are allocated against the interests of the Group except to the extent that the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

3.4. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired entity. The acquired entity’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, “Business Combinations” are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Non-controlling interests in the acquired entity are initially measured at the non-controlling interests’ proportionate share of the net fair value of the assets, liabilities and contingent liabilities recognised.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. There was no business combination in 2013 and 2014.

3.5. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Note 4.3. refers to entities over which the Group has a significant influence.

3.6. Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Revenue from the sale of investments is recognised upon transfer of title.

Revenue from the provision of services is recognised when the service is provided.

The Group's policy for recognition of revenue from operating leases is described in Note 3.8. below

3.7. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. All leases have been classified as operating leases in 2014 and 2013.

When the Group acts as lessor, rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.8. Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in US Dollars (USD), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at balance-sheet date.

3.9. Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. All benefit plans are accounted for as defined contribution plans in 2014 and 2013.

3.10. Taxation

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

3.10.1. Current tax
Group tax expense results from taxable income of Gefinor SA, a securitization Company, and Group subsidiaries under tax law in their jurisdictions and corporate tax rates payable by Gefinor SA and these subsidiaries.

The tax currently payable is based on a combination of revenue, capital and taxable profit for the year. Taxable profit may differ from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3.10.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.10.3. Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

3.11. Property, plant and equipment

Properties held for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.12. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value.

Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

3.13. Intangible assets

3.13.1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.13.2. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

3.14. Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

3.15. 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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.16. Financial assets

Investments are recognised and derecognised on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

3.16.1. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

3.16.2. Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of sale in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments.

Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4.

3.16.3. AFS financial assets

Unlisted shares are classified as being AFS and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised directly in equity in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

3.16.4. Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.16.5. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For unlisted shares classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the probability that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

3.16.6. Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

<u>3.17. Financial liabilities and equity instruments issued by the Group</u>

3.17.1. Classification as debt or equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.17.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

3.17.3. Treasury shares

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental transaction costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.
Treasury shares owned by the Company are carried at weighted average cost and recorded directly in equity as a reduction of capital and reserves in the balance sheet.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable to incremental transaction costs, is included in equity attributable to the Company's equity holders.

Under Luxembourg law, a company may own up to a maximum of 10% of its own capital, and available reserves available for distribution are decreased by an equivalent amount.

Any gain or loss on treasury shares is recorded in equity through profit (loss) brought forward.

3.17.4. Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3.17.5. Derecognition of financial liabilities

The Group derecognises financial liabilities when the Group's obligations have been discharged, cancelled or expired.

3.18. Assets held for sale

Assets, and disposal groups, are classified as held for sale and are measured at the lower of carrying and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset, or and disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year form the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless whether the Group will retain a non controlling interest in its former subsidiary after the sale. Assets and disposal groups are presented separately on the statement of financial position.

NOTE 4 - CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period affected by the revision.

The following are the critical judgments that have the most significant effect on the amounts recognised in financial statements.

4.1. Valuation of treasury shares

Treasury shares are carried at weighted average cost and recorded directly in equity as a reduction of capital and reserves in the balance sheet.

4.2. Valuation of financial instruments

The carrying value less impairment of the trade receivables and other assets, and the loans and advances are assumed to approximate their fair value.

The carrying value of the financial liabilities are assumed to approximate their fair value.

The Group has defined the disclosures regarding the level 1, 2 and 3 as follows:

Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities. This level includes all trading investments at FVTPL and available-for-sale investments, those being the investments in quoted bonds and sukuks and the investment in Aquilus Inflection Fund.

Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

This level includes the following investments and corresponding valuation methods:

- Gefus Capital Partners I, LP, valued on the basis of effective ownership interest of the Group in the calculated Net Assets Value of the Fund as reported by the Manager of the Fund.

- Gefus Capital Partners II, LP, valued on the basis of effective ownership interest of the Group in the calculated Net Assets Value as reported by the Manager of the Fund.
- GEF Private Equity Partners SPC, valued on the basis of Group's commitment to total commitment of the Fund. Total commitments represent amounts reported by each partnership. Effective ownership of the Group and share of the calculated NAV of the fund is reported by the Manager of the Fund.
- Monterro I, AB, valued on the basis of effective ownership interest of the Group in the calculated and audited Net Assets Value as reported by the Manager of the Fund.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data. The Directors use their judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market.
This level includes the following investments and corresponding valuation methods:

- MobiTV Inc valued on the basis of an independent fair market valuation analysis performed yearend 2013.
- Western Resource Investment II, LLC valued on the basis of Capital Account of 2013 Tax return.
- SamrtInst SA valued on the basis of the purchase agreement signed and executed in June 2013.

There is no transfer between levels in 2014.

4.3. Investments in Private Equity and Real Estate

IAS 27 and IAS 28 require that controlled entities over which a company has significant influence shall normally be consolidated in the company's consolidated financial statements.

As at December 31, 2013, the Company owns 17.34% of Gefus Capital Partners I L.P., indirectly 54.09% of K.U.S.A. LLC, indirectly 28.7% of Gefinor Acquisition I, LLC, 7.7% of the New City Project (represented by 9.6% of the Development and Investment Company Limited), 57.19% in Gefus Capital Patners II, LP and 32.5% in Gef Capital II, LLC.

As at June 30, 2014, the Company owns 17.34% of Gefus Capital Partners I L.P and 57.19% in Gefus Capital Patners II, LP.

Because of the structure, organization, rules and regulations applicable to these entities, the Company has no control, as defined by IAS 27, over these investments and are considered as Investment in Associates as defined by IAS28.

4.4. Fair value of investment properties

Fair value of property investments is determined by a recent independent professional evaluation or on the basis of objective criteria relating to current local real estate market conditions. The independent valuations are performed by professional valuers who hold a recognised and relevant professional qualification and who have recent experience in the location and category of the investment property valued.

For the Geneva building a value per square meter for each floor based on the location, the building condition and the local market conditions has been considered to calculate the fair value.

4.5. Useful life of property, plant and equipment

Depreciation on property, plant and equipment is charged to write off the cost over the estimated useful life using the straight-line method at 15% (furniture and equipment). Work of arts are not amortised.

4.6. Useful life of intangible assets

Intangible assets were tested for impairment in 2013 and 2014 by comparing their fair value to their carrying value.

NOTE 5 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of current accounts and short term deposits with banks.

NOTE 6 - INVESTMENTS

In $'000	30.06.2014	31.12.2013
Trading Investments		
Aquilus Inflection Fund Ltd	1'881	1'822
	1'881	**1'822**
Available for sale investments		
Bond portfolio	8'720	9'759
	8'720	**9'759**
Financial assets at fair value through profit & loss		
Gefus Capital Partners I, LP.	602	602
Gefus Capital Partners II, LP.	6'916	3'223
GEF Private Equity Partners, SPC	6'211	6'519
Garden City project (New City)	-	22'950
MobiTV Inc.	772	772
TAP Advisors, LLC	-	1'100
Western Resource Investment II, LLC	850	850
Monterro 1 AB	538	390
SmartInst SA	34	34
Others	-	15
	15'923	**36'455**

Trading investments and available-for-sale investments consist of a corporate bond portfolio and the investment in Aquilus Inflection Fund Ltd.

In 2013, Gefinor Advisors Limited invested an additional USD 8’413 thousand in its bond portfolio, of which USD 1’500 thousand were invested in corporate bonds and USD 8’003 thousand in a Sukuk portfolio.

In 2013, Gefinor Private Equity Limited invested an additional amount for a total of USD 186 thousand in GEFPEP funds and received distributions of USD1’340 thousand.

In 2013, Gefinor Private Equity Limited has committed SEK 10 million (approx. USD 1.5 million) to Monterro I, AB Fund a Scandinavian growth equity fund, of which USD 390 thousand was funded during the year 2013.

In 2013, Gefinor Private Equity Limited invested an additional USD 634 thousand in MobiTV Inc. Series A-1 preferred shares.

In 2013, Gefinor Private Equity Limited invested USD 2’688 thousand in Gefus Capital Partners II, LP.

During the period ending June 30, 2014, Gefinor Private Equity Limited invested an additional USD 4’804 thousand in Gefus Capital Partners II, LP, USD 47 thousand in GEFPEP and USD 148 thousand in Monterro I, AB. During the period, Gefinor Private Equity Limited received USD 533 thousand in distributions from GEFPEP.

In January 2014, Gefinor Private Equity Limited sold its 4.4% interest in TAP Advisors, LLC (TAP) for USD 1.1 million.

During the period ending June 30, 2014, Gefinor Finance Holding Limited sold corporate bonds for a total of USD 1 million. The corporate bonds for a total of USD 1’677 thousand has an average maturity of less than one and half year. The sukuk portfolio of USD 7’043 thousand has an average maturity of six years.

In June 2014, Gefinor Real Estate Limited sold its 7.7% interest in the Garden City project to Globe Holding SAL for USD 22’950 thousand.

NOTE 7 - LOANS AND ADVANCES

In $'000	**30.06.2014**	**31.12.2013**
Short-term loans and advances		
To third parties	14	58
To related parties		
Basmala Establishment	16'918	8'883
Gef Real Estate Holding S.A.	15'281	23'567
Al Sharq Holding	3'032	-
Others	919	157
	36'164	**32'665**
Long-term loans and advances to related parties		
Globe Holding SAL	49'652	-
Gefinor Capital Management Limited	1'100	-
Alexander Doll Company Inc.	250	250
Loans to third parties	-	746
Loans and advances to personnel	560	260
Other loans to related parties	49	49
	51'611	**1'305**

Gef Real Estate Holding S.A is a shareholder of the Company, the loan agreement for up to USD 24 million was repayable on June 30, 2014. Gef Real estate Holding SA settled USD 8.5 million and the Company agreed to extend the outstanding principal of USD 15’281 thousand until December 31, 2014. The interest rate applicable is USD Libor 1 year + 1.5%. The loan is guaranteed by a pledge of Gefinor SA shares held by GRESA, under the terms of which the Company is empowered, inter alia, to require the provision of additional security, the redemption of the debt or the realisation of the shares in the event of the insufficiency of the underlying collateral or the default of the borrower in respect of his obligations under the agreement.

Basmala Establishment is a shareholder of the Company, the loan of USD 16’918 thousand is a short term loan, the interest rate applicable is USD Libor 3 month.

Al Sharq Holding is a shareholder of the Company, the loan of USD 3’032 thousand is a short term loan, the interest rate applicable is USD Libor 3 month.

Loans and advances to others related parties of USD 919 thousand are short term loans with interest rate applicable of USD Libor 3 month.

The loan agreement to Globe Holding SAL (Globe) arranged by Gefinor Real Estate Limited (GREL) finances the purchase by Globe of the Lebanese real estate assets. The loan consists of interest bearing bonds and the net interest on the principal amount of each bond will be equal to the net amount of any dividend or distribution that may be paid on the shares of the borrowers capital having an aggregate nominal value equal to such principal amount, and will be payable at the same time and in the same manner. GREL as bond holder will keep the same economical rights and benefits as the shareholders of Globe Holding SAL.

The sale of the 4.4% interest in TAP is financed by a four year note to Gefinor Capital Management Limited arranged by Gefinor (USA) Inc., payable in two tranches in year 3 and year 4 and bearing interest at a rate of 6% per year.

The long-term loan repayment schedule is as follows:

In $ '000	**30.06.2014**	**31.12.2013**
In the second year	250	-
In the third year	-	-
In the fourth to fifth years inclusive	1'100	-
Subsequent years	50'261	1'305
	51'611	**1'305**

Interest income on loans and advances is as follows:

In $'000	**30.06.2014**	**31.12.2013**
Gef Real Estate Holding S.A.	246	803
Other associated companies	273	152
Third parties	434	705
	953	**1'660**

NOTE 8 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

In $'000	30.06.2014	31.12.2013
Management fees receivable	352	422
Expenses to be reimbursed	102	212
Receivable on asset sale	2'850	2'850
Receivable from a related party	508	447
Trade receivables	106	121
Prepaid expenses	120	99
Other receivables and other current assets	1'357	105
	5'395	**4'256**

Trade receivables from related party are due at receipt and bear no interests.

NOTE 9 - INVESTMENT PROPERTY

NOTE : Investment Property In $'000	2012	Additions - retirements	Translation adjustments	Fair value revaluation	2013
Gefinor Building, Geneva	13'531	-	-	395	13'926
Byblos land, Lebanon	10'494	-	-	2'027	12'521
Kfardebian land, Lebanon	10'772	-	-	-	10'772
Other Middle East Real Estate	1'938	-	-	-	1'938
Total	**36'735**	**-**	**-**	**2'422**	**39'157**

In $'000	2013	Additions - retirements	Translation adjustments	Fair value revaluation	2014
Gefinor Building, Geneva	13'926	-	-	596	14'522
Byblos land, Lebanon	12'521	(12'521)	-	-	-
Kfardebian land, Lebanon	10'772	(10'772)	-	-	-
Other Middle East Real Estate	1'938	(1'938)	-	-	-
Total	**39'157**	**(25'231)**	**-**	**596**	**14'522**

- The Gefinor building in Geneva is owned by Gefinor Finance S.A. a wholly owned subsidiary. The Company owns four floors of the building (approximately 55% of the building). The building was revalued as of June 30 2014 based on an external valuation report performed in July 2014.
- The Byblos land is an undeveloped real estate with a surface area of 848,856 square meters in the Byblos area of Lebanon, the Kfardebian land is an undeveloped real estate with a surface of 8,618 square meters in Fakhra, Lebanon and the other Middle East Real Estate consisting of undeveloped land in Aramoun, Lebanon, were sold in May 2014.
- Rental income from investment properties is disclosed in Note 18.

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

In $'000	2012	Additions	Retirements	Translation adjustments	2013
Cost	5'503	61	-	73	5'637
Accumulated depreciation	(2'012)	(186)	(29)	-	(2'227)
Total	**3'491**	**(125)**	**(29)**	**73**	**3'410**

In $'000	2013	Additions	Retirements	Translation adjustments	2014
Cost	5'637	6	-	(296)	5'347
Accumulated depreciation	(2'227)	(55)	-	227	(2'055)
Total	**3'410**	**(49)**	**-**	**(69)**	**3'292**

Property, plant and equipment include property investment held for own use for an amount of USD 1,290 thousand (2013: USD 1,290 thousand). The fair value of the property investment held for own use is USD 5,250 thousand (2013: USD 5,000 thousand). The charge for accumulated depreciation is disclosed on the line “depreciation” of the consolidated statement of comprehensive income.

NOTE 11 - BANK OVERDRAFTS , BANK DEBT, BORROWINGS AND OTHER LONG TERM PAYABLES

Overdrafts and bank debt with maturity of less than 1 year:

In $ '000	30.06.2014	31.12.2013
Credit Suisse Overdraft	4'792	4'779
Morgan Stanley Credit line	3'700	3'800
	8'492	**8'579**

Long-term borrowing and other long term payable:

Long-term borrowing (net of current portion)	380	380
Long-term payable related parties	19	103
Mortgage	13'399	13'421
	13'798	**13'904**

USD 13.4 million of debt of Gefinor Finance SA is secured by a mortgage on the Gefinor Building in Geneva.

Debt is repayable as follows:

In $ '000	30.06.2014	31.12.2013
On demand or within one year	8'492	8'579
In the second year	311	311
In the third to fifth years	933	933
Subsequent years	12'554	12'660
	22'290	**22'483**

Interest expenses by financing category were as follows:

In $'000	30.06.2014	31.12.2013
Interest on bank debts	52	153
Interest on mortgage financing	163	270
Interest on deposits	171	378
Interest on other financial liabilities	44	126
	430	**927**

NOTE 12 - CLIENT DEPOSITS

In $'000	30.06.2014	31.12.2013
Deposits from		
Third parties, on demand	9'052	9'638
Third parties, short-term deposits	10'067	10'634
Due on demand to related parties		
Guarantee deposit from related party	-	3'000
Due to related parties	6'763	4'162
	25'882	**27'434**

Client deposits from third parties, on demand, represent current accounts of third parties clients with Gefinor Finance SA or Gefinor Management Limited bearing an interest rate of Libor 48 hours less 50 basis points.

Client deposits from third parties, short term deposits, represent term deposits of 3, 6 or 12 months of third parties clients with Gefinor Finance SA bearing an interest rate of the Libor for the corresponding term period.

The guarantee deposit from related parties as collateral for the loan of Gefinor Finance SA to Real Estate and Commercial Development SAL (RECD) has been released as RECD has settled the loan during the period.

The deposits due to related parties are current accounts with Gefinor Finance SA or bearing an interest rate of Libor 48 hours less 50 basis points.

NOTE 13 - EQUITY

14.1. Capital

At June 30, 2014 and December 31, 2013 the authorised and issued capital is USD 50 million. The issued capital is fully paid and represented by 40 million shares with a par value of USD 1.25 each.

14.2. Legal reserve

The Company is required to appropriate to the legal reserve a minimum of 5% of the annual net profit, until such reserve equals 10% of the share capital. This reserve is not available for distribution, except upon dissolution of the Company.

14.3. Other reserve

In accordance with Luxembourg company law, Gefinor SA has allocated an amount of USD 23,567,000 as non-distributable reserve in relation to the pledge of Gefinor SA shares given by Gef Real Estate Holding SA to a wholly-owned subsidiary.

14.4. Treasury shares and dividend distribution in own shares

In June 2013, Gefinor SA made a dividend in kind by distribution of 1,166,667 shares to the shareholders consisting of 0.0912 per outstanding share at a book value of USD 3 per share for a total of USD 3.5 million. No gain has been recorded on this distribution in kind which has been accounted against the retained earnings.

In June 2013, Gefinor SA declared and paid a dividend in shares of USD 3.5 million representing 1’166’667 shares in treasury to the shareholders in proportion to their holdings.

As December 31, 2013 and June 30, 2014, Gefinor S.A. owned 448’820 (1.12%) of its own shares with a book value of USD 5.1 million.

15.5. Cash Dividend

In December 2013 Gefinor SA declared and paid a dividend in cash of USD 3.5 million.

NOTE 14 - TAXATION

Taxes for Gefinor S.A., as a securitization company, are assessed on the basis of its net income reduced by amounts payable or committed to be paid to Gefinor’s shareholders. As a result, group tax expense results from taxable income of Group subsidiaries under tax law of their jurisdictions at corporate tax rates payable by these subsidiaries.

In $'000	30.06.2014	31.12.2013
Current tax liabilities	1	72
Other tax liabilities	261	280
	262	**352**

In $'000	30.06.2014	31.12.2013
Deferred tax liabilities		
Geneva Building	1'735	1'596
	1'735	**1'596**

Deferred taxes of USD 1’735 thousand (2013: USD 1’596 thousand) have been provided on the Geneva building related to the provision of a 24% deferred tax on the revaluation to fair value of the building.
Gefinor (USA) Inc. has tax losses available for carry forward for an amount of USD 7.8 million (2013: USD 7.8 million) from previous years which are not expected to be recoverable. Accordingly the Group has not recorded any deferred tax asset.

NOTE 15 - TRADE PAYABLES, OTHER PAYABLES AND PROVISIONS

Trade payables and other payables

In $'000	30.06.2014	31.12.2013
Trade payables	519	1'024
Accrued expenses	773	1'543
Management fees to be paid	-	346
Dividends to be paid	18	18
Others	210	141
	1'520	**3'072**

Provisions

In $'000	2012	Additions	Utilisation	Re-measurement	2013
Provision for charges	147	39	3	-	189
Other provisions	-	-	-	-	-
Total	**147**	**39**	**3**	**-**	**189**

In $'000	2013	Additions	Utilisation	Re-measurement	2014
Provision for charges	189	-	-	-	189
Other provisions	-	-	-	-	-
Total	**189**	**-**	**-**	**-**	**189**

NOTE 16 – DIVIDENDS

In 2013, the Company received a dividend of USD 5 thousand from TAP Advisors Inc., a dividend of USD 150 thousand from Development & Investment Company SAL (Garden City Project) and a dividend of USD 22 thousand received by International Project Company.

In June 2014, the Company received a dividend of USD 272 thousand from Development & Investment Company SAL (Garden City Project)**.**

NOTE 17 - REALIZED AND UNREALIZED GAINS / (LOSSES) ON INVESTMENTS

In $'000	30.06.2014	30.06.2013
Net realized gains / (losses) on investments		
Sale of Gefinor Advisors Limited	(33)	-
Sale of International Project Company Limited Inc.	1'830	-
	1'797	**-**
Net unrealized gains / (losses) on investments		
Gefus Capital Partners II, LP	(1'109)	-
GEFPEP	129	-
Garden City project (New City)	-	(187)
Geneva Building	605	-
Others investments	59	138
	(316)	**(49)**

NOTE 18 - REAL ESTATE INCOME

In $'000	30.06.2014	30.06.2013
Geneva Building	317	84
	317	**84**

NOTE 19 - MANAGEMENT FEE INCOME

In $'000	30.06.2014	30.06.2013
Related parties		
Gef Private Equity Partners, SPC	-	210
Gefus Capital Partners II, LP	-	653
Gef Real Estate Holding SA	25	25
Fondation Ousseimi	99	91
	124	**979**

Gefinor Management Limited, a fully owned subsidiary of the Company has agreements with Get Real Estate Holding S.A., under which Gefinor Management Limited has a general assignment consisting of, inter alia, the administrative and financial management of the principals. The remuneration received in relation to this agreement consists of a fixed management fee of USD 50 thousand per year.

Management fee income from other related parties consists mainly of a fixed management fee received by Gefinor Finance S.A. from Fondation Ousseimi for administrative and accounting services. The remuneration is CHF 175 thousand per year.

NOTE 20 - COMMITMENTS

At June 30, 2014, the Company has funding commitments in Gef Private Equity Partners, SPC of USD 1.1 million (December 31, 2013: USD 1.1 million), funding commitment in Gefus Capital Partners II, LP of USD 5.7 million (December 31, 2013: USD 10.5 million) and a funding commitment in Monterro I, AB Fund of USD 0.9 million (December 31, 2013: USD 1.1 million).

NOTE 21 - OTHER RELATED PARTY INFORMATION

Remuneration allocated to the Board of Directors in 2014 is USD 20 thousand (2013: USD 20 thousand).

NOTE 22 – ASSOCIATED COMPANIES

In February 2014, Gefinor Finance SA a fully owned subsidiary of Gefinor Finance Holding Limited (formerly Gefinor Advisors Limited) invested USD 501 thousand, representing a 44.5% interest, in Gefinor Advisors SA.

In $'000	**30.06.2014**	**31.12.2013**
Gefinor Advisors SA	501	-
	501	**-**

NOTE 23 - CONSOLIDATED SUBSIDIARIES

Subsidiaries	Country	Effective Interest % 2014	Effective Interest % 2013
Gefinor Finance Holding Limited	Gibraltar	100	100
Gefinor Management Limited	Cayman	100	100
Gefinor Finance SA	Switzerland	100	100
Gefinor Finance SAL	Lebanon	100	100
Gefinor Capital Advisors Ltd	Cayman	-	100
Gefinor Capital Advisors S.A.	Switzerland	100	100
Gefinor Capital Advisors Inc.	USA	-	100
Gefinor Capital Limited	Bermuda	-	100
Gefinor Private Equity Limited	Gibraltar	100	100
Gefinor (USA) Inc.	USA	100	100
Gefinor Ventures Management Inc.	USA	-	100
Alexander Doll Company Inc.	USA	72	72
Gefinor Real Estate Limited	Gibraltar	100	100
International Project Company Limited Inc.	Panama	-	100
Globe Holding SAL	Lebanon	-	100
Société des Immeubles Modernes SAL	Lebanon	-	100
Real Estate and Commercial Development SAL	Lebanon	-	80

Transactions during the period ended June 30, 2014

Gefinor Finance Holding Limited (formerly Gefinor Advisors Limited) sold in January 2014 the private equity management business namely Gefinor Capital Limited, Gefinor Capital Advisors Limited and Gefinor Capital Advisors, Inc. to the management team and an investment partner.

Gefinor (USA) Inc. sold its 100% interest in Gefinor Ventures Management Inc., the managing company of Gefus Capital Partners I, LP.

Gefinor Real Estate Limited sold its 100% interests in Globe Holding SAL and its 100% subsidiary Société des Immeubles modernes SAL.

Gefinor Real Estate Limited sold its 100% interests in International Project Company Limited Inc. and its 80% subsidiary Real Estate and Commercial development SAL.

NOTE 24 - BUSINESS SEGMENTS

The Group is active in three business segments: private equity, real estate and finance and correspond exactly to the three investments held by Gefinor SA.

The Private Equity segment includes all investments held by Gefinor Private Equity Limited.
The Real Estate segment includes all investments held by Gefinor Real Estate Limited.
The Finance segment includes all the operating companies held by Gefinor Finance Holding Limited.
The Corporate segment includes all the expenses incurred in the Luxembourg Securitization Company.

The figures presented below present the financial statements of the three investments held by Gefinor SA and correspond to the statements reviewed by the management and the Board of each investment.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Specific business segment information for 2013 and 2014 in accordance with the requirements of IFRS 8, is as follows:

NET ASSETS 2013 in $'000	**Private Equity**	**Real Estate**	**Finance**	**Corporate**	**Consolidation**	**Total**
Segment current assets	1'213	2'967	36'965	6'165	(4'668)	42'642
Segment financial investments	15'312	22'950	-	-	(1'807)	36'455
Segment loans and advances	14'570	101	60'246	-	(40'947)	33'970
Segment investment property	-	25'231	13'925	-		39'156
Segment property, plant & Equipm.	94	78	3'237	-	-	3'409
Segment intangible assets	40	-	-	-	-	40
Assets classified as held for sale	-	-			-	-
Total Assets	**31'229**	**51'327**	**114'373**	**6'165**	**(47'422)**	**155'672**
Segment current liabilities	456	26'841	58'594	503	(46'957)	39'437
Segment Non-current liabilities	479	84	15'605	-	(479)	15'689
Liabilities classified as held for sale	-	-			-	-
Total Liabilities	**935**	**26'925**	**74'199**	**503**	**(47'436)**	**55'126**
Total Net Assets	**30'294**	**24'402**	**40'174**	**5'662**	**14**	**100'546**

NET ASSETS 2014 in $'000	Private Equity	Real Estate	Finance	Corporate	Consolidation	Total
Segment current assets	350	2'850	27'393	5'812	(4'483)	31'922
Segment financial investments	17'804	-	501	-	(2'382)	15'923
Segment loans and advances	11'167	23'372	62'797	-	(9'861)	87'475
Segment investment property	-	-	14'521	-	-	14'521
Segment property, plant & Equipm.	94	-	3'198	-	-	3'292
Segment intangible assets	40	-	-	-	-	40
Assets classified as held for sale	-	-	-	-	-	-
Total Assets	**29'455**	**26'222**	**108'410**	**5'812**	**(16'726)**	**153'173**
Segment current liabilities	271	191	52'242	256	(16'804)	36'156
Segment Non-current liabilities	-	-	15'722	-	-	15'722
Total Liabilities	**271**	**191**	**67'964**	**256**	**(16'804)**	**51'878**
Total Net Assets	**29'184**	**26'031**	**40'446**	**5'556**	**78**	**101'295**

NET INCOME 2013 in $'000	Private Equity	Real Estate	Finance	Corporate	Consolidation	Total
Gross profit	-	-	-	-	-	-
Profit or loss of associates	-	-	-	-	-	-
Dividends	12	172	-		-	184
Real estate income	-	-	84	-	-	84
Realised gain /(losses) on investments	-	-	-	-	-	-
Unrealised gain /(losses) on investments	138	-	557	-	47	742
Income from services	(1)	-	1'022	(1)	(132)	888
Total Operating Income	**149**	**172**	**1'663**	**(1)**	**(85)**	**1'898**
Operating expenses	(19)	(137)	(3'491)	(184)	148	(3'683)
Depreciation	-	-	(59)	-	-	(59)
Net Operating Income	**130**	**35**	**(1'887)**	**(185)**	**63**	**(1'844)**
Interest income	12	27	1'331	-	(650)	720
Interest expenses	(10)	(439)	(540)	(166)	625	(530)
Non operating income / (expenses)	-	-	1	-	(1)	-
Income Before Tax	**132**	**(377)**	**(1'095)**	**(351)**	**37**	**(1'654)**
Taxes	(5)	-	(215)	(2)	-	(222)
Net Loss before discontinued operations	**127**	**(377)**	**(1'310)**	**(353)**	**37**	**(1'876)**
Profit (loss) from discontinued operations	-	(20)	-		-	(20)
Net Loss	**127**	**(397)**	**(1'310)**	**(353)**	**37**	**(1'896)**

NET INCOME 2014 in $'000	**Private Equity**	**Real Estate**	**Finance**	**Corporate**	**Consolidation**	**Total**
Gross profit	-	-	-	-	-	-
Profit or loss of associates	-	-	-	-	-	-
Dividends	-	272	4		-	276
Real estate income	-	-	317	-	-	317
Realised gain /(losses) on investments	-	-	-	-	-	-
Unrealised gain /(losses) on investments	(921)	1'784	566	0	-	1'429
Income from services	(1)	-	537	(0)	(432)	104
Total Operating Income	**(922)**	**2'056**	**1'424**	**(0)**	**(432)**	**2'126**
Operating expenses	(262)	(277)	(1'335)	(111)	433	(1'552)
Depreciation	-	-	(55)	-	-	(55)
Net Operating Income	**(1'184)**	**1'779**	**34**	**(112)**	**1**	**518**
Interest income	81	-	1'079	7	(214)	953
Interest expenses	(2)	(164)	(491)	-	226	(431)
Non operating income / (expenses)	(1)	-	4	-	1	4
Income Before Tax	**(1'106)**	**1'615**	**626**	**(105)**	**14**	**1'044**
Taxes	(3)	-	(273)	(2)	-	(278)
Net Loss before discontinued operations	**(1'109)**	**1'615**	**353**	**(106)**	**14**	**767**
Profit (loss) from discontinued operations	-		-		-	-
Net Loss	**(1'109)**	**1'615**	**353**	**(106)**	**14**	**767**

NOTE 25 – POST BALANCE SHEET EVENTS

No material post balance sheet event to report for the period.