R.A.M. OIL CYPRUS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2018

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BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Georgios Gregoras (Managing Director) Robertos Karahannas Elli Digeni Fotini Asimaki Dimitrios Kontofakas
Company Secretary	Marios Lytras 8 Andrea Karkavitsa Street 1076, Nicosia Cyprus
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Registered office	3 Ellispontou Street Strovolos 2015, Nicosia Cyprus

MANAGEMENT REPORT

The Board of Directors of R.A.M. Oil Cyprus Limited (the ''Company'') presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2018.

Principal activities and nature of operations of the Company
The principal activities of the Company, which are unchanged from last year, is to sell petroleum products through various petrol stations and the airports in Cyprus.

Review of current position, future developments and performance of the Company's business
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

Results
The Company's results for the year are set out on page 6. The net profit for the year attributable to the shareholders of the Company amounted to €1.658.923 (2017: €1.788.271). On 31 December 2018 the total assets of the Company were €17.060.203 (2017: €14.170.635) and the net assets of the Company were €13.849.726 (2017: €12.250.252).

Dividends
The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital
There were no changes in the share capital of the Company during the year under review.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2018.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

Branches
The Company did not operate through any branches during the year.

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 29 to the financial statements.

Independent Auditors
The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Marios Lytras
Secretary

Nicosia, 18 June 2019

Independent Auditor's Report

To the Members of R.A.M. Oil Cyprus Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company R.A.M. Oil Cyprus Limited (the "Company"), which are presented in pages 6 to 30 and comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company R.A.M. Oil Cyprus Limited as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of comprehensive income, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Gabriel Onisiforou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 18 June 2019

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 €	2017 €
Revenue	8	**142.660.934**	121.235.732
Cost of sales	10	**(134.698.964)**	(113.850.186)
Gross profit		**7.961.970**	7.385.546
Selling, marketing and administration expenses	10	**(6.095.033)**	(5.314.646)
Other income		**800**	-
Other expenses	9	**-**	(424)
Operating profit		**1.867.737**	2.070.476
Net finance income	11	**21.746**	2.816
Profit before tax		**1.889.483**	2.073.292
Tax	12	**(230.560)**	(285.021)
Net profit for the year		**1.658.923**	1.788.271
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Available-for-sale financial assets - Fair value Loss		**-**	(22.236)
Financial assets at fair value through other comprehensive income - Fair value Loss		**(59.449)**	-
Other comprehensive loss for the year		**(59.449)**	(22.236)
Total comprehensive income for the year		**1.599.474**	1.766.035

The notes on pages 10 to 30 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 December 2018

	Note	2018 €	2017 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	**259.849**	67.178
Intangible assets	15	**5.923.178**	3.883.178
Investments in subsidiaries	16	**1.000**	-
Available-for-sale financial assets	17	**-**	160.886
Financial assets at fair value through other comprehensive income	18	**101.437**	-
		6.285.464	4.111.242
Current assets			
Inventories	19	**3.302.523**	2.691.853
Trade and other receivables	20	**6.055.997**	5.623.727
Refundable taxes		**7.145**	-
Cash at bank and in hand	21	**1.409.074**	1.743.813
		10.774.739	10.059.393
Total assets		**17.060.203**	14.170.635
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**89.900**	89.900
Share premium	22	**7.910.100**	7.910.100
Other reserves	23	**101.437**	160.886
Retained earnings		**5.748.289**	4.089.366
Total equity		**13.849.726**	12.250.252
Current liabilities			
Trade and other payables	25	**3.210.477**	1.711.198
Borrowings	24	**-**	175.185
Current tax liabilities		**-**	34.000
		3.210.477	1.920.383
Total equity and liabilities		**17.060.203**	14.170.635

On 18 June 2019 the Board of Directors of R.A.M. Oil Cyprus Limited authorised these financial statements for issue.

....	....
Georgios Gregoras (Managing Director)	Robertos Karahannas
Director	Director

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Share capital €	Share premium €	Other reserves (Note 23) €	Retained earnings €	Total €
Balance at 1 January 2017	**89.900**	**7.910.100**	**183.122**	**2.301.095**	**10.484.217**
Comprehensive income					
Net profit for the year	-	-	-	1.788.271	1.788.271
Available-for-sale financial assets: Fair value loss	-	-	(22.236)	-	(22.236)
Total comprehensive income for the year	-	-	(22.236)	1.788.271	1.766.035
Balance at 31 December 2017/ 1 January 2018	**89.900**	**7.910.100**	**160.886**	**4.089.366**	**12.250.252**
Comprehensive income					
Net profit for the year	-	-	-	1.658.923	1.658.923
Change in fair value of financial assets through OCI	-	-	(59.449)	-	(59.449)
Total comprehensive income for the year	-	-	(59.449)	1.658.923	1.599.474
Balance at 31 December 2018	**89.900**	**7.910.100**	**101.437**	**5.748.289**	**13.849.726**

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

CASH FLOW STATEMENT
Year ended 31 December 2018

	Note	**2018** €	2017 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1.889.483**	2.073.292
Adjustments for:			
Depreciation of property, plant and equipment	14	**17.609**	18.467
Other income		**(798)**	-
Interest expense	11	**1.056**	3.328
		1.907.350	2.095.087
Changes in working capital:			
(Increase)/decrease in inventories		**(610.670)**	178.232
Increase in trade and other receivables		**(432.270)**	(1.930.464)
Increase in trade and other payables		**1.498.279**	632.618
Cash generated from operations		**2.362.689**	975.473
Tax paid		**(271.705)**	(274.230)
Net cash generated from operating activities		**2.090.984**	701.243
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	15	**(2.040.000)**	-
Payment for purchase of property, plant and equipment	14	**(210.280)**	-
Proceeds from disposal of property, plant and equipment		**798**	-
Net cash used in investing activities		**(2.249.482)**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(1.056)**	(3.328)
Net cash used in financing activities		**(1.056)**	(3.328)
Net (decrease)/increase in cash and cash equivalents		**(159.554)**	697.915
Cash and cash equivalents at beginning of the year		**1.568.628**	870.713
Cash and cash equivalents at end of the year	21	**1.409.074**	1.568.628

The notes on pages 10 to 30 form an integral part of these financial statements.

1. Corporate information

Country of incorporation

R.A.M. Oil Cyprus Limited (the "Company") was incorporated in Cyprus on 26 November 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 3 Ellispontou Street, Strovolos, 2015, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, is to sell petroleum products through various petrol stations and the airports in Cyprus.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through OCI.

These financial statements are the separate financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10 'Consolidated Financial Statements', has been used. The Company's ultimate parent Hellenic Petroleum S.A., a Company registered in Greece produced consolidated financial statements available for public use that comply with International Financial Reporting Standards as issued by the IASB and adopted by the European Union. A copy of the consolidated financial statements is available to the members, at the registered office of the ultimate parent company, at 8A Chimarras Street, Marousi, Athens and on its website www.helpe.gr.

The preparation of financial statements in conformity with IFRS 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 7.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Company.

The accounting principles and calculations used in the preparation of the financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2017 and have been consistently applied in all periods presented in this report except for the following IFRS's which have been adopted by the Company as of 1 January 2018. The Company applied for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments and disclosed below, as required by IAS 8, the nature and effect of these changes. Several other amendments and interpretations apply for the first time in 2018 but do not have a significant impact on the financial statements of the Company for the year ended 31 December 2018.

IFRS 9 Financial Instruments:

The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.

The Company adopted the new standard as of 1 January 2018 without restating comparative information. Other than the reclassification as stated below, the new standard did not have any significant impact on the Company's financial statements, upon adoption since, no material differences from applying the new accounting policy were identified. Therefore it did not have any impact on retained earnings and no transition adjustments were required as a result of its application.

3. Adoption of new or revised standards and interpretations (continued)

(a)Classification and measurement

Under IFRS 9, financial assets are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or at fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

The accounting for the Company's financial liabilities remain largely the same as under IAS 39.

In summary, upon the adoption of IFRS 9, the Company had the following reclassifications:

	As at 31 December 2017 (IAS 39)	**IFRS 9 measurement category**
	Loans and receivable	Amortised cost
	€	€
Trade receivables	5.623.727	5.623.727
	Available-for-sale financial assets	Financial assets at FVOCI
	€	€
Equity instruments, Securities	160.886	160.886

(b) Impairment

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

For trade receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been as significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Financial assets with contractual payments over 90 days past due constitute default events. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

(c) Hedge accounting

The Company does not apply hedge accounting.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 establishes a five-step model that applies to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not in the Company's ordinary activities (e.g. sales of property, plant and equipment or intangible).

3. Adoption of new or revised standards and interpretations (continued)

As from 1 January 2018, the Company applies the new standard using the modified retrospective method, therefore the initial application did not result in any restatement of comparative data. The new standard did not have any significant impact on the Company's financial statements, upon adoption since, no material differences from applying the new accounting policies were identified. Therefore it did not have any impact on retained earnings and no transition adjustments were required as a result of its application. Although the implementation of IFRS 15 does not generally represent a material change from the Company's current practices the Company revised its respective accounting policy as follows:

The Company recognizes revenue when (or as) a contractual promise to a customer (performance obligation) is fulfilled by transferring a promised good or service (which is when the customer obtains control over the promised goods or services). If a contract contains more than one performance obligation, the total transaction price of the contract is allocated among the individual, separate performance obligations based on their relative standalone selling prices. The amount of revenue recognized is the amount allocated to the satisfied performance obligation based on the consideration that the Company expects to receive in accordance with the terms of the contracts with the customers. Variable considerations are included in the amount of revenue recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur in the future.

Under the new requirements, the Company concluded that prospective volume discounts constitute a material right which should be deferred and recognized when exercised or lapsed. The Company provides volume discounts to customers based on thresholds specified in contracts. All such discounts are accrued within the financial year and therefore the application of the new standard has a nil effect in the annual Financial Statements.

IFRS 15 (Clarifications) Revenue from Contracts with Customers:

The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.

4. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Company has not early adopted, as follows:

(i) Issued by the IASB and adopted by the European Union

- IFRS 16 ''Leases'' (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019)

(ii) Issued by the IASB but not yet adopted by the European Union

- IFRS 14 Regulatory Deferral Accounts (the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date is postponed indefinitely pending the outcome of IASB's research project on the equity method of accounting)

4. New accounting pronouncements (continued)

(ii) Issued by the IASB but not yet adopted by the European Union (continued)

- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective for annual periods beginning on or after 1 January 2019)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019)
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)
- Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020)
- Amendment to IFRS 3 Business Combinations (effective for annual periods beginning on or after 1 January 2020)
- Amendments to IAS 1 and IAS 8: Definition of Material (effective for annual periods beginning on or after 1 January 2020)

The Board of Directors expects that the adoption of these standards or interpretations in future periods will not have a material effect on the financial statements of the Company.

5. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Goodwill

Goodwill relates to the acquisition of the retail licenses of petrol stations and the presence of the Company at the Paphos airport as a fuel supplier in airlines.

Goodwill with indefinite useful life is not amortised, but is tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

For the purpose of impairment testing, goodwill is allocated to each of the Company's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

5. Summary of significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

- **Sale of products**

  Sales of products are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

Finance income

Finance income is recognised on a time-proportion basis using the effective method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currency translation

(1) 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'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) 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 profit or loss. Translation differences on fair value through other comprehensive income financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on fair value through other comprehensive income debt securities are recognised in profit and loss.

5. Summary of significant accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated in the basis of the tax laws enacted or substantively enacted at the reporting date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Motor vehicles	10-20
Plant and machinery	10

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

5. Summary of significant accounting policies (continued)

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).

Financial instuments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

• Financial assets at amortised cost (debt instruments)

• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

• Financial assets at fair value through profit or loss

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives are also categorised as ‘held for trading’ unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model

5. Summary of significant accounting policies (continued)

Financial instuments (continued)

(b) Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met: a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(c) Financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

For trade receivables, which are not in default the Company applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. On the other hand, trade receivables in default are assessed on a case by case basis. The amount of the provision is recognised in the statement of comprehensive income and is included in "Selling and distribution expenses".

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Trade and other payable

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the Company if longer). If not, they are presented as non-current liabilities.

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

5. Summary of significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable a part of financial asset or part of a company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Comparatives

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

6. Financial risk management objectives and policies

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Market risk
Commodity price risk

The Company is exposed to commodity price risk through its purchases and distribution of petroleum products in 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 minimise the profit and loss impact.

As a result of passing changes in prices to its customers, the impact on profit and loss is immaterial.

Foreign exchange risk

The Company sells petroleum products in US dollars. 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.

6.2 Interest rate risk
The Company's interest rate risk arises from bank overdrafts. Bank overdrafts issued at variable rates expose the Company to cash flow interest rate risk.

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

6.3 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

6.4 Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

6. Financial risk management objectives and policies (continued)

6.4 Liquidity risk (continued)

31 December 2018	Less than 1 year
	€
Trade and other payables	3.210.477
	3.210.477

31 December 2017	Less than 1 year
	€
Borrowings	175.185
Trade and other payables	1.711.198
	1.886.383

6.5 Capital risk management
Capital includes equity shares and share premium.

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders 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 or issue new shares.

Fair values

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

Fair value measurements recognised in statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within 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).

31 December 2018	Level 1	Total
	€	€
Financial assets		
Financial assets at fair value through OCI: Equity securities	101.437	101.437
Total	**101.437**	**101.437**

31 December 2017	Level 1	Total
	€	€
Financial assets		
Available-for-sale financial assets: Equity securities	160.886	160.886
Total	160.886	160.886

6. Financial risk management objectives and policies (continued)

Fair values (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Cyprus Stock Exchange equity investments classified as financial assets at fair value through other comprehensive income (2017 available-for-sale).

7. Critical accounting estimates, judgments and assumptions

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the financial statements:

- **Provision for expected credit losses of receivables**

  The Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on the Company's historical credit loss experience calibrated to adjust the historical credit loss experience with forward-looking information specific to the debtors and the economic environment. At each year end, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

  The assessment of the correlation between historical observed credit losses, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

- **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.

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Company on which the goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

8. Revenue

	2018	2017
	€	€
Sale of goods	**139.819.211**	118.851.531
Other income	**2.841.723**	2.384.201
	142.660.934	121.235.732

Other income consists of revenue from shop items, sales of promotional products and car wash sales.

9. Other expenses

	2018	2017
	€	€
VAT charge on provision for bad debts	**-**	424
	-	424

10. Expenses by nature

	2018	2017
	€	€
Cost of sales	**134.698.964**	113.850.186
Depreciation and amortisation expense	**17.609**	18.467
Auditors' remuneration	**19.000**	21.325
Provision for bad and doubtful debts, net (Note 20)	**350.999**	(13.547)
Repairs and maintenance	**74.493**	42.637
Security services	**185.682**	172.012
Insurance	**34.638**	34.241
Entertaining expenses	**40.541**	28.454
Travelling local expenses	**2.169**	-
Other expenses	**486.432**	419.265
Electricity	**314.248**	279.765
Management services (Note 26)	**346.509**	346.509
Petrol stations managing costs	**4.170.387**	3.912.113
Printing and stationery	**24.185**	20.619
Professional fees	**27.341**	33.210
Total cost of goods sold, selling and marketing costs, administrative expense and other expenses	**140.793.197**	119.165.256

11. Finance income/(costs)

	2018	2017
	€	€
Foreign exchange transaction profit	**26.642**	12.539
Finance income	**26.642**	12.539
Foreign exchange transaction losses	**(3.840)**	(6.395)
Interest expense	**(1.056)**	(3.328)
Finance costs	**(4.896)**	(9.723)
Net finance income	**21.746**	2.816

12. Tax

	2018	2017
	€	€
Corporation tax - current year	**222.851**	285.021
Corporation tax - prior years	**7.709**	-
Charge for the year	**230.560**	285.02

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

	2018	2017
	€	€
Profit before tax	**1.889.483**	2.073.292
Tax calculated at the applicable tax rates	**236.185**	259.162
Tax effect of expenses not deductible for tax purposes	**5.132**	29.684
Tax effect of allowances and income not subject to tax	**(18.466)**	(3.825)
Prior year tax	**7.709**	-
Tax charge	**230.560**	285.021

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

13. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2018	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	€	€	€
Assets as per statement of financial position:			
Trade and other receivables	-	1.438.438	1.438.438
Financial assets	101.437	-	101.437
Cash and cash equivalents	-	1.409.074	1.409.074
Total	**101.437**	**2.847.512**	**2.948.949**

	Borrowings and other financial liabilities
	€
Liabilities as per statement of financial position:	
Trade and other payables	3.210.277
Total	**3.210.277**

13. Financial instruments by category (continued)

31 December 2017	Available-for-sale financial assets €	Loans and receivables €	Total €
Assets as per statement of financial position:			
Trade and other receivables	-	3.968.286	3.968.286
Financial assets	160.886	-	160.886
Cash and cash equivalents	-	1.743.813	1.743.813
Total	160.886	5.712.099	5.872.985

	Borrowings and other financial liabilities €
Liabilities as per statement of financial position:	
Bank borrowings	175.185
Trade and other payables	1.711.198
Total	1.886.383

14. Property, plant and equipment

	Motor vehicles €	**Plant and machinery €**	**Total €**
Cost			
Balance at 1 January 2017	130.458	165.320	295.778
Balance at 31 December 2017/ 1 January 2018	**130.458**	**165.320**	**295.778**
Additions	209.275	1.005	210.280
Write offs	(9.480)	-	(9.480)
Balance at 31 December 2018	**330.253**	**166.325**	**496.578**
Depreciation			
Balance at 1 January 2017	114.799	95.334	210.133
Charge for the year	4.916	13.551	18.467
Balance at 31 December 2017/ 1 January 2018	**119.715**	**108.885**	**228.600**
Charge for the year	4.058	13.551	17.609
Write offs	(9.480)	-	(9.480)
Balance at 31 December 2018	**114.293**	**122.436**	**236.729**
Net book amount			
Balance at 31 December 2018	**215.960**	**43.889**	**259.849**
Balance at 31 December 2017	**10.743**	**56.435**	**67.178**

15. Intangible assets

	Goodwill (1)	Fuel Rights for Paphos Airport (2)	Total
	€	€	€
At 1 January 2017			
Cost	3.883.178	249.147	4.132.325
Depreciation	-	(249.147)	(249.147)
Net book amount	3.883.178	-	3.883.178
Year ended 31 December 2017			
Opening net book amount	3.883.178	-	3.883.178
Closing net book amount	3.883.178	-	3.883.178
At 31 December 2017			
Cost	3.883.178	249.147	4.132.325
Depreciation	-	(249.147)	(249.147)
Net book amount	3.883.178	-	3.883.178
Year ended 31 December 2018			
Opening net book amount	3.883.178	-	3.883.178
Additions	2.040.000	-	2.040.000
Closing net book amount	5.923.178	-	5.923.178
At 31 December 2018			
Cost	5.923.178	249.147	6.172.325
Depreciation	-	(249.147)	(249.147)
Net book amount	5.923.178	-	5.923.178

Impairment test for goodwill

Goodwill is allocated to cash-generating units and the goodwill included in the Company's financial statements represents:

(1) Goodwill was recognised from the initial acquisition of the retail license of petrol stations from its related party Hellenic Petroleum Cyprus Limited in 2009. Goodwill represents the amounts paid for the license agreements resulting in the right to use and control the petrol stations. Additionally, on 1 January 2012 and 23 June 2016, the Company acquired the retail license of the petrol stations in Mandria (Pafos) and Avgorou respectively, from Hellenic Petroleum Cyprus Limited, resulting in the recognition of additional goodwill. During 2018, the Company also acquired the retail license of the petrol stations in Limassol (Ayias Phylaxeos) and in Nicosia (Demostheni Severi Avenue), from its related party, Hellenic Petroleum Cyprus Limited, resulting in the recognition of goodwill for the amount of €1.730.000 and €310.000, respectively.

The Company performed its annual impairment test in December 2018 and 2017. The recoverable amount of goodwill (petrol stations CGU) was determined based on a value in use calculation using cash flow projections covering a five-year period. As a result of the analysis performed, management did not identify an impairment for this CGU.
Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the following assumptions:

• Discount rate – 8,8%
• Growth rate – 3% was used to extrapolate cash flows beyond the forecast period

The weighted average growth rate used is consistent with the projections included in data and reports relevant to the industry of the Company. The discount rate used does not include the effects of tax and reflects specific risks relating to the Cash Generating Unit.

Fuel rights

(2) In 2009, the Company secured its presence at Paphos airport as a fuel supplier in airplanes. The total amount paid was €335.000, out of which €85.853 were used to purchase plant and equipment and the remaining €249.147 represented the right to use the facilities for the aircrafts refuelling.

16. Investment in subsidiary

	2018	2017
	€	€
Balance at 1 January	-	-
Incorporation of subsidiary	1.000	-
Balance at 31 December	**1.000**	-

The details of the subsidiary are as follows:

Name	Country of incorporation	Principal activities	Holding %	2018 €
Yugen Limited	Cyprus	Management and operation of its fuel terminal at the Vassiliko area	100	1.000

During 2018, the Company acquired 1000 ordinary shares of nominal value of €1 each of the investment in Yugen Limited for the total consideration of €1.000. On 19 January 2019 the Company transferred 100% of its share capital in Yugen Limited to Hellenic Petroleum Cyprus Holding (HPCH) Ltd (company under common control) for the total consideration of €1.000 (Note 29).

17. Available-for-sale financial assets

	2018	2017
	€	€
Balance at 1 January	160.886	183.122
Net losses transferred to other comprehensive income (Note 23)	-	(22.236)
Reclassification from AFS financial assets to financial assets at FVOCI (Note 18)	(160.886)	-
Balance at 31 December	-	160.886

	Fair values 2018	Fair values 2017
	€	€
Securities listed on Cyprus Stock Exchange	-	160.886
	-	160.886

18. Financial assets at fair value through other comprehensive income

	2018	2017
	€	€
Balance at 1 January	-	-
Reclassification from AFS financial assets to financial assets at FVOCI (Note 17)	160.886	-
Net losses transferred to other comprehensive income	(59.449)	-
Balance at 31 December	101.437	-

	Fair values 2018	Fair values 2017
	€	€
Securities listed on CY Stock Exchange	101.437	-
	101.437	-

19. Inventories

	2018	2017
	€	€
Finished products	**3.302.523**	2.691.853
	3.302.523	2.691.853

Inventories are stated at weighted average cost.

20. Trade and other receivables

	2018	2017
	€	€
Trade receivables	**2.215.974**	1.829.031
Less: provision for impairment of receivables	**(800.166)**	(455.889)
Trade receivables - net	**1.415.808**	1.373.142
Receivables from related companies (Note 26.2)	**-**	2.577.341
VAT Refundable	**4.617.559**	1.655.441
Other receivables	**22.630**	17.803
	6.055.997	5.623.727

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

As of 31 December 2018, trade receivables of €1.415.808 (2017: €1.373.142) were fully performing.

As of 31 December 2018, trade receivables of €800.166 (2017: €455.889) were impaired and provided for. The individually impaired receivables mainly relate to customers, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

Refundable VAT amounting to €4.617.559 as at 31 December 2018 (2017: €1.655.441) arose from VAT charged on purchases of aviation fuel made from a local supplier. The Company has contested the VAT charged and a VAT ruling on this issue was obtained.

Early in 2019, the Tax authorities have concluded and agreed with Company's initial position that the specific transactions are subject to VAT at zero per cent.

The supplier has been informed and agreed to proceed with all actions necessary in resolving this. The Company expects that all the procedures, required for the relative VAT refund, will be completed in 2019.

Movement in provision for impairment of receivables:

	2018	2017
	€	€
Balance at 1 January	**455.889**	480.029
Bad debts recovered (Note 10)	**-**	(26.947)
Charge for the year (Note 10)	**350.999**	13.400
Bad debts written off already provided for	**(6.722)**	(10.593)
Balance at 31 December	**800.166**	455.889

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

21. Cash at bank and in hand

Cash balances are analysed as follows:

	2018	2017
	€	€
Cash at bank and in hand	**1.409.074**	1.743.813
	1.409.074	1.743.813

Cash and cash equivalents by type:

	2018	2017
	€	€
Cash at bank and in hand	**1.409.074**	1.743.813
Bank overdrafts (Note 24)	**-**	(175.185)
	1.409.074	1.568.628

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

22. Share capital and share premium

Issued and fully paid	**Number of shares**	**Share capital**	**Share premium**	**Total**
		€	**€**	**€**
Balance at 1 January 2017	8.990	89.900	7.910.100	8.000.000
Balance at 31 December 2017/ 1 January 2018	**8.990**	**89.900**	**7.910.100**	**8.000.000**
Balance at 31 December 2018	**8.990**	**89.900**	**7.910.100**	**8.000.000**

The total authorized number of ordinary shares is 11.000 shares (2017: 11.000 shares) with a par value of €10 per share. All issued shares are fully paid.

The share premium is not available for dividend distribution.

23. Other reserves

	Fair value reserve - available-for-sale financial assets	Fair value reserve - Financial assets at fair value through other comprehensive income	Total
	€	€	€
Balance at 1 January 2017	183.122	-	183.122
Fair value adjustment (Note 17)	(22.236)	-	(22.236)
Balance at 1 January 2018 as previously reported	**160.886**	**-**	**160.886**
Change in accounting policy:			
Effect of initial application of IFRS 9	(160.886)	160.886	**-**
Balance at 1 January 2018 as restated	**-**	**160.886**	**160.886**
Fair value adjustment (Note 18)	-	(59.449)	(59.449)
Balance at 31 December 2018	**-**	**101.437**	**101.437**

The equity instruments, Securities listed on Cyprus Stock Exchange, were reclassified from available for sale investment to other financial assets at fair value through OCI. There is no impact other than classification following the adoption of IFRS 9 Financial Instruments as at 1 January 2018.

24. Borrowings

	2018	2017
	€	€
Current borrowings		
Bank overdrafts (Note 21)	**-**	175.185

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

	2018	2017
Bank overdrafts	**4,9%**	4,9%

The Company's bank overdrafts are arranged at the floating rate of 3 months Euribor plus a margin of 4,90% per annum. For borrowings at floating rates the interest rate is subject to repricing exposing the Company to cash flow interest rate risk.

The Company has undrawn borrowing facilities of €1.000.000 as at 31 December 2018 (2017: €824.815).

25. Trade and other payables

	2018	2017
	€	€
Trade payables	**1.386.820**	1.342.912
Other creditors	**190.315**	364.181
Payables to related companies (Note 26.3)	**1.633.342**	4.105
	3.210.477	1.711.198

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

26. Related party transactions

The Company is controlled by Hellenic Petroleum International A.G., incorporated in Austria, which owns 100% of the Company's shares. The Company's ultimate controlling party is Hellenic Petroleum S.A. of Greece.

The ultimate parent entity which prepares the consolidated financial statements of the largest group of companies of which the Company forms part as a subsidiary, is Hellenic Petroleum S.A. Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 8A Chimarras street, 15125, Marousi, Greece.

The following transactions were carried out with related parties:

26.1 Purchases of goods and services

	Nature of transactions	**2018**	2017
		€	€
Hellenic Petroleum Cyprus Limited (net of Excise Duty and CSO tax)	Purchase of goods	**119.050.279**	86.989.318
Hellenic Petroleum Cyprus Limited (Note 10)	Management services	**346.509**	346.509
EKO ABEE	Management services	**113.735**	104.960
		119.510.523	87.440.787

26. Related party transactions (continued)

26.2 Receivables from related parties (Note 20)

Name	Nature of transactions	2018 €	2017 €
Hellenic Petroleum Cyprus Limited	Sales/purchases of goods/services	-	2.577.341
		-	2.577.341

The receivables from related parties are of trading nature, and are unsecured and repayable on demand.

26.3 Payables to related parties (Note 25)

Name	Nature of transactions	2018 €	2017 €
Hellenic Petroleum Cyprus Limited	Trade	**1.628.354**	-
EKO ABEE	Management services	**3.988**	4.105
Yugen Limited	Finance	**1.000**	-
		1.633.342	4.105

The payables to related parties are of trading nature, unsecured and repayable on demand.

27. Contingent liabilities

At 31 December 2018, the Company holds letters of guarantee of €45.650 (2017: €45.650) for trading purposes.

The Company had no contingent liabilities as at 31 December 2018 (2017: Nil).

28. Commitments

The Company had no capital or other commitments as at 31 December 2018 (2017: Nil).

29. Events after the reporting period

On 19 January 2019, the Company transferred its total shareholding (100%) in Yugen Limited consisting of 1000 ordinary shares of nominal value of €1 each, to Hellenic Petroleum Cyprus Holding (HPCH) Ltd, an entity under common control, for the total consideration of €1.000 (Note 16).

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

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ADDITIONAL INFORMATION TO THE STATEMENT OF COMPREHENSIVE INCOME

CONTENTS

SELLING AND DISTRIBUTION EXPENSES
Year ended 31 December 2018

	2018	2017
	€	€
Selling, marketing and administrative expenses		
Security Services	**185.682**	172.012
Airport Handling Service Fee	**25.005**	25.539
Provision for bad and doubtful debts, net	**350.999**	(13.547)
Electricity	**314.248**	279.765
Cleaning expenses	**62.106**	59.309
Insurance	**34.638**	34.241
Repairs and maintenance	**74.493**	42.637
Sundry expenses	**39.686**	36.709
Telephone and postage	**43.213**	42.797
Stationery and printing	**24.185**	20.619
Taxes and Licences	**46.320**	26.363
Auditors' remuneration	**19.000**	21.325
Legal and professional fees	**27.341**	33.210
Travelling local expenses	**2.169**	-
Entertaining	**40.541**	28.454
Management fees	**346.509**	346.509
Water and Sewerage Expenses	**48.294**	34.837
Bank Charges	**108.873**	88.327
Petrol Station Managing Costs	**4.170.387**	3.912.113
Aviation Service Fee	**113.735**	104.960
Depreciation	**17.609**	18.467
	6.095.033	5.314.646