

DCI ADVISORS LTD
(Formerly DOLPHIN CAPITAL INVESTORS LTD)

ANNUAL REPORT AND UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)
REPORT AND UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

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DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

Officers and Professional Advisors

Board of Directors: Sean Hurst (Chairman) (appointed on 13 February 2023)
Martin Adams (Chariman) (resigned on 10 February 2023)
Nick Paris
Nicolai Huls
Miltos Kambourides (removed on 18 March 2023)

Independent Auditors: KPMG Limited
14 Esperidon Street
1087 Nicosia
Cyprus

Legal Advisors: Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU
United Kingdom

Carey Olsen (BVI) L.P.
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Road Town
Tortola VG1110
British Virgin Islands

Kinanis LLC
12 Egypt Street
Nicosia 1097
Cyprus

Koutalidis Law Firm
The Orbit
155 Kifissias Ave
Athens 115 24
Greece

Nominated Adviser & Broker: Cavendish Capital Markets
1 Bartholomew Close
London EC1A 7BL
United Kingdom

Valuation Agents: American Appraisal (Hellas) Limited
54, Vasilissis Sophias Ave.
Athens 115 28
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Avison Young d.o.o.
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Croatia

Registered Office: Tortola Pier Park
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DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

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") unaudited annual results.

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. The Company expects to be able to present the full audited Annual Results during August 2024. 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.

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 shortly 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) 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 28 March 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.

Summary of Financial Performance

At the 31st December 2023 financial year end, the NAV of the Company measured as the equity attributable to owners of the Company was € 115.5 million (2022: €112.1 million) representing an increase of 3.0% compared to 31 December 2022. The net gain, after tax attributable to the owners of the company, was €3.4 million (2022: loss €7.0 million).

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

- €11.1 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 remained at 10p as it was on 31 December 2022 notwithstanding an increase when measured in euro. At the financial year end, DCI had a market capitalisation of approximately £35.3 million, compared with the Company's NAV of £105.9 million after DTL representing a discount to NAV of 67.1%.

Additional Director

It is still the Board's intention to appoint at least one new independent Directors in order to enhance the corporate governance within the Company. The Board is considering appointing a fourth 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 is considering appointing 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.

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

CHAIRMAN'S STATEMENT

For the year ended 31 December 2023

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

8 July 2024

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

MANAGING DIRECTORS' REPORT

For the year ended 31 December 2023

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 SPV's 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 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 development at Kilada and operation 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 in order to continue the development. Further funding, as announced in April 2024, for the project was found for up to a further €2.5 million from an Asian based family office. 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 thirteen short term loans from our shareholders taken out since April 2023. We intend to repay the first five of these from the proceeds of our next asset sale and the remaining loans which are not pre-payable early as each of them reaches their respective 12 month anniversary.

Legal actions

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.

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 is expected to be released soon. 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 €57.0 million in damages and transaction cancellation in Cyprus.

BVI: 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, with no judgment yet rendered.

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 is expected to continue 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 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

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

MANAGING DIRECTORS' REPORT

For the year ended 31 December 2023

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. 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 are expected to be ready this summer, facilitating marketing events to attract potential land buyers and speeding up land lot sales. Unfortunately in April of this year 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, 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. A family office investor is set to invest up to €2.5 million for a 3% equity stake, aiding in bridging current capital needs and reducing DCI's funding obligations.

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 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 is finalised. As a result we have decided, for now, to apply as 50% haircut to the valuation of the hotel and branded villas component. As soon as funding for finalising phase one of the development is 100% guaranteed we will remove the 50% discount to the valuation. Given the signing of the Livka Bay SPA we believe the funding will be guaranteed soon.

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 gives the potential buyer an initial exclusivity period of 90 days to complete further due diligence in order to present an offer. In the meantime preparations for an official sales process are ongoing in case no agreement can be reached with the potential buyer.

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.

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

MANAGING DIRECTORS' REPORT

For the year ended 31 December 2023

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 €115.5 million, the Board of Directors believes that the Company's real NAV is closer to €134.8 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 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 45% of 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, the balance sheet was also strengthened by the decision to convert a significant number of shareholder loans to the company into equity which increased total equity by 93%.

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 results of these should be released by the SBA Administration at the end of 2024.

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 landowners 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 €18.3 million to €21.0 million reflecting the expected net proceeds from the sale accordingly.

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)
MANAGING DIRECTORS' REPORT
For the year ended 31 December 2023

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 the shareholder loans. We expect to be able to commence the payment of surplus capital back to shareholders this year.

Thank you for your continued support.

Nicolai Huls & Nick Paris, Joint Managing Directors

8 July 2024

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

DIRECTORS REPORT

For the year ended 31 December 2023

The Directors present their report together with the unaudited 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 unaudited consolidated statement of comprehensive income for the year and the unaudited statement of financial position as at 31 December 2023 are set out on pages 10 and 11 of this report. The assets of the Group are principally development properties and these are valued once a year by the Directors based on recommendations from the Managing Directors. In addition, external valuers are contracted in each relevant country at the financial year end to assess the 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 period and up to the date of this report were as follows:

- Martin Adams – Resigned 10 February 2023
- Sean Hurst – Appointed 13 February 2023
- Nicolai Huls
- Nick Paris
- Miltos Kambourides – Removed 18 March 2023

On 10 February 2023, Martin Adams resigned as Chairman of the Board of Directors and Sean Hurst was subsequently elected 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 agreement with the previous Investment Manager was terminated.

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)**DIRECTORS REPORT**

For the year ended 31 December 2023

Directors' remuneration during the twelve months ended 31 December 2023

The Directors remuneration details during the period of this 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

*Miltos Kambourides continued to waive his right to collect a Director's fee from the Company in light of his involvement as the founder and majority owner of the Company's former Investment Manager.

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 Investment Company which owns 30,026,849 shares	775,000
Nick Paris – direct shareholding – shareholder loan	1,634,487 €100,000

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 1 June 2024, which is the latest practicable date before the publication of this 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

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2023

		31 December 2023	31 December 2022
	Note	€'000	€'000
Revenue	6	157	318
Cost of sales	7	-	-
Gross profit		157	318
Gain on disposal of equity-accounted investees		-	5,421
Change in valuations	8	19,926	(2,984)
Investment Manager remuneration	27.2	-	-
Directors' remuneration	27.1	(374)	(205)
Professional fees	10	(3,990)	(1,987)
Administrative and other expenses	11	(2,026)	(1,614)
Depreciation charge	15	(50)	(48)
Total operating and other expenses		13,486	(1,417)
Results from operating activities		13,643	(1,099)
Finance income		-	73
Finance costs		(874)	(2,997)
Net finance costs	12	(874)	(2,924)
Share of (losses)/profits on equity-accounted investees, net of tax	17	(5,857)	(1,785)
Profit/(loss) before taxation		6,912	(5,808)
Taxation	13	(2,365)	12
Profit/(loss)		4,547	(5,796)
DISCONTINUED OPERATIONS		(316)	-
OTHER COMPREHENSIVE LOSS			
Foreign currency translation differences	12	(69)	(56)
Other comprehensive loss, net of tax		(69)	(56)
Total comprehensive profit/(loss)		4,162	(5,852)
Profit/(loss) attributable to:			
Owners of the Company		3,480	(6,924)
Non-controlling interests		751	1,128
		4,231	(5,796)
Total comprehensive loss attributable to:			
Owners of the Company		3,411	(6,980)
Non-controlling interests		751	1,128
		4,162	(5,852)
PROFIT/(LOSS) PER SHARE			
Basic and diluted loss per share (€)	14	0.004	(0.008)

The notes on pages 14 to 44 are an integral part of these consolidated financial statements.

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		31 December 2023	31 December 2022
	Note	€'000	€'000
ASSETS			
Property, plant and equipment	15	27,647	15,226
Investment property	16	27,918	45,943
Equity-accounted investees	17	42,694	42,694
Non-current assets		98,259	103,863
Assets held for sale	16	21,000	-
Trading properties	18	56,516	56,516
Receivables and other assets	19	4,008	10,083
Cash and cash equivalents	20	1,008	2,226
Current assets		82,532	68,825
Total assets		180,791	172,688
EQUITY			
Share capital	21	9,046	9,046
Share premium	21	569,847	569,847
Retained deficit		(463,834)	(467,314)
Other reserves		459	528
Equity attributable to owners of the Company		115,518	112,107
Non-controlling interests		2,555	8,440
Total equity		118,073	120,547
LIABILITIES			
Loans and borrowings	22	11,103	10,434
Lease liabilities	24	3,322	3,347
Deferred tax liabilities	23	7,736	6,577
Trade and other payables	25	19,509	19,795
Non-current liabilities		41,670	40,153
Loans and borrowings	23	7,049	4,611
Lease liabilities	25	88	88
Trade and other payables	26	13,911	7,289
Current liabilities		21,048	11,988
Total liabilities		62,718	52,141
Total equity and liabilities		180,791	172,688
Net asset value ('NAV') per share (€)	26	0.13	0.12

The unaudited consolidated financial statements were authorised for issue by the Board of Directors on 8 July 2024.

Nick Paris
Managing Director

Nicolai Huls
Managing Director

The notes on pages 14 to 44 are an integral part of these consolidated financial statements.

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Translation reserve	Revaluation reserve	Retained deficit	Total		
	€'000	€'000	€'000	€'000	€'000	€'000		
Balance at 1 January 2022	9,046	569,847	305	279	(460,390)	119,087	8,942	128,029
COMPREHENSIVE INCOME								
(Loss)/profit	-	-	-	-	(6,924)	(6,924)	1,128	(5,796)
Other comprehensive income								
Share of revaluation on equity-accounted investees	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	(56)	-	-	(56)	-	(56)
Total other comprehensive income	-	-	(56)	-	-	(56)	-	(56)
Total comprehensive income	-	-	(56)	-	(6,924)	(6,980)	1,128	(5,852)
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests in subsidiaries								
Dividends paid to Non-Controlling Interest	-	-	-	-	-	-	(2,250)	(2,250)
Disposal of interests without a change in control	-	-	-	-	-	-	620	620
Total transactions with owners of the Company	-	-	-	-	-	-	(1,630)	(1,630)
Balance at 31 December 2022	9,046	569,847	249	279	(467,314)	112,107	8,440	120,547
Balance at 1 January 2023	9,046	569,847	249	279	(467,314)	112,107	8,440	120,547
COMPREHENSIVE INCOME								
Profit	-	-	-	-	3,480	3,480	751	4,231
Other comprehensive income								
Share of revaluation on equity-accounted investees	-	-	-	-	-	-	-	-
Foreign currency translation differences	-	-	(69)	-	-	(69)	-	(69)
Total other comprehensive income	-	-	(69)	-	-	(69)	-	(69)
Total comprehensive income	-	-	(69)	-	3,480	3,411	751	4,162
TRANSACTIONS WITH OWNERS OF THE COMPANY								
Changes in ownership interests in subsidiaries								
Capital reduction and settlement of non-controlling interest	-	-	-	-	-	-	(6,636)	(6,636)
Disposal of interests without a change in control	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	(6,636)	(6,636)
Balance at 31 December 2023	9,046	569,847	180	279	(463,834)	115,518	2,555	118,073

The notes on pages 14 to 44 are an integral part of these consolidated financial statements.

DCI ADVISORS LTD (FORMERLY DOLPHIN CAPITAL INVESTORS LTD)**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2023

	31 December 2023 €'000	31 December 2022 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss)	4,231	(5,796)
Adjustments for:		
(Gain)/Loss in fair value of investment property	(3,830)	6,316
Impairment loss on other investments	-	-
Gain on disposal of investment in associates/subsidiaries	-	(5,411)
Reversal of impairment loss on property, plant and equipment	(10,239)	(2,944)
(Reversal of)/impairment loss on equity-accounted investees	(5,857)	(388)
Depreciation charge	47	48
Interest expense	874	2,891
Interest income	-	(4)
Exchange difference	(69)	(76)
Share of losses/(profits) on equity-accounted investees, net of tax	5,857	1,785
Taxation	1,159	(12)
	(7,827)	(3,591)
Changes in:		
Receivables	(562)	(8,974)
Payables	7,287	568
Trading properties	-	-
Deferred revenue	-	-
Cash used in operating activities	(1,102)	(11,997)
Tax paid	-	-
Net cash used in operating activities	(1,102)	(11,997)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of associate	-	26,875
Acquisitions of investment property	(95)	(75)
Acquisitions of property, plant and equipment	(2,229)	(3,264)
Proceeds from other investments	-	99
Interest received	-	4
Net cash from/(used in) investing activities	2,324	23,639
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans and borrowings	(500)	(12,370)
New loans	2,781	-
Proceeds from issue of redeemable preference shares	-	3,000
Payment of lease liabilities	-	(8)
Interest paid	(73)	(2,363)
Dividend paid to non-controlling interests	-	(2,250)
Net cash (used in)/from financing activities	2,208	(13,991)
Net (decrease)/increase in cash and cash equivalents	(1,218)	(2,349)
Cash and cash equivalents at 1 January	2,226	4,575
Cash and cash equivalents at 31 December	1,008	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)	1,008	2,226
Cash and cash equivalents at the end of the year	1,008	2,226

The notes on pages 14 to 44 are an integral part of these consolidated financial statements.

DCI ADVISORS LTD (FORMERLY: DOLPHIN CAPITAL INVESTORS LTD)
NOTES TO THE UNAUDITED 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 01 June 2023, the name of the Company was changed from Dolphin Capital Investors Ltd to DCI Advisors Ltd.

The unaudited consolidated financial statements of the Company 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 investees.

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

The unaudited consolidated financial statements were authorised for issue by the Board of Directors on 3 July 2024.

b. Basis of preparation

The unaudited 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's cash flow forecasts for the foreseeable future involve uncertainties related primarily to the exact disposal proceeds and timing of disposals of the assets expected to be disposed of. Management believes that the proceeds from forecast asset sales will be sufficient to maintain the Group's cash flow at a positive level. Should the need arise, management will take actions to reduce costs and is confident that it can secure additional loan facilities and/or obtain repayment extension on existing ones, until planned asset sales are realised and proceeds received.

If for any reason the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the unaudited consolidated financial statements.

Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

c. Basis of measurement

The unaudited 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. Adoption of new and revised standards and interpretations

As from 1 January 2023, the Group adopted all changes to IFRS which are relevant to its operations. This adoption did not have a material effect on the unaudited consolidated financial statements of the Group.

The following standards, amendments to standards and interpretations have been issued 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 standards early. The Group continues to assess the potential impact on its unaudited consolidated financial statements resulting from the application of the following standards.

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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION CONTINUED

d. Adoption of new and revised standards and interpretations continued

(i) Standards and interpretations adopted by the EU

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)

The amendments to IAS 1 and the update to IFRS Practice Statement 2 aim to help companies on the application of materiality to the disclosure of accounting policies. The key amendments to IAS 1 include: (1) requiring companies to disclose their material accounting policies rather than their significant accounting policies, (2) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed, and (3) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The amendments to IFRS Practice Statement 2 are to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material i.e. "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements". The Group is currently evaluating the expected impact of adopting the amendments on its financial statements. As such, the expected impact of the amendments is not yet known or reasonably estimable.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023)

The amendments to IAS 8 are issued to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: (1) selecting a measurement technique (estimation or valuation technique), and (2) choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The Group is currently evaluating the expected impact of adopting the amendments on its financial statements. As such, the expected impact of the amendments is not yet known or reasonably estimable.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023)

Targeted amendments to IAS 12 clarify how companies should account for deferred tax on certain transactions (e.g. leases and decommissioning provisions). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. The Group is currently evaluating the expected impact of adopting the amendments on its financial statements. As such, the expected impact of the amendments is not yet known or reasonably estimable.

(ii) Standards and interpretations not adopted by the EU

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable 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.

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2. BASIS OF PREPARATION CONTINUED

d. Adoption of new and revised standards and interpretations continued

(ii) Standards and interpretations not adopted by the EU continued

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.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable 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.

e. Use of estimates and judgements

In preparing these unaudited 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.

Impairment of investment in equity-accounted investees

The Company follows the requirements of IAS 36 to determine whether the investments in equity-accounted investees 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 investees 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.

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2. BASIS OF PREPARATION CONTINUED

e. Use of estimates and judgements continued

Measurement of fair values continued

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 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 unaudited 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.

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

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3. MEASUREMENT OF FAIR VALUES CONTINUED

Properties continued

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	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	BVIs	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%
Azurna 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.

5. SIGNIFICANT ACCOUNTING POLICIES

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

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 unaudited consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees 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 investees

The Group's interests in equity-accounted investees 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 unaudited consolidated financial statements include the Group's share of the income and expenses and equity movements of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, 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.

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 investees. 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.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.7 Investment property continued

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 fair value reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are recognised in profit or loss. 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.

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.

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. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

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. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 unaudited consolidated statement of cash flows.

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;

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.12 Financial instruments continued

- 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 recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in Other Comprehensive Income ("OCI") are reclassified to profit or loss.
- *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

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.12 Financial instruments continued

Financial liabilities – Classification, subsequent measurement and gains and losses continued

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.

5.14 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. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.16 Provisions

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

5.17 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 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.

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.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.18 Impairment continued

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.

5.19 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.

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.20 Finance income and costs continued

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.

5.24 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.

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5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

5.26 Taxation continued

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 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).

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.

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 Comparatives

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

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6. REVENUE

	2023	2022
	€'000	€'000
Revenue from contracts with customers:		
Sale of trading properties	-	-
Other revenue		
Other income	157	318
Total	157	318

7. COST OF SALES

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

8. CHANGE IN VALUATION

	Note	2023	2022
		€'000	€'000
Gain/(loss) in fair value of investment property	16	3,830	(6,316)
Reversal of impairment loss on equity-accounted investees	17	5,857	388
Reversal of impairment loss of property, plant and equipment	15	10,239	2,944
Total		19,926	(2,984)

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 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	2022
	€'000	€'000
Greece	50,045	36,469
Croatia	-	19,180
Cyprus	48,214	48,214
At end of year	98,259	103,863

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.

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9. SEGMENT REPORTING CONTINUED*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 2022.

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	2022
	€'000	€'000
Legal fees	1,750	383
Auditors' remuneration (see below)	255	261
Accounting expenses	599	241
Appraisers' fees	44	9
Project design and development fees	230	133
Consultancy fees	112	338
Administrator fees	365	270
Other professional fees	635	352
Total	3,990	1,987

	2023	2022
	€'000	€'000
Auditors' remuneration comprises the following fees:		
Audit and other audit related services	255	261
Total	255	261

11. ADMINISTRATIVE AND OTHER EXPENSES

	2023	2022
	€'000	€'000
Travelling and accommodation	90	132
Insurance	50	75
Marketing and advertising expenses	16	66
Personnel expenses including social security and other costs	549	568
Immovable property and other taxes	449	243
Rents	28	120
Other	844	410
Total	2,026	1,614

The average number of employees employed by the Group	26*	27*
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*The vast majority consists of workers/archaeologists at Kilada

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12. FINANCE COSTS

	2023	2022
	€'000	€'000
RECOGNISED IN PROFIT OR LOSS		
Interest income	-	4
Exchange difference	-	69
Finance income	-	73
Interest expense	(804)	(2,891)
Transaction costs and other financing expenses	(24)	(43)
Bank charges	(26)	(63)
Exchange difference	(20)	-
Finance costs	(874)	(2,997)
Net finance costs recognised in profit or loss	(874)	(2,924)
	2023	2022
	€'000	€'000
RECOGNISED IN OTHER COMPREHENSIVE INCOME		
Foreign currency translation differences	(69)	(56)
Finance costs recognised in other comprehensive income	(69)	(56)

13. TAXATION

	2023	2022
	€'000	€'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)	2,297	(19)
	-	(19)
Taxation recognised in profit or loss	2,365	(12)

14. PROFIT/(LOSS) PER SHARE

Basic profit/(loss) per share

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

	2023	2022
	'000	'000
Profit/(loss) attributable to owners of the Company (€)	4,162	(6,924)
Number of weighted average common shares outstanding	904,627	904,627
Basic profit/(loss) per share (€)	0.004	(0.008)

Profit/(loss) attributable to owners of the Company

	2023	2022
	€'000	€'000
Profit/(loss) attributable to owners of the Company	3,480	(6,924)
Profit attributable to non-controlling interests	751	1,128
Total	4,231	(5,796)

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14. PROFIT/(LOSS) PER SHARE CONTINUED

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

Diluted profit/(loss) per share

As at 31 December 2023 and 2022, the diluted profit/(loss) per share is the same as the basic profit/(loss) 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 or increase loss 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
2023					
Cost or revalued amount					
At beginning of year	8,924	20,457	377	45	29,803
Direct acquisitions	2,232	-	-	-	2,232
At end of year	11,156	20,457	377	45	32,035
Depreciation and impairment					
At beginning of year	-	14,174	365	38	14,577
Depreciation charge for the year	-	45	5	-	50
Reversal of impairment loss (note 8)	-	(10,239)	-	-	(10,239)
Exchange difference	-	-	-	-	-
At end of year	-	3,980	370	38	4,388
Carrying amounts	11,156	16,477	7	7	27,647

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16. INVESTMENT PROPERTY

	Note	2023 €'000	2022 €'000
At beginning of year		45,943	52,188
Capital subsequent expenditure		145	75
Fair value adjustment	8	3,830	(6,316)
Transfer to Assets held for sale		(22,000)	-
Exchange differences		-	(4)
At end of year		27,918	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 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 €2.4 million as at 31 December 2022 (2021: €3.2 million) and included in Investment Property as of 31 December 2022 and 2021 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 €1.2 million included in Investment Property as of 31 December 2022 (2021: €1.9 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 including a significant downward adjustment to account for the estimated uncertainty relating to the above case.

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.

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17. EQUITY-ACCOUNTED INVESTEEES

	Note	DCI H2 €'000	SPV14 €'000	Total €'000
2023				
At beginning of year		42,694	-	42,964
Share of loss, net of tax		(5,857)	-	(5,857)
Disposal of Associate		-	-	-
Reversal of impairment loss	8	5,857	-	5,857
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 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 based on the inputs to the valuation techniques used.

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.

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17. EQUITY-ACCOUNTED INVESTEEES 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 investees:

	DCI H2 €'000	SPV 14 €'000	Total €'000
Percentage ownership interest	48%	-%	48%
31 December 2023			
Current assets	104,253	-	104,253
Non-current assets	199,940	-	199,940
Total assets	304,193	-	304,193
Current liabilities	88,887	-	88,887
Non-current liabilities	40,561	-	40,561
Total liabilities	129,448	-	129,448
Net assets	174,745	-	174,745
Group's share of net assets	83,703	-	83,703
Impairment	(41,009)	-	(41,009)
Carrying amount of interest in investee	42,694	-	42,694
Revenues	25,467	-	25,467
Profit	(12,228)	-	(12,228)
Other comprehensive income	-	-	-
Total comprehensive income	(12,228)	-	(12,228)
Group's share of total comprehensive income	(5,857)	-	(5,857)
	DCI H2 €'000	SPV 14 €'000	Total €'000
Percentage ownership interest	48%	-%	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
Profit	(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)

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18. TRADING PROPERTIES

	2023	2022
	€'000	€'000
At beginning of year	56,516	56,516
Disposals	-	-
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	2022
		€'000	€'000
Trade receivables		47	90
Other receivables		936	939
Loan Receivable	27.3.1	-	6,637
VAT receivables		1,127	509
Total Trade and other receivables (see note 31)		2,110	8,175
Amounts Receivable from Investment Manager	27.2	1,898	1,898
Prepayments and other assets		-	10
Total		4,008	10,083

The amount receivable from Investment Manager relates to €3.0 million of advance payments made during 2022 net of variable management fees payable of €1.1 million relating to previous years. See note 27.2 for further information.

20. CASH AND CASH EQUIVALENTS

	2023	2022
	€'000	€'000
Bank balances	1,008	2,226
Total	1,008	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

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 investees, net of any deferred tax.

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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	7,049	4,611	7,049	4,611	-	-
Redeemable preference shares	11,103	10,434	-	-	11,103	10,434
Total	18,152	15,045	7,049	4,611	11,103	10,434

Loans denominated in Euros

In the prior year, the maturity date of the outstanding loan of Azurna (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 €11.1 million (2022: €10.4 million).

Terms and conditions of the loans

The terms and conditions of outstanding loan were as follows:

Secured loan	Currency	Interest rate	Maturity dates	2023 €'000	2022 €'000
Livka Bay	Euro	Euribor plus 4.25% p.a.	2023	4,156	4,611
Shareholder loans	Euro/USD	12% per annum	2024	2,893	-
Total interest-bearing liabilities				7,049	4,611

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23. LOANS AND BORROWINGS CONTINUED

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 Kilada Hills Project, in the amount of €15.0 million (2021: €15.0 million).
- Regarding the Livka Bay loan, a mortgage against the immovable property of the Croatian subsidiary, Azurna (the owner of "Livka Bay"), with a carrying value of €21.0 million (2022: €17.7 million), two promissory notes, a debenture note and a letter of support from its parent company Single Purpose Vehicle Four Limited.
- 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 have been secured against the issued share capital of the wholly owned subsidiary Eastern Crete Development Company Limited.

23. DEFERRED TAX LIABILITIES

	2023	2022
	€'000	€'000
Balance at the beginning of the year	6,577	6,609
Recognised in profit or loss (see note 13)	2,297	(19)
Transferred to held for sale assets	(1,138)	
Exchange differences	-	(13)
Balance at the end of the year	7,763	6,577

Deferred tax liabilities are attributable to the following:

	2023	2022
	€'000	€'000
Investment properties	1,121	2,215
Trading properties	4,299	4,299
Property, plant and equipment	2,316	63
Total	8,874	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	2022
	€'000	€'000
Non-current	3,322	3,347
Current	88	88
Total	3,410	3,435

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25. TRADE AND OTHER PAYABLES

	2023	2022
	€'000	€'000
Land creditor	20,752	20,752
Investment Management fees (see note 27.2)	-	-
Other payables and accrued expenses	12,668	6,332
Total	33,420	27,084

	2023	2022
	€'000	€'000
Non-current	19,509	19,795
Current	13,911	7,289
Total	33,420	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.

26. NAV PER SHARE

	2023	2022
	'000	'000
Total equity attributable to owners of the Company (€)	115,518	112,107
Number of common shares outstanding at end of year	904,627	904,627
NAV per share (€)	0.13	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 20 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 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 call of Amanzoe by the Company in August 2018.

Directors' remuneration

	2023	2022
	€'000	€'000
Remuneration	374	205
Total remuneration	374	205

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27. RELATED PARTY TRANSACTIONS CONTINUED

27.1 Directors' interest and remuneration continued

Directors' remuneration continued

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

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

Miltos 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	2022
	€'000	€'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.

ii. Variable investment management fee

The variable investment management fee for the period from 1 January 2020 to 31 December 2021 was equal to a percentage of the actual distribution made by the Company to its shareholders, as shown below:

Aggregate Shareholder Distributions	% applied on Distributions
Up to but excluding €30 million	Nil
€30 million up to but excluding €50 million	2.0%
€50 million up to but excluding €75 million	3.0%
€75 million up to but excluding €100 million	4.0%
€100 million up to but excluding €125 million	5.0%
€125 million or more	6.0%

The Investment Manager was entitled to a performance fee payable subject to certain conditions, under the terms of the IMA. However, any performance fees earned under this arrangement would have been fully deducted from any future annual investment management fees and variable management fees payable over the term of the IMA. No performance fee was payable to the Investment Manager for the year ended 31 December 2021.

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:

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27. RELATED PARTY TRANSACTIONS CONTINUED**27.2 Investment Manager remuneration (in place until March 2023)** continued**A. INCENTIVE FEES AND BONUS**

I. The Investment Manager shall be entitled to be paid Incentive Fees which shall be 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 an 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.

II. In addition to the fees payable pursuant to paragraph A.I 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 A.I and A.II 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.

27. RELATED PARTY TRANSACTIONS CONTINUED

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

B. INCENTIVE FEE ADVANCE PAYMENTS CONTINUED

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.

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 BVI 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.

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27. RELATED PARTY TRANSACTIONS CONTINUED**27.3 Other related party transactions** continued**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 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. Collateral in the form of security over certain Company assets will be put in place which exceed the aggregate value of the loans.

28. NON-CONTROLLING INTERESTS

The following tables summarises the information relating to each of the Group's subsidiaries that has 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	30,961	-
Current assets	59,006	-
Non-current liabilities	(61,295)	-
Current liabilities	(11,635)	-
Net assets	17,037	-
Carrying amount of non-controlling interests	2,556	-
Revenue	125	-
(Loss)/profit	5,022	-
Other comprehensive income	-	-
Total comprehensive income	5,022	-
Dividends Paid	-	-
Profit allocated to non-controlling interests	753	-
Other comprehensive income allocated to non-controlling interests	-	-
Dividends paid to non-controlling interest	-	-
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

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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. CONTINGENT LIABILITIES

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 Investment Manager believes 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 unaudited consolidated financial statements.

In addition to the tax liabilities that have already been provided for in the unaudited 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.

In 2007, the Company purchased a 90% interest in land at Livka Bay in Croatia and in 2008 it bought the remaining 10%. In that final purchase it undertook to repay a loan of E883,000 to the former owners of the land plus a further payment of approximately € 7.0 million if and when the development of Livka Bay was completed in its entirety. As there is no certainty that the development will be completed, no provision has been made in the DCI accounts for these payments.

30. SUBSEQUENT EVENTS

During 2024, the Company has borrowed a total of €0.75 million from a further four shareholders totalling €750,000 on the same terms as 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 by three months. The intention is to repay them from asset sales proceeds.

In March 2024, the Company filed civil claims against its former Investment Manager amounting to €57 million of damages.

In April 2024, we announced that an agreement had been reached with a Family Office for further funding for the Kilada Hills resort for up to a further €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 which is above the previous NAV of €19.2 million.

There were no other material events after the reporting period except the shareholder loans described above and in note 27.3.4, which have a bearing on the understanding of the unaudited consolidated financial statements as at 31 December 2023.