Hellenic Petroleum Cyprus Limited

Company number: 454043

Report and financial statements
31 December 2007

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Hellenic Petroleum Cyprus Limited

Report and financial statements
31 December 2007

Contents

Hellenic Petroleum Cyprus Limited

Board of Directors and other officers

Board of Directors

Michail Myrianthis (Chairman)
Olga Tsaloglou (resigned 31 January 2007)
Ioannis Grigoriou (resigned 15 May 2008)
Akis Pegasiou
Garry Pegg
Jonathan Ivinson
Nikolaos Georgoudas
George Gregoras (appointed 31 January 2007)
Andreas Shiamishis (appointed 15 May 2008)
Christos Tziolas (appointed 15 May 2008)

Company Secretary

Theodora Papadimitriou
17th km Athens-Corinth National Highway
GR 19300 – Aspropyrgos
Greece

Registered office

Juxon House
100 St Paul's Churchyard
London EC4M 8BU
United Kingdom

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2007.

Principal activities

2 The principal activity of the Company, which is unchanged from last year, is to buy, sell and otherwise deal in petroleum products in Cyprus through a local branch. It is the intention of the board of directors that this business will continue for the foreseeable future.

Review of developments, position and performance of the Company's business

3 The profit of the Company for the year ended 31 December 2007 was €12,180,559 (2006: profit of €14,092,657). On 31 December 2007 the total assets of the Company were €94,160,834 (2006: €88,322,147) and the net assets were €26,573,628 (2006: €59,528,564). The financial position, development and performance of the Company as presented in these financial statements is considered satisfactory.

Principal risks and uncertainties

4 The principal risks and uncertainties that the Company faces are the following:

(a) due to the delay in implementing the Government plan of the relocation of the Cyprus oil companies' terminals at Vassilico Energy Centre, the latest expected dates of relocation are in years 2013-2015. The company may face exceptional costs in that year and increased storage costs following the relocation; and

(b) the worldwide instability in the price of oil makes the preparation of budgets and long term planning more difficult.

Business risks

5 Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators (KPI's) is not necessary for an understanding of the development, performance or position of the business.

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors (continued)

Financial risk management

6 The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk) and credit risk.

7 Market risk - foreign exchange risk
The Company imports petroleum products from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

8 Market risk - Commodity price risk
The Company is exposed to commodity price risk through its purchases and distribution of petrol within Cyprus. Management monitors the price fluctuations on a continuous basis and acts accordingly.

9 Market risk - Fair value interest rate risk
As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

10 Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to reputable financial institutions. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

11 Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. The management maintains flexibility in funding by maintaining availability under committed credit lines.

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors (continued)

12 Capital risk management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.
During 2007, the Company's strategy, which was unchanged from 2006, was to maintain the gearing ratio within 20% to 40%.

Future developments of the Company

13 The Board of Directors does not expect any material changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Results

14 The Company's results for the year are set out on page 9.

Dividends

15 In 2007, the Board of Directors approved an interim dividend of €101,50 per share amounting to €45.000.000, which was paid on 11 May 2007. The Board of Directors does not recommend the payment of a final dividend and the profit for the year is retained.

First year adoption of IFRS from UK GAAP

16 These financial statements of the Company have been prepared for the first time in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board adopted by the European union (EU). In this regard, the accounting policies presented in Note 2 have been applied in preparing the financial statements as of and for the years ended 31 December 2007 and 2006 and in the preparation of an opening IFRS balance sheet at 1 January 2006, the Company's date of transition to IFRS.

Board of Directors

17 The Directors who held office during the year and at the date of this report are shown on page 1.

Report of the Board of Directors (continued)

Statement of directors' responsibilities

18 The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

19 Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

20 In preparing those financial statements, the directors are required to:
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board adopted by the European union (EU);
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

21 The directors confirm that they have complied with the above requirements in preparing the financial statements.

22 The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

23 Each of the persons who is a Director at the date of approval of this report confirms that:
(1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(2) each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

24 This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Hellenic Petroleum Cyprus Limited

Report of the Board of Directors (continued)

Branches

25 The Company currently operates through a branch in Cyprus.

Events after the balance sheet date

26 With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January 2008, the functional currency of the Company has changed from Cyprus Pounds to Euro. As a result, the financial position of the Company at 1 January 2008 has been converted into Euro based on the definite fixing of the exchange rate €1=C£0,585274.

27 In 2008, the Board of Directors approved an interim dividend amounting to €10.000.000, which was paid on 17 December 2008.

28 There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.

Independent Auditors

29 The Independent Auditors, PricewaterhouseCoopers LLP will continue in office as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By Order of the Board

Nicosia
22 May 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HELLENIC PETROLEUM CYPRUS LIMITED

We have audited the financial statements of Hellenic Petroleum Cyprus Limited for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Board of Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Board of Directors and other officers and the Report of the Board of Directors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2007 and of its profit and cash flows for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Report of the Board of Directors is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

26 May 2009

Hellenic Petroleum Cyprus Limited

Income statement
for the year ended 31 December 2007

	Note	2007 €	2006 €
Revenue	6	**256,783,693**	231,737,232
Cost of sales		**(221,067,191)**	(197,640,698)
Gross profit		**35,716,502**	34,096,534
Distribution costs		**(14,834,640)**	(13,981,792)
Administrative expenses		**(2,672,468)**	(2,814,529)
Operating profit		**18,209,394**	17,300,213
Finance income	7	**342,829**	344,657
Finance costs	11	**(1,095,664)**	(227,568)
Finance (cost) /income- net		**(752,835)**	117,089
Profit before tax		**17,456,559**	17,417,302
Income tax expense	12	**(5,276,000)**	(3,324,645)
Profit for the year		**12,180,559**	14,092,657

The notes on pages 13 to 48 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Balance sheet
at 31 December 2007

	Note	2007 €	2006 €
Assets			
Non-current assets			
Property, plant and equipment	16	**28.874.408**	25.107.664
Intangible assets	17	**2.651.613**	1.353.871
Investment in subsidiaries	18	**610.586**	616.244
		32.136.607	27.077.779
Current assets			
Inventories	19	**12.356.785**	7.036.032
Trade and other receivables	20	**32.159.987**	25.386.747
Cyprus taxation on profit refundable		**2.004.660**	2.290.628
Cash and cash equivalents	21	**15.502.795**	26.530.961
		62.024.227	61.244.368
Total assets		**94.160.834**	88.322.147
Equity and liabilities			
Capital and reserves			
Ordinary share capital	22	**6.284.140**	6.342.376
Other reserves		**1.587.086**	1.601.793
Retained earnings		**18.702.402**	51.584.395
Total equity		**26.573.628**	59.528.564
Non-current liabilities			
Deferred tax liabilities	24	**1.626.912**	1.365.970
Pension liabilities	25	**4.509**	89.032
		1.631.421	1.455.002
Current liabilities			
Trade and other payables	27	**36.357.452**	23.619.296
UK corporation tax payable		**691.470**	504.828
Borrowings	23	**28.906.863**	3.214.457
		65.955.785	27.338.581
Total liabilities		**67.587.206**	28.793.583
Total equity and liabilities		**94.160.834**	88.322.147

On 22 May 2009 the Board of Directors of Hellenic Petroleum Cyprus Limited authorised these financial statements for issue and were signed on its behalf.

Director

The notes on pages 13 to 48 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Statement of changes in equity for the year ended 31 December 2007

	Note	Ordinary share capital €	Other reserves (1) €	Retained earnings €	Total €
Balance at 1 January 2006		6,394,200	1,629,614	37,781,645	45,805,459
Currency translation differences		(51,824)	(27,821)	(289,907)	(369,552)
Profit for the year		-	-	14,092,657	14,092,657
Balance at 31 December 2006/ 1 January 2007		6,342,376	1,601,793	51,584,395	59,528,564
Currency translation differences		(58,236)	(14,707)	(62,552)	(135,495)
Profit for the year		-	-	12,180,559	12,180,559
Dividend paid	13	-	-	(45,000,000)	(45,000,000)
Balance at 31 December 2007		6,284,140	1,587,086	18,702,402	26,573,628

(1) Other reserves include a revaluation reserve of €317.130 (2006:€320.069), a special reserve and a general reserve of €1.269.956 (2006:€1.281.724).

The notes on pages 13 to 48 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Cash flow statement
for the year ended 31 December 2007

	Note	2007 €	2006 €
Cash flows from operating activities			
Profit before tax		**17,456,559**	17,417,302
Adjustments for:			
Depreciation of property, plant and equipment	16	**2,396,628**	2,230,611
Amortisation of intangible assets	17	**13,242**	320,898
Loss on sale of property, plant and equipment	16	**71**	-
Finance income	7	**(342,829)**	(344,657)
Finance expense	11	**1,095,664**	227,568
Exchange losses on property, plant and equipment	16	**240,600**	218,643
Exchange losses on intangible assets	17	**12,874**	6,966
Exchange losses on investments in subsidiaries	18	**5,658**	5,036
		20,878,467	20,082,367
Changes in working capital:			
Inventories		**(5,320,753)**	2,146,859
Trade and other receivables		**(6,773,240)**	(2,938,807)
Trade and other payables		**12,738,156**	(781,683)
Net movement in pension liabilities		**(84,523)**	(43,381)
Net movement in provision for deferred taxes		**260,942**	409,104
Cash generated from operations		**21,699,049**	18,874,459
Tax paid		**(4,542,448)**	(5,233,266)
Net cash from operating activities		**17,156,601**	13,641,193
Cash flows from investing activities			
Purchases of property, plant and equipment	16	**(6,413,917)**	(4,150,160)
Proceeds from sale of property, plant and equipment	16	**9,874**	-
Purchases of intangibles	17	**(1,323,858)**	(1,345,506)
Interest received		**342,829**	344,657
Net cash used in investing activities		**(7,385,072)**	(5,151,009)
Cash flows from financing activities			
Repayment of bank borrowings		**(133,289)**	(130,033)
Proceeds from loans from related parties	30(iv)	**25,000,000**	-
Interest paid		**(1,095,664)**	(227,568)
Dividends paid to Company's shareholders	13	**(45,000,000)**	-
Net cash used in financing activities		**(21,228,953)**	(357,601)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(11,457,424)**	8,132,583
Cash, cash equivalents and bank overdrafts at beginning of year		**26,530,961**	18,732,076
Foreign exchange translation		**(396,437)**	(333,698)
Cash, cash equivalents and bank overdrafts at end of year	21	**14,677,100**	26,530,961

The notes on pages 13 to 48 are an integral part of these financial statements.

Hellenic Petroleum Cyprus Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated in the United Kingdom as a private limited liability company operating in Cyprus as a branch. Its registered office is at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, United Kingdom.

2 Summary of significant accounting policies

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

Basis of preparation

The financial statements of the Company have been prepared for the first time in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Companies Act 1985 and related interpretations issued by the International Accounting Standard Board (IASB), applying IFRS1 'First-time Adoption of International Financial Reporting Standards'.

The financial statements have been prepared under the historical cost convention, with the exception of revaluation of certain tangible fixed assets.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The directors consider that the accounting policies as set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

2 Summary of significant accounting policies (continued)

Group financial statements

The immediate parent undertaking is Hellenic Petroleum International A.G.
Group financial statements have not been prepared as the Company is exempt from the obligation to prepare group accounts under Section 228 of the Companies Act 1985. The results of the subsidiary undertaking are dealt within the consolidated accounts of the ultimate parent undertaking, Hellenic Petroleum S.A., a company registered in Greece.

The financial statements present information about the Company as an individual undertaking and not about the group.

Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 17th Km National Road Athens-Corinth, 19 300 Aspropyrgos, Athens, Greece.

Transition to IFRS

Differences in the carrying amounts of assets and liabilities in the balance sheets under the previously applied United Kingdom Generally Accepted Accounting Practices (UK GAAP) and IFRS resulted in different amounts of net assets attributable to participants at the date of transition to IFRS as of 1 January 2006. Details are disclosed in Note 5.

Adoption of new and revised IFRSs

During the current year the Company adopted all new and revised IFRSs that are relevant to its operations and are effective for accounting periods beginning on 1 January 2007.

The adoption of IFRS 7, "Financial Instruments: Disclosures", and the complementary amendment to IAS1, "Presentation of financial statements - Capital Disclosures", introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial statements or the disclosures relating to taxation and trade and other payables.

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

(i) Adopted by the European Union

- Improvements to IFRSs – 2008 (effective for annual periods beginning on or after 1 January 2009).
- IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" (effective for annual periods beginning on or after 1 July 2008).
- IAS 39 "Financial Instruments: Recognition and Measurement – effective date and transition" (effective for annual periods beginning on or after 1 July 2008).

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- Amendments to IFRS 1 and International Accounting Standard (IAS) 27 'Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate' (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 2 "Share Based Payment: Vesting Conditions and Cancellations" (effective for annual periods beginning on or after 1 January 2009).
- IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009).
- IAS 1 (Revised) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009).
- IAS 23 (Revised) "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009).
- Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations arising on Liquidation" (effective for annual periods beginning on or after 1 January 2009).
- International Financial Reporting Interpretation Committee (IFRIC) 11 "IFRS 2 – Group and Treasury Share Transactions" (effective for annual periods beginning on or after 1 March 2007).
- IFRIC 12 "Service Concession Arrangements" (effective for annual periods beginning on or after 29 March 2009).
- IFRIC 13 "Customer Loyalty Programmes" (effective for annual periods beginning on or after 1 July 2008).
- IFRIC 14 "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective for annual periods beginning on or after 1 January 2008).

(ii) Not adopted by the European Union

- IFRS 1 (Revised) "First Time Adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 January 2009).
- IFRS 7 (Amendments) - "Financial Instruments: Disclosures: Improving disclosures about financial instruments" (effective for annual periods beginning on or after 1 January 2009).
- IFRS 3 (Revised) "Business Combinations" (effective for annual periods beginning on or after 1 July 2009).

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

- IAS 27 (Revised) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IAS 39 "Eligible Hedged Items" (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IAS 39 "Reclassification of Financial Assets: Effective date and Transition" (effective for annual periods beginning on or after 1 July 2009).
- IFRIC 15 "Agreements for the Construction of Real Estate" (effective for annual periods beginning on or after 1 January 2009).
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 October 2008).
- IFRIC 17 "Distributions of Non cash Assets to Owners" (effective for annual periods beginning on or after 1 July 2009).
- IFRIC 18 "Transfers of Assets from Customers" (effective for annual periods beginning on or after 1 July 2009).

The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company except from the application of IAS 1 (Revised) 'Presentation of Financial Statements' which will have a material effect on the presentation of the financial statements and the application of IFRS 7 (Amendments) - 'Financial Instruments: Disclosures: Improving disclosures about financial instruments' which will enhance disclosures about fair value measurements and liquidity risk.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of business. Revenue is shown net of value added tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

(i) Sales of goods

Sales of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectibility of the related receivable is reasonably assured.

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

(ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

When a loan is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

Employee benefits

The Company and the employees contribute to the Cyprus Government Social Insurance Fund based on employees' salaries. This Fund is treated as a defined contribution scheme. In addition, the Company operates two defined benefit retirement schemes the assets of which are held in a separate trustee-administered fund. The defined contribution scheme is funded by contributions from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"), Cyprus pounds (C£). The financial statements are presented in Euro (€), which is the Company's presentation currency. This represents a change from the prior year when the Company presented its financial statements in Sterling pounds (STG). This change has been applied retrospectively in accordance with IAS8 with comparative amounts being restated into the new presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2 Summary of significant accounting policies (continued)

Foreign currency translation (continued)

(ii) Transactions and balances (continued)

The assets and liabilities are translated into presentation currency (Euro) at the rate of exchange at the balance sheet date. Income statement is translated into presentation currency at the average rate for the period. In translation the following rates are used:

01 January 2006	0,575200
average 2006	0,577500
01 January 2007	0,579900
average 2007	0,585274
31 December 2007	0,585274

Tax

Taxation on profits and losses for the year comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are calculated in respect of temporary differences using the balance sheet liability method. Deferred income taxes are provided for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. A deferred tax asset is recorded only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends, that are approved by the Board of Directors of the Company as a distribution to the Company's shareholders, are recognised at payment date.

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at their historical cost less accummulated depreciation. Certain tangible fixed assets reflect a previous revaluation which was carried out as at 1 January 1987 (other than fixed assets in territories occupied by Turkish forces). Land was revalued by an independent professional valuer, and other fixed assets by the Company by using appropriate cost indices.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Buildings	3-4
Furniture, fixtures and office equipment	10
Plant and machinery	10-20
Motor vehicles	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and these are included in the income statement.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2 Summary of significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are charged to the income statement of the year in which they were incurred. Computer software costs are amortised using the straight-line method over their estimated useful lives, not exceeding a period of five years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

The annual amortisation rate is 33,33%.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The Company carries the investments in subsidiaries at cost less any impairment.

2 Summary of significant accounting policies (continued)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating activity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and marketing costs'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and marketing costs' in the income statement.

Share capital

Ordinary shares are classified as equity.

Trade payables

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

2 Summary of significant accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Comparatives

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

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, commodity price risk and fair value interest rate risk),credit risk and liquidity risk.

- **Market risk**

  Foreign exchange risk

  The Company imports petroleum products from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

  At 31 December 2007 bank borrowings that were denominated in US$ amounting to €3.081.168 (2006: €3.214.457) were hedged with an equivalent cash and cash equivalent amount denominated in US$.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk (continued)**

Foreign exchange risk (continued)

Since 2 May 2005 the C£ has been put in the ERM II mechanism on a central parity rate of €1 = C£0,585274. At 31 December 2006 C£ has been fairly stable in relation to €, there was no material exposure to foreign exchange risk of C£ to €. At 31 December 2007 C£ was fixed to € at €1 = CY£0,585274. As a result there was no foreign exchange risk to € as C£ was no longer fluctuating against €.

Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Commodity price risk

The Company is exposed to commodity price risk through its purchases and distribution of petrol within Cyprus.

Management monitors the price fluctuations on a continuous basis and acts accordingly,by seeking to pass any change in market price to its customers to minimize profit and loss impact.

Fair value interest rate risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

At 31 December 2007, if interest rates on C£-denominated borrowings had been 0.1% higher/lower with all other variables held constant, post-tax profit for the year would have been €3.125 (2006: €136) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. At 31 December 2007, if interest rates on US$ -denominated borrowings at that date had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been €24.695 (2006: €21.412) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. At 31 December 2007, if interest rates on € -denominated borrowings at that date had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been €17.014 (2006: €Nil) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to reputable financial institutions. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Up to 1 month	1 to 3 months
	€	€
At 31 December 2006		
Borrowings	3,214,457	-
Trade and other payables	23,110,936	508,360
	26,325,393	508,360
At 31 December 2007		
Borrowings	**28,906,863**	**-**
Trade and other payables	**36,074,032**	**283,420**
	64,980,895	**283,420**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities. The management maintains flexibility in funding by maintaining availability under committed credit lines.

3 Financial risk management (continued)

(ii) Capital risk management

The capital as defined by management at 31 December 2007 and 2006 was as follows:

	2007 €	2006 €
Total borrowings (Note 23)	**28,906,863**	3,214,457
Less: cash and cash equivalents (Note 21)	**(15,502,795)**	(26,530,961)
Net debt	**13,404,068**	(23,316,504)
Total equity	**26,573,628**	59,528,564
Total capital as defined by management	**39,977,696**	36,212,060
Gearing ratio	**34%**	-64%

The increase in the gearing ratio during 2007 resulted primarily from borrowings taken during the year to facilitate dividend payment.

The capital as defined by management at 31 December 2007 and 2006 consists of equity as shown on the face of the balance sheet.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2007, the Company's strategy, which was unchanged from 2006, was to maintain the gearing ratio within 20% to 40%.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 Critical accounting estimates and judgements (continued)

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Estimated impairment of goodwill**

  The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash-generating units has been determined based on value-in-use calculations.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5 Explanation of Transition to IFRS

These financial statements of the Company have been prepared for the first time in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board adopted by the European union (EU). In this regard, the accounting policies presented in Note 2 have been applied in preparing the financial statements as of and for the years ended 31 December 2007 and 2006 and in the preparation of an opening IFRS balance sheet at 1 January 2006, the Company's date of transition to IFRS.

Reconciliation of net assets and net income from United Kingdom Generally Accepted Accounting Practise (UK GAAP) to IFRS

In preparing the opening balance sheet and the financial statements as of end of and for the years ended 31 December 2006, the Company has adjusted amounts reported under United Kingdom Generally Accepted Practise (UK GAAP).

An explanation of how the transition from UK GAAP to IFRS has affected the Company's net assets and a reconciliation of remeasurement of net assets under IFRS for 2006 are presented in the following tables:

	€
Net assets under UK GAAP (i) as at 1 January 2006	45,516,248
Pensions (i)	127,253
Deferred tax adjustment (ii)	161,958
Net assets under IFRS as at 1 January 2006	45,805,459
Net assets under UK GAAP (i) as at 31 December 2006	59,788,955
Pensions (i)	(472,069)
Deferred tax adjustment (ii)	190,879
Other adjustments	20,799
Net assets under IFRS as at 31 December 2006	59,528,564
Net Income under UK GAAP for the year ended 31 December 2006	14,397,675
Pensions (i)	(5,012)
Finance cost (iii)	11,991
Deferred tax adjustment (ii)	(311,997)
Net Income under IFRS for the year ended 31 December 2006	14,092,657

Explanatory notes on the reconciliation of net assets and net income:

(i) Under IAS 19 "Employee Benefits" the Pension Plan Benefits are presented in financial statements using the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost. The Company has elected to recognise actuarial gains and losses through the Income statement using the corridor approach. A full explanation of the valuation methodology is set out in Note 26. FRS 17 and IAS 19 differ in the recognition of actuarial gains and losses and the presentation of items in the financial statements. Under FRS 17 the actuarial gains and losses are recognised immediately in the STRGL. Under IAS 19 these have been recognised in the income statement, usually over a period representing the expected average remaining working lives of employees participating in the scheme (with any deferred actuarial gains and losses carried on the balance sheet as part of the net pension liability).

5 Explanation of Transition to IFRS (continued)

(ii) In respect of deferred tax, IAS12 "Income Taxes" is conceptually different from FRS 19. Under IAS 12, deferred tax is recognised on the basis of taxable temporary difference (subject to certain exceptions). Temporary differences include all timing differences and any permanent differences. Under FRS 19, deferred tax is recognised on the basis of timing differences (subject to certain exceptions).

(iii) The adjustment for finance cost is due to the treatment of Pension Plan Benefits between IAS 19 and FRS 17.

6 Revenue

	2007	2006
	€	€
Sales of goods	**268,883,140**	241,103,311
Commissions	**(13,920,864)**	(10,758,306)
Management fee income	**20,503**	20,866
Other income	**1,800,914**	1,371,361
	256,783,693	231,737,232

7 Finance income

	2007	2006
	€	€
Interest income:		
Bank balances	**342,829**	344,657

8 Expenses by function

	2007	2006
	€	€
Cost of sales	**221,067,191**	197,640,698
Depreciation, amortisation and impairment charges (Notes 16 and 17)	**2,409,870**	2,551,509
Loss on sale of property, plant and equipment (Note 16)	**71**	-
Repairs and maintenance	**2,739,306**	2,490,358
Operating lease rentals	**3,137,959**	2,702,508
Insurance	**125,478**	74,492
Trade receivables - impairment charges for receivables	**-**	6,301
Staff costs (Note 9)	**4,133,749**	4,128,148
Marketing	**514,903**	513,739
Other expenses	**66,025**	166,883
Auditors' remuneration:		
- for statutory audit	**54,934**	59,599
- other non audit services	**7,347**	11,207
Bank commissions	**192,831**	45,332
Indirect taxes	**201,371**	193,755
Training	**107,241**	85,940
Travelling	**280,277**	300,953
Utilities	**217,250**	191,921
Telecommunications	**55,896**	47,983
Consultancy and services	**494,492**	648,608
Freight	**2,768,108**	2,577,085
Total cost of goods sold, selling and marketing costs, administrative expenses and other expenses	**238,574,299**	214,437,019

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9 Staff costs

	2007	2006
	€	€
Wages and salaries	**3,361,433**	3,361,577
Cyprus Government social insurance costs	**287,378**	277,287
Defined benefit pension schemes (Note 26)	**233,503**	251,976
Stakeholder pension scheme	**117,976**	112,806
Other	**133,459**	124,502
	4,133,749	4,128,148

The average monthly number of persons (including executive directors) employed by the Company during the year was:

By activity

	2007	2006
Distribution and administration	57	54

10 Directors' emoluments

	2007	2006
	€	€
Aggregate emoluments	**414,562**	294,326
Sums paid to related parties for directors' services	**-**	142,511
Company contributions to money purchase pension schemes	**93,565**	58,450
	508,127	495,287

Retirement benefits are accruing to 2 (2006: 1) director under the money purchasing pension scheme and the defined benefit scheme.

	2007	2006
	€	€
Highest paid director		
Wages and salaries	**214,618**	202,184
Company contributions to money purchase pension schemes	**62,044**	58,450
	276,662	260,634

11 Finance costs

	2007	2006
	€	€
Interest expense:		
Bank borrowings	**1,033,351**	195,224
Bank overdraft	**59,602**	6,223
Overdue taxation	**2,711**	26,121
	1,095,664	227,568

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12 Income tax expense

	2007 €	2006 €
Current tax		
United Kingdom		
Corporation tax at 30% (2006:30%)	**4,897,855**	4,964,745
Adjustments in respect of prior years	**117,203**	(237,460)
Double taxation relief	**(1,690,482)**	(1,605,700)
	3,324,576	3,121,585
Foreign tax		
Corporation tax	**1,690,482**	1,605,700
Adjustments in respect of prior years	**-**	(1,811,744)
	1,690,482	(206,044)
Total Current Tax	**5,015,058**	2,915,541
Deferred tax		
Origination and reversal of timing differences	**338,635**	409,104
Adjustments in respect of prior years	**(77,693)**	-
Other adjustments	**-**	-
Total deferred tax (Note 24)	**260,942**	409,104
Income tax expense	**5,276,000**	3,324,645

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2007 €	2006 €
Profit before tax	**17,456,559**	17,417,302
Tax calculated at the standard rate of corporation tax in the UK of 30% (2006:30%)	**5,236,968**	5,225,191
Tax effect of expenses not deductible for tax purposes	**(116,680)**	122,086
Tax effect of rate change	**116,202**	-
Adjustments to tax charge in respect of prior years	**39,510**	(2,049,204)
Other	**-**	26,572
Tax charge	**5,276,000**	3,324,645

Factors that may affect future tax charges:

The standard rate of Corporation Tax in the UK changes to 28% with effect from 1 April 2008.

Based on current capital investment plans, the Company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

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13 Dividends per share

In 2007 the Board of Directors approved an interim dividend of €101,50 per share amounting to €45.000.000, which was paid on 11 May 2007.

	2007	2006
	€	€
Dividend paid	45,000,000	-

14 Financial instruments by category

	Loans and receivables	Total
	€	€
31 December 2007		
Assets as per balance sheet		
Trade and other receivables (1)	31,212,744	31,212,744
Cash and cash equivalents	15,502,795	15,502,795
Total	46,715,539	46,715,539

	Other financial liabilities	Total
	€	€
Liabilities as per balance sheet		
Borrowings	28,906,863	28,906,863
Trade and other payables (2)	34,557,480	34,557,480
Total	63,464,343	63,464,343

	Loans and receivables	Total
	€	€
31 December 2006		
Assets as per balance sheet		
Trade and other receivables (1)	24,540,995	24,540,995
Cash and cash equivalents	26,530,961	26,530,961
Total	51,071,956	51,071,956

	Other financial liabilities	Total
	€	€
Liabilities as per balance sheet		
Borrowings	3,214,457	3,214,457
Trade and other payables (2)	22,047,323	22,047,323
Total	25,261,780	25,261,780

(1) The rest of the balance sheet item 'trade and other receivables' is prepayments.

(2) The rest of the balance sheet item 'trade and other payables' is accruals.

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15 Credit quality of financial assets

The credit quality of financials assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	2007 €	2006 €
Fully performing trade receivables		
Counterparties without external credit rating		
Group 1	**831,665**	2,554,827
Group 2	**29,087,021**	21,114,419
Group 3	**-**	-
	29,918,686	23,669,246
Total fully performing trade receivables	**29,918,686**	23,669,246
Fully performing other receivables		
Group 4	**2,241,301**	1,717,501
	2,241,301	1,717,501
Cash at bank and short-term bank deposits (1)		
A2	**440,633**	3,202,411
A3	**5,271,669**	7,504,171
Baa2	**-**	15,664,908
A2	**49,404**	154,994
	5,761,706	26,526,484

(1)The rest of the balance sheet item 'cash and cash equivalents' is cash in hand.

As at 31 December 2007 the 'cash and cash equivalents' include an amount of €9.725.995 which represents cheques received in December 2007 but not deposited to the bank. These cheques were deposited in January 2008.

Group 1 – new customers (less than 6 months).

Group 2 – existing customers (more than 6 months) with no defaults in the past.

Group 3 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Group 4 – other receivables

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16 Property, plant and equipment

	Land and buildings €	Plant and machinery €	Furniture, fixtures and office equipment €	Motor vehicles €	Total €
At 1 January 2006					
Cost or valuation	13,719,803	25,775,133	260,812	414,671	40,170,419
Accumulated depreciation	(3,729,357)	(12,459,508)	(231,605)	(360,016)	(16,780,486)
Net book amount	9,990,446	13,315,625	29,207	54,655	23,389,933
Year ended 31 December 2006					
Opening net book amount	9,990,446	13,315,625	29,207	54,655	23,389,933
Additions	1,266,592	2,523,216	49,125	328,052	4,166,985
Depreciation charge (Note 8)	(203,130)	(1,994,109)	(4,853)	(28,519)	(2,230,611)
Exchange differences	(81,731)	(135,175)	(1,571)	(166)	(218,643)
Transfer	-	-	-	-	-
Closing net book amount	10,972,177	13,709,557	71,908	354,022	25,107,664
At 31 December 2006					
Cost or valuation	14,873,597	28,053,939	306,468	739,521	43,973,525
Accumulated depreciation	(3,901,420)	(14,344,382)	(234,560)	(385,499)	(18,865,861)
Net book amount	10,972,177	13,709,557	71,908	354,022	25,107,664
Year ended 31 December 2007					
Opening net book amount	10,972,177	13,709,557	71,908	354,022	**25,107,664**
Additions	1,856,575	4,150,474	25,041	381,827	**6,413,917**
Disposals	-	(9,945)	-	-	**(9,945)**
Depreciation charge (Note 8)	(216,857)	(2,145,852)	(7,705)	(26,214)	**(2,396,628)**
Exchange differences	(101,575)	(137,780)	(850)	(395)	**(240,600)**
Closing net book amount	12,510,320	15,566,454	88,394	709,240	**28,874,408**
At 31 December 2007					
Cost or valuation	16,592,775	30,774,177	328,506	928,867	**48,624,325**
Accumulated depreciation	(4,082,455)	(15,207,723)	(240,112)	(219,627)	**(19,749,917)**
Net book amount	12,510,320	15,566,454	88,394	709,240	**28,874,408**

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2007 €	2006 €
Net book amount	**9,945**	-
Loss on sale of property, plant and equipment (Note 8)	**(71)**	-
Proceeds from sale of property, plant and equipment	**9,874**	-

17 Intangible assets

	Goodwill €	Computer Software €	Total €
At 1 January 2006			
Cost	-	1,156,707	1,156,707
Accumulated amortisation and impairment	-	(820,478)	(820,478)
Net book amount	-	336,229	336,229
Year ended 31 December 2006			
Opening net book amount	-	336,229	336,229
Additions	1,336,225	9,281	1,345,506
Amortisation charge (Note 8)	-	(320,898)	(320,898)
Exchange differences	(5,530)	(1,436)	(6,966)
Closing net book amount	1,330,695	23,176	1,353,871
At 31 December 2006			
Cost	1,330,695	1,156,575	2,487,270
Accumulated amortisation and impairment	-	(1,133,399)	(1,133,399)
Net book amount	1,330,695	23,176	1,353,871
Year ended 31 December 2007			
Opening net book amount	1,330,695	23,176	**1,353,871**
Additions	1,298,537	25,321	**1,323,858**
Amortisation charge (Note 8)	-	(13,242)	**(13,242)**
Exchange differences	(12,218)	(656)	**(12,874)**
Closing net book amount	2,617,014	34,599	**2,651,613**
At 31 December 2007			
Cost	2,617,014	1,170,833	**3,787,847**
Accumulated amortisation and impairment	-	(1,136,234)	**(1,136,234)**
Net book amount	2,617,014	34,599	**2,651,613**

Impairment test for goodwill

Goodwill is allocated to cash-generating units.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The growth rate does not exceed the long-term average growth rate of the business in which the cash-generating unit operates.

The key assumptions used for the value-in-use calculations are as follows:

- Operating margin: 26%
- Growth rate: 3%
- Discount rate: 9%

Management determines budgeted gross margin based on past performance and its expectations for market developments. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflects specific risks relating to the cash-generating unit.

The amount paid for goodwill represents the value, paid to certain petrol station administrators, to purchase the business and thus to operate certain petrol stations. No assets were acquired and therefore the amount paid has been allocated to goodwill. The Company has the right to operate these stations indefinitely.

18 Investments in subsidiaries

	2007 €	2006 €
At beginning of year	**616,244**	621,280
Exchange differences	**(5,658)**	(5,036)
At end of year	**610,586**	616,244

The Company's interests in its subsidiaries, all of which are unlisted, were as follows:

Name	Principal activity	Country of incorporation	2007 % of ordinary shares	2006 % of ordinary shares
Superlube Limited	Blending of lubricating oils	Cyprus	65	65

19 Inventories

	2007 €	2006 €
Petroleum Products	**12,356,785**	7,036,032

The cost of inventories recognised as expense and included in "cost of sales" amounted to €226.387.944 (2006: €195.493.839).

The difference between the carrying value of stocks and their replacement cost is not material.

20 Trade and other receivables

	2007 €	2006 €
Trade receivables	**30,958,146**	24,718,344
Less: Provision for impairment of trade receivables	**(1,039,460)**	(1,049,098)
Trade receivables - net	**29,918,686**	23,669,246
Receivables from related parties (Note 30(iii))	**345**	5,627
Other receivables	**1,293,713**	866,122
Prepayments	**947,243**	845,752
	32,159,987	25,386,747

The fair values of trade and other receivables approximate their carrying amounts.

As of 31 December 2007, trade receivables of €29.918.686 (2006: €23.669.246) were fully performing.

20 Trade and other receivables (continued)

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2007, trade receivables of €9.470.978 (2006: €8.088.990) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2007 €	2006 €
Up to 3 months	**8,173,362**	7,289,488
3 to 6 months	**1,297,616**	799,502
	9,470,978	8,088,990

The amount of the provision was €1.039.460 as of 31 December 2007 (2006: €1.049.098). The individually impaired receivables mainly relate to wholesalers, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

	2007 €	2006 €
Over 6 months	**57,354**	55,116

Movements on the Company's provision for impairment of trade receivables are as follows:

	2007 €	2006 €
At 1 January	**1,049,098**	1,279,248
Provision for impairment of trade receivables recovered	**-**	(222,572)
Exchange differences	**(9,638)**	(7,578)
At 31 December	**1,039,460**	1,049,098

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. At 31 December 2007, the Company holds bank guarantees of €495.495 (2006:€241.420) as security.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2007 €	2006 €
Cyprus pound - functional currency	**28,899,411**	23,626,366
Euro - presentation currency	**44,137**	-
US Dollar	**3,216,439**	1,760,381
	32,159,987	25,386,747

21 Cash and cash equivalents

	2007 €	2006 €
Cash at bank and in hand	**11,793,150**	22,511,463
Short-term bank deposits	**3,709,645**	4,019,498
	15,502,795	26,530,961

The effective interest rate on short term bank deposits was 4,7796% (2006: 4,1468%) and these deposits have an average maturity of 7 days.

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

	2007 €	2006 €
Cash and cash equivalents	**15,502,795**	26,530,961
Bank overdrafts (Note 23)	**(825,695)**	-
	14,677,100	26,530,961

22 Ordinary share capital

	2007			2006		
	Number of shares	**STG£**	**€**	Number of shares	STG£	€
Authorised						
Shares of STG£10 each	**443 345**	**4,433,450**		443 345	4,433,450	
Issued and fully paid						
Shares of STG£10 each	**443 345**	**4,433,450**	**6,284,140**	443 345	4,433,450	6,342,376

The total authorized number of ordinary shares is 443 345 shares (2006: 443 345 shares) with a par value of GB£10 per share. All issued shares are fully paid.

23 Borrowings

	2007 €	2006 €
Current		
Bank overdrafts (Note 21)	**825,695**	-
Bank borrowings	**3,081,168**	3,214,457
Loans from parent entity (Note 30(iv))	**25,000,000**	-
	28,906,863	3,214,457

There are no securities on loans, bank borrowings and bank overdrafts.

The weighted average effective interest rates at the balance sheet date were as follows:

	2007 %	2006 %
Bank overdrafts	**5,5**	5,5
Bank borrowings	**5,8**	5,5
Loans from related parties (Note 30(iv))	**4,9**	-

23 Borrowings (continued)

The Company's bank borrowings and bank overdrafts are arranged at both fixed and floating rates. Borrowings at fixed rates expose the Company to fair value interest rate risk. For borrowings at floating rates the interest rate reprises on a monthly basis exposing the Company to cash flow interest rate risk.

	2007 €	2006 €
6 months or less	28,906,863	3,214,457

The Company has the following undrawn borrowing facilities:

	2007 €	2006 €
Floating rate:		
Expiring beyond one year	87,961,303	14,080,870

The facilities expiring within one year are annual facilities subject to review at various dates during 2008.

The carrying amounts of bank overdrafts and short-term bank loans approximate their fair value.

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2007 €	2006 €
Cyprus pound - functional currency	825,695	-
Euro - presentation currency	25,000,000	-
US Dollar	3,081,168	3,214,457
	28,906,863	3,214,457

24 Deferred tax liabilities

The movement on the deferred tax account is as follows:

Deferred tax liabilities

	Difference between depreciation and capital allowances €	Pensions €	Adjustments in respect of prior years €	Total €
At 1 January 2006	996,590	(39,724)	-	956,866
Charged to:				
Income statement (Note 12)	396,090	13,014	-	409,104
At 31 December 2006/ 1 January 2007	1,392,680	(26,710)	-	1,365,970
Charged to:				
Income statement (Note 12)	313,188	25,447	(77,693)	260,942
At 31 December 2007	1,705,868	(1,263)	(77,693)	1,626,912

24 Deferred tax liabilities (continued)

The amounts included in the balance sheet include the following:

	2007 €	2006 €
Deferred tax liabilities to be settled after more than twelve months	**1,626,912**	1,365,970

25 Pension liabilities

	2007 €	2006 €
Pension liabilities (Note 26)	**4,509**	89,032

Hellenic Petroleum Stakeholder Pension Scheme

The Hellenic Petroleum Stakeholder Pension Scheme is a defined contribution scheme open to all employees subject to certain conditions. The Company pays contributions at a rate between 5% and 15% of basic salary of participating employees. Contributions to the Scheme for the year ended 31 December 2007 amounted to €117.976 (2006: €112.806).

Hellenic Petroleum Defined Benefit Pension Schemes

The Share Purchase Agreement between BP plc and Hellenic Petroleum International A.G. (the "Agreement") provided that the existing retirement benefit schemes for all retired and active employees (including employees that remain under the employment of the Company) were transferred to BP Eastern Mediterranean Ltd (BPEM) which would become the Founding Company of the schemes as from 1 December 2002. This was subject to the consent of the local regulatory authorities. In accordance with the Agreement, the Company is committed to set up its own retirement benefit schemes for its current active employees (other than those employees who will elect to continue to be members of the current BP schemes), equivalent to the existing ones, that will provide benefits for future service that are no less favourable overall than those provided by BP under the existing arrangements. The Company's new schemes will recognise the employee's credited service, participation vesting and as applicable, benefit accrual periods of service, which will accrue in BP's retained arrangement in which the Company will participate as a Member Company until the setting up of its own schemes. For the period of participation, the Company pays the normal funding costs (i.e. current service costs), assuming that the schemes are neither in surplus or deficit.

Under the Agreement, BP procured that a transfer of assets in respect of benefits accrued as of 31 December 2002, is made from its current schemes to the Company's new schemes with the amount of such transfer to be calculated at the expiration of any period of participation and paid in cash unless otherwise agreed. As part of negotiations with the Employee Trade Unions for the execution of the Agreement, the Company made a provision of €812.520 in 2002 for extra funding to be contributed to the new schemes to allow for notified discretionary practises, mainly for providing increased pension benefits in line with price inflation.

25 Pension liabilities (continued)

The above arrangements were subject to the consent of the local regulatory authorities. The local regulatory authorities have given their consent for the split of the old existing staff schemes, but did not approve the transfer of the existing pension fund to BPEM. They instead, approved the set-up of a new pension fund scheme by BPEM. Accordingly, the Company retained the existing scheme (which was renamed from BP Cyprus Non Contributory Pension Fund to Hellenic Petroleum Cyprus Non Contributory Pension Fund during 2006 ("Pension Fund)) and BPEM set up a new scheme (the BP Eastern Mediterranean Non Contributory Pension Fund), without this affecting the substance of the way the assets were split and the transfer value was calculated, as stipulated in the agreement outlined above. In accordance with the Agreement the BPEM Fund also covers the former employees of BP Cyprus Ltd as at 1.1.2003. The changes to the Share Purchase Agreement, also provides that BPEM Fund shall indemnify and hold harmless the existing fund, retained by the Company, in respect of any liabilities and/or obligations of the existing fund, provided such liabilities and obligations of the existing fund, provided such liabilities and obligations arose prior to 31 December 2005.

Hellenic Petroleum Cyprus Limited

26 Actuarial valuation of the defined benefit retirement plans

The Company has elected to recognise actuarial gains and losses through the Income statement using the corridor approach. The estimated future benefit payments from the Plan are projected using the adopted assumptions stated below. By discounting these payments back to any given valuation date, the amount required at the given valuation date to meet these future benefit payments was estimated. This amount is called the present value (cost) of employees' benefits.

Under IAS 19, this cost must be recognised in a systematic manner over the employees' working lives. A valuation method must be chosen to attribute the cost between that arising from service up to the valuation date (past service) and that arising from service after the valuation date (future service).

The present value of a defined benefit obligation (DBO) is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The method chosen in this case is the Projected Unit Credit method because this is the only acceptable method under the revised IAS 19.

	2007	2006
	€	€
Present value of obligations	**7,884,535**	7,255,399
Fair value of plan assets	**(9,153,426)**	(7,802,594)
Unrecognised net Gain	**1,273,400**	636,227
Net Liability in Balance Sheet (Note 25)	**4,509**	89,032
Components of Profit & Loss Charge		
Service cost	**266,646**	239,742
Interest cost	**357,190**	329,479
Expected Return on plan Assets	**(390,333)**	(317,245)
Regular Profit & Loss Charge (Note 9)	**233,503**	251,976
Additional Cost of Extra Benefits	**-**	-
Restructuring Expense	**-**	-
Other Expense/(Income)	**-**	-
Total Profit & Loss Charge	**233,503**	251,976
Movement in Net Liability in Balance Sheet		
Net Liability in Balance Sheet at the beginning of the period	**89,032**	132,413
Actual Contributions paid by the Company	**(317,209)**	(294,459)
Total expense recognised in the income statement	**233,503**	251,976
Exchange differences	**(817)**	(898)
Net Liability in Balance Sheet	**4,509**	89,032
Movement in Unrecognised net Gain		
Unrecognised net Gain/(Loss) at the beginning of the period	**636,227**	(238,527)
Gains arising during the period	**643,017**	876,447
Exchange differences	**(5,844)**	(1,693)
Unrecognised net Gain at the end of the period	**1,273,400**	636,227
Unrecognised Gains to be amortised		
Maximum of the Value of Assets or the DBO	**9,261,607**	7,934,330
10% corridor	**926,161**	793,433
Unrecognised net Gain at the end of the period	**1,273,400**	636,227
Unrecognised net Gain outside the corridor	**347,239**	-
Average future working life	**12.24**	13.16
Amount to be amortised in next year's Profit & Loss	**28,369**	-

26 Actuarial valuation of the defined benefit retirement plans (continued)

	2007	2006
	€	€
Reconciliation of benefit obligation		
DBO at start of period	**7,255,399**	6,650,170
Service cost	**266,646**	239,742
Interest Cost	**357,190**	329,479
Benefits paid from the Fund	**(63,348)**	(165,079)
Actuarial Loss	**135,267**	257,726
Exchange differences	**(66,619)**	(56,639)
DBO at end of period	**7,884,535**	7,255,399
Reconciliation of plan assets		
Market value at start of period	**7,802,594**	6,279,232
Expected return	**390,333**	317,245
Company contributions	**317,209**	294,459
Fund Benefits	**(63,348)**	(165,079)
Asset Gain	**778,283**	1,134,173
Exchange differences	**(71,645)**	(57,436)
Fair value of plan assets at end of period	**9,153,426**	7,802,594

Additional disclosure requirements of the previous annual periods, 2005 and 2004:

	2005	2004
	€	€
Present value of obligations	**6,650,172**	5,677,944
Fair value of plan assets	**(6,279,231)**	(4,940,527)
Deficit in the plan	**370,941**	737,417

The actual return on plan assets was €255.066 (2006: €59.519).

Plan assets are comprised as follows:

	2007		2006	
	€	%	€	%
Equity instruments	**2 559 205**	**28**	2 437 350	31
Debt instruments	**767 760**	**8**	693 033	9
Cash and cash equivalents	**4 376 243**	**48**	4 154 880	53
Property	**1 450 218**	**16**	517 331	7
	9 153 426	**100**	7 802 594	100

The plan did not own any of the Company's financial instruments, property or any other assets.

Contributions expected to be paid to the plan during the annual period beginning after the balance sheet date amount to €354.637.

26 Actuarial valuation of the defined benefit retirement plans (continued)

Valuation Assumptions

Discount rate

IAS 19 requires that the discount rate should reflect the rate at which the liabilities could effectively be settled. It recommends using the rates of return on high quality fixed income investments of the appropriate maturity. In general, the long and medium term yields on government bonds and AA-rated corporate bonds are considered, depending on the average duration of the liabilities of each plan or country. The yields used as a reference to set the discount rate should be at a duration consistent with the duration of the liabilities.

One possible measure of medium to long term corporate bond yields in the Eurozone is the iBoxx € AA corporate bond indices.

The yields at the balance sheet date on the medium and longer term iBoxx € AA corporate bond indices at various durations are as follows:

iBoxx € AA Corporate Bond Index	Average modified	Annual yield as at 31 December
5-7 years to maturity	4,9 years	5,3%
7-10 years to maturity	6,8 years	5,4%
10+ years to maturity	11,1 years	5,5%

It can be seen from the above summary that the current yield curve is upward sloping, suggesting a higher discount rate at longer durations. The defined benefit plans of the Company have durations from above 10 years and therefore discount rate of 5,25%-5,50% may be considered an appropriate discount rate based on market conditions at the balance sheet date.

Given the large spreads observed in corporate bonds in December, the approach taken by corporates in Cyprus and Greece is to tend to go for the lower end of the range i.e. use a rate of 5,25%.

Price Inflation

For IFRS, the assumed inflation rate should reflect the best estimate of long-term inflation. This estimate may be derived from historical inflation rates and/or looking at the long-term rates implied by the bond market where index-linked bonds are regularly traded.

Current and expected inflation in the Eurozone is consistent with the European Central Bank inflation target, measured by HCIP, and is around 2,0% pa. For 2006 HCIP for the Eurozone was 1,90% and for 2007 (for 12 months to August) it was 1,7%. Although the comparative inflation in each of the countries may have shown rates below or above the average, in the longer term, we expect convergence.

One further indicator for medium to long term inflation is the rate implied by € denominated government bonds. For example - the current yield on the fixed interest French Gilt (5,75% coupon maturing in 2032) of 4,6% divided by the current yield on the French Index Linked Gilt (3,15% coupon maturing in 2032) of 2,2% would imply a long term inflation rate of around 2,40%.

Considering the above it is proposed to maintain a long-term rate for inflation of 2,50% pa for Cyprus as this rate remains appropriate.

26 Actuarial valuation of the defined benefit retirement plans (continued)

Rate of pay increases

Salary growth for the Company's employees comprises three elements: general pay increases, COLA increases and individual promotional/merit increases.

Over the long-term, it is suggested that a general salary increase of 4,5% per annum (in respect of general pay increases and COLA) - i.e. 2,0% per annum above inflation is a reasonable assumption.

An additional allowance of 0,5% per annum for promotional increases has been allowed.

This gives an overall salary increase assumption of 5,0% per annum, i.e. 2,5% per annum above inflation.

Rate of pension increases

Even though pension increases are discretionary, the Company has confirmed that it intends to make an allowance for future pension increases in the valuation assumptions. Therefore, an allowance for future pension increases in line with assumed price inflation of 2,50% has been made.

The SIS supplementary pension increases in line with increases in the CPI. Therefore, an allowance for future pension increases in line with assumed price inflation of 2,50% has also been made.

Increase in Insurable Earnings Limit

Social insurance contributions made in relation to the SIS supplementary pension are calculated on salaries up to the maximum insurable earnings limit. It is allowed for a long-term rate of 3,50% per annum (i.e. 1,0% per annum above the price inflation assumption). This compares with the 4,50% per annum assumption used for last year's valuation.

Mortality after retirement

The following standard mortality tables for mortality after retirement have been used:

Men: EVK 2000 males

Women: EVK 2000 females

No allowance has been made for mortality before retirement.

Withdrawals

No allowance

Retirements

It is assumed that males and females will retire at age 60. No allowance for early retirement has been made.

Commutation

Members are assumed to commute the maximum amount possible using the 12,5 commutation factor taking into consideration the provisions of Section 88 (1) of the Cyprus Social Insurance Law 1980.

26 Actuarial valuation of the defined benefit retirement plans (continued)

The table below summarises the main financial assumptions as at the current valuation data as well as those as at the last valuation date for comparison:

Assumptions	31 December 2007	31 December 2006
Price Inflation	2,5%	2,5%
Pay increases	5,0%	5,0%
Pension increases	2,5%	2,5%
Discount rate	5,25%	5,0%
Increase in Social Security Ceiling	3,5%	4,5%
Social Security Pension increases	2,5%	2,5%
Weighted-average expected return on plan assets	5%	5%

27 Trade and other payables

	2007 €	2006 €
Trade payables	3,632,394	1,636,297
Payables to related parties (Note 30(iii))	24,025,015	16,069,082
Other payables	6,900,071	4,341,944
Accrued expenses	1,799,972	1,571,973
	36,357,452	23,619,296

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

28 Contingencies

An agreement between the Government of the Republic of Cyprus and the Municipality of Larnaca was signed on 2 February 2001, whereby it was agreed that the oil terminals, which are situated within the Municipality of Larnaca, will be removed from their current location and relocated at a specified site at Vassiliko area and the land will be restored at the current site to its original condition, by the end of 2013-2015. The Company received legal advice which indicates that the Agreement is not binding for the Company, since the Company is not a party to the said Agreement. In addition there are a number of steps that must be followed before it becomes effective. If the relocation takes place, then the Company will face exceptional costs in that year and increased storage costs following relocation.

As at 31 December 2007 the Company has contingent liabilities in respect of the claims set out below, amounting to €897.016.

28 Contingencies (continued)

(i) There are two claims against the Company by the Commission for the Protection of Competition. Firstly, the Commission is accusing the Company of colluding with other petrol/oil companies and secondly, of colluding with the petrol station owners, to agree the prices of fuels sold.

(ii) There are two cases pending involving several consecutive plots of land, for which the Company is only involved as being the operating leaseholder of the land. The Directors believe that a compromise will be reached with exchange of money.

(iii) There is a pending claim against the Company in respect of damages to an ex-petrol station owner. The damages are immaterial and the Directors believe that this case is of limited exposure.

In addition to the above, the Company has contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liability will arise. These guarantees amounted to €1.496.714 (2006: €1.194.060).

29 Commitments

i Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2007	2006
	€	€
Property, plant and equipment	85,430	1,024,020

ii Operating lease commitments – where the Company is the lessee

The Company leases various petrol stations under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The lease expenditure charged to the income statement during the year is disclosed in Note 8.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2007	2006
	€	€
Not later than 1 year	2,288,748	1,731,000
Later than 1 year and not later than 5 years	7,818,398	5,902,000
Later than 5 years	13,968,755	9,284,000
	24,075,901	16,917,000

30 Related party transactions

The immediate parent undertaking is Hellenic Petroleum International A.G.

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, and the ultimate controlling party is Hellenic Petroleum S.A. which is the smallest and largest group to consolidate these financial statements. Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 17th Km National Road Athens-Corinth, 19 300 Aspropyrgos, Athens, Greece.

The following transactions were carried out with related parties:

(i) Sales of services

	2007 €	2006 €
Sales of services:		
Superlube Limited (management services)	107,079	107,598

(ii) Purchases of goods and services

	2007 €	2006 €
Purchases of goods:		
Superlube Limited	772,109	818,282
Hellenic Petroleum S.A.	202,012,705	177,795,299
EKO ELDA A.E	845,233	735,065
	203,630,047	179,348,646
Purchases of services:		
Superlube Limited	540,433	1,123,160

(iii) Year-end balances arising from sales/purchases of goods/services

	2007 €	2006 €
Receivable from related parties (Note 20):		
Superlube Limited	345	5,627
Payable to related parties (Note 27):		
Superlube Limited	-	235,211
Hellenic Petroleum S.A.	23,926,768	15,701,294
EKO ELDA A.E.	98,247	132,577
	24,025,015	16,069,082

(iv) Loans from related parties

	2007 €	2006 €
Loans from parent entity:		
At beginning of year	-	-
Loans advanced during year	25,000,000	-
At end of year (Note 23)	25,000,000	-

The above loan was provided by Hellenic Petroleum Finance PLC. The loan is unsecured, carries interest rate at Euribor + 0,375% and is renewable on a monthly basis.

31 Events after the balance sheet date

With the introduction of the Euro as the official currency of the Republic of Cyprus as from 1 January 2008, the functional currency of the Company has changed from Cyprus Pounds to Euro. As a result, the financial position of the Company at 1 January 2008 has been converted into Euro based on the definite fixing of the exchange rate €1=C£0,585274.

In 2008, the Board of Directors approved an interim dividend amounting to €10.000.000, which was paid on 17 December 2008.

There were no other material post balance sheet events, which have a bearing on the understanding of the financial statements.