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Superlube Limited

Original (signed)

Report and financial statements

31 December 2016

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Superlube Limited

Report and financial statements
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Contents

Superlube Limited

Board of Directors and other officers

Board of Directors

Aspasia Dimea
Georgios Gregoras (appointed 2 January 2017)
Andreas Stratis (appointed 2 January 2017)
Christina Tzizimbourouni (appointed 2 January 2017)
Christos Pantechis (appointed 2 January 2017)
Antonis Semelides (resigned 2 January 2017)
Costakis Lefkaritis (resigned 15 December 2016)
Dinos Lefkaritis (resigned 15 December 2016)

Company Secretary

Maria Patsalidou

Registered office

3 Ellispondou street
2015 Strovolos
Nicosia
Cyprus

Bankers

Bank of Cyprus Public Company Limited
Hellenic Bank Public Company Limited

Independent Auditors

PricewaterhouseCoopers Limited
Julia House
3 Themistocles Dervis Street
CY-1066 Nicosia
P O Box 21612
CY-1591 Nicosia, Cyprus
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Independent auditor's report

To the Members of Superlube Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Superlube Limited (the "Company"), which are presented on pages 5 to 25 and comprise the balance sheet as at 31 December 2016, and the statements of comprehensive income, changes in equity and cash flows 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 the Company as at 31 December 2016, 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.

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.

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Auditor's responsibility 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 skepticism 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 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.

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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 34 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.

Sophie A Solomonidou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 30 June 2017

Superlube Limited

Statement of comprehensive income for the year ended 31 December 2016

	Note	**2016** €	2015 €
Revenue	5	**701.295**	1.260.465
Cost of sales		**(689.958)**	(1.187.919)
Gross profit		**11.337**	72.546
Administrative expenses	7	**(66.585)**	(66.095)
Other income	6	**42.192**	842
Operating (loss)/profit		**(13.056)**	7.293
Finance costs	9	**(2.157)**	(5.494)
(Loss)/profit before income tax		**(15.213)**	1.799
Income tax (expense)/credit	10	**(1.006)**	300
(Loss)/profit and total comprehensive (loss)/income for the year		**(16.219)**	2.099

The notes on pages 9 to 25 are an integral part of these financial statements.

Superlube Limited

Balance sheet
at 31 December 2016

	Note	2016 €	2015 €
Assets			
Non-current assets			
Property, plant and equipment	13	**-**	87.647
Current assets			
Inventories	14	**-**	258.722
Trade and other receivables	15	**511.767**	860.058
Tax refundable		**1.865**	1.865
Cash in hand and at bank	16	**546.384**	139.534
		1.060.016	1.260.179
Total assets		**1.060.016**	1.347.826
Equity and liabilities			
Capital and reserves			
Share capital	17	**940.500**	940.500
Retained earnings		**104.511**	120.730
Total equity		**1.045.011**	1.061.230
Current liabilities			
Trade and other payables	19	**6.554**	183.325
Borrowings	18	**8.451**	103.271
		15.005	286.596
Total equity and liabilities		**1.060.016**	1.347.826

On 30 June 2017 the Board of Directors of Superlube Limited authorised these financial statements for issue.

Georgios Gregoras, Director

Andreas Stratis, Director

The notes on pages 9 to 25 are an integral part of these financial statements.

Superlube Limited

Statement of changes in equity for the year ended 31 December 2016

	Share capital €	Retained earnings[(1)] €	Total €
Balance at 1 January 2015	940.500	118.631	1.059.131
Comprehensive income			
Profit for the year	-	2.099	2.099
Balance at 31 December 2015/1 January 2016	940.500	120.730	1.061.230
Comprehensive income			
Loss for the year	-	(16.219)	(16.219)
Balance at 31 December 2016	940.500	104.511	1.045.011

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 9 to 25 are an integral part of these financial statements.

Superlube Limited

Statement of cash flows
for the year ended 31 December 2016

	Note	2016 €	2015 €
Cash flows from operating activities			
(Loss)/profit before income tax		**(15.213)**	1.799
Adjustments for:			
Depreciation of property, plant and equipment	13	**17.719**	20.111
Impairment of property, plant and equipment	13	**69.928**	-
Interest income	6	**-**	(842)
Interest expense	9	**2.157**	5.494
		74.591	26.562
Changes in working capital:			
Inventories		**258.722**	46.153
Trade and other receivables		**348.291**	(171.376)
Trade and other payables		**(176.771)**	(46.484)
Cash generated from/(used in) operations		**504.833**	(145.145)
Income tax paid		**(1.006)**	(300)
Net cash generated from/(used in) operating activities		**503.827**	(145.445)
Cash flows from investing activities			
Interest received		**-**	842
Net cash from investing activities		**-**	842
Cash flows from financing activities			
Interest paid		**(2.157)**	(5.494)
Net cash used in financing activities		**(2.157)**	(5.494)
Net increase/(decrease) in cash and cash equivalents		**501.670**	(150.097)
Cash and cash equivalents at beginning of year		**36.263**	186.360
Cash and cash equivalents at end of year	16	**537.933**	36.263

The notes on pages 9 to 25 are an integral part of these financial statements.

Superlube Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 3 Ellispondou street , 2015 Strovolos, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the production and distribution of lubricating oils.

On 18 February 2016 the Board of Directors decided the termination of the production of the Company and the redundancy of its personnel by the 15th April 2016. The Company will curently remain dormant.

Operating environment of the Company

Following a long and relatively deep economic recession, the Cyprus economy began to record positive growth in 2015 which accelerated during 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015 and on the back of the strength of the economy's performance and the strong implementation of required measures and reforms, Cyprus exited its economic adjustment programme in March 2016. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and although the rating continues to be "non-investment grade", the Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive, however, there are downside risks to the growth projections emanating from the high levels of non performing exposures, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, including continuation of the recession in Russia in conditions of protracted declines in oil prices; weaker than expected growth in the euro area as a result of worsening global economic conditions; slower growth in the UK with a weakening of the pound as a result of uncertainty regarding the result of the Brexit referendum; and political uncertainty in Europe in view of Brexit and the refugee crisis.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

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 in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2016 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The financial statements have been prepared under the historical cost convention.

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 4.

Adoption of new and revised IFRSs

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 1 January 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services in the ordinary course of the Company's activities, net of value added taxes, returns and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenues earned by the Company are recognised on the following bases:

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

(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.

(ii) Interest income

Interest income is recognised using the effective interest method. When a loan or 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. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities 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.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance costs". All other foreign exchange gains and losses are presented in profit or loss within "other gains/(losses) – net".

2 Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

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:

	%
Plant and machinery	10
Leasehold improvements	10
Furniture and fixtures	10
Computer equipment	10-20

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 profit or loss 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 are recognised in "other gains/(losses) – net" in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets. The Company's loans and receivables comprise "receivables from related parties" and "cash and cash equivalents" in the balance sheet.

Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are derecognised when the rights to receive cash flows from the loans and receivables have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

2 Summary of significant accounting policies (continued)

Loans and receivables (continued)

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for loan impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. Significant financial difficulties of the borrower, probability that the borrower will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at effective interest rate. The amount of the provision is recognised in profit or loss.

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 inventory compromises raw materials and other direct 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 amounts due from customers for merchandise 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. 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 receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

2 Summary of significant accounting policies (continued)

Trade receivables (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss 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 profit or loss.

Share capital

Ordinary shares are classified as equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

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.

2 Summary of significant accounting policies (continued)

Trade and other payables

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 business 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.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks with original maturity of three months or less and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

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, cash flow interest rate risk), credit risk and liquidity risk.

The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

- **Market risk**

  Foreign exchange risk

  The Company imports raw materials from overseas and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. 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.

  Cash flow and 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.

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.

Credit risk arising from customers is limited since the company's customers are mainly related parties.For other customers, since there is no independent rating to rely on, the management assesses the credit quality of the customer, taking into account its financial position and market reputation. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Bank balances comprise mainly of amounts with two banking institutions.

- **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, with the exception of borrowings, equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year €
At 31 December 2015	
Borrowings	103.271
Trade and other payables	183.325
	286.596

	Less than 1 year €
At 31 December 2016	
Borrowings	**8.451**
Trade and other payables	**6.554**
	15.005

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management maintains flexibility in funding by maintaining availability under committed credit lines.

(ii) 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.

3 Financial risk management (continued)

(ii) Capital risk management (continued)

The capital as defined by management at 31 December 2016 and 2015 consists of equity as shown on the face of the balance sheet.

(iii) Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

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.

(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 used have no significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- **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 current and deferred income tax assets and liabilities in the period in which such determination is made.

5 Revenue

	2016	2015
	€	€
Sales of goods	**701,295**	1,260,465

Superlube Limited

6 Other income

	2016	2015
	€	€
Interest income:		
Bank balances	-	842
Write off of payable	42.192	-
	42.192	842

7 Expenses by nature

	2016	2015
	€	€
Raw materials used	502.083	904.460
Depreciation charges (Note 13)	17.719	20.111
Impairment of property, plant and equipment (Note 13)	69.928	-
Operating lease payments	29.813	29.813
Auditors' remuneration	7.405	5.775
Staff costs (Note 8)	46.542	135.196
Other expenses	29.936	101.077
Management fees	51.258	51.258
Materials and consumables	724	5.159
Bank charges	1.135	1.165
Total cost of goods sold and administrative expenses	756.543	1.254.014

The professional fees stated above include fees of €290 (2014: nil) for other non-assurance services charged by the Company's statutory audit firm.

8 Staff costs

	2016	2015
	€	€
Wages and salaries	40.446	114.425
Social insurance costs	4.884	16.659
Other	1.212	4.112
	46.542	135.196

9 Finance costs

	2016	2015
	€	€
Interest expense:		
Bank borrowings	2.157	5.494

10 Income tax expense

	2016	2015
	€	€
Current tax:		
Corporation tax	300	(300)
Corporation tax prior year	706	-
Income tax expense/(credit)	1.006	(300)

10 Income tax expense (continued)

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

	2016 €	2015 €
(Loss)/profit before tax	**(15.213)**	1.799
Tax calculated at the applicable corporation tax rate of 12.5%	**(1.902)**	225
Tax effect of expenses not deductible for tax purposes	**11.523**	45
Tax effect of allowances and income not subject to tax	**(9.896)**	(265)
Tax effect of utilisation of previously unrecognised tax losses	**575**	(5)
Under/(Over) provision of prior year's taxes	**706**	(300)
Income tax charge/(credit)	**1.006**	(300)

The Company is subject to income tax on taxable profits at the rate of 12,5%.

As from tax year 2012 brought forward losses of only five years may be utilised.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% from 1 January 2012; reduced to 17% as from 1 January 2014. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon, etc) are exempt from Cyprus income tax.

11 Financial instruments by category

	Loans and receivables €
31 December 2016	
Assets as per balance sheet	
Trade and other receivables	511.767
Cash and cash equivalents	546.384
Total	1.058.151

	Other financial liabilities €
Liabilities as per balance sheet	
Borrowings	8.451
Trade and other payables	6.554
Total	15.005

11 Financial instruments by category (continued)

	Loans and receivables €
31 December 2015	
Assets as per balance sheet	
Trade and other receivables	860.058
Cash and cash equivalents	139.534
Total	999.592

	Other financial liabilities €
Liabilities as per balance sheet	
Borrowings	103.271
Trade and other payables	183.325
Total	286.596

12 Credit quality of financial assets

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

	2016 €	2015 €
Fully performing other receivables		
Group 1	**511.767**	860.058

	2016 €	2015 €
Cash at bank and short-term bank deposits[1]		
Caa1	**546.384**	-
Caa2	**-**	138.680
	546.384	138.680

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

Group 1 – shareholding companies

None of the financial assets that are fully performing has been renegotiated in the last year.

None of the loans and receivables from related parties is past due or impaired.

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13 Property, plant and equipment

	Plant and machinery	Fixtures and equipment	Leasehold improvements	Computer equipment	Total
	€	€	€	€	€
At 1 January 2015					
Cost	2.361.153	17.340	160.333	76.407	2.615.233
Accumulated depreciation	(2.254.211)	(17.340)	(160.333)	(75.591)	(2.507.475)
Net book amount	106.942	-	-	816	107.758
Year ended 31 December 2015					
Opening net book amount	106.942	-	-	816	107.758
Depreciation charge (Note 7)	(19.805)	-	-	(306)	(20.111)
Closing net book amount	87.137	-	-	510	87.647
At 31 December 2015					
Cost	2.361.153	17.340	160.333	76.406	2.615.232
Accumulated depreciation	(2.274.016)	(17.340)	(160.333)	(75.896)	(2.527.585)
Net book amount	87.137	-	-	510	87.647
Year ended 31 December 2016					
Opening net book amount	87.137	-	-	510	**87.647**
Depreciation charge (Note 7)	(17.413)	-	-	(306)	**(17.719)**
Impairment charge (Note 7)	(69.724)	-	-	(204)	**(69.928)**
Closing net book amount	-	-	-	-	-
At 31 December 2016					
Cost	2.361.153	17.340	160.333	76.406	**2.615.232**
Accumulated depreciation	(2.361.153)	(17.340)	(160.333)	(76.406)	**(2.615.232)**
Net book amount	-	-	-	-	-

14 Inventories

	2016	2015
	€	€
Raw materials	-	258.722

All stock items are stated at cost.

15 Trade and other receivables

	2016	2015
	€	€
Receivables from related parties (Note 21(iii))	**511.767**	860.058

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

Concentrations of credit risk with respect to trade receivables are very limited due to the majority of receivables being due from related parties.

15 Trade and other receivables (continued)

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

	2016 €	2015 €
Euro - functional and presentation currency	511.767	860.058

16 Cash and bank balances

	2016 €	2015 €
Cash at bank and in hand	546.384	139.534

Cash, cash equivalents and bank overdrafts include the following for the purposes of the statement of cash flows:

	2016 €	2015 €
Cash and bank balances	546.384	139.534
Bank overdrafts (Note 18)	(8.451)	(103.271)
	537.933	36.263

17 Share capital

	2016		2015	
	Number of shares	€	Number of shares	€
Authorised				
Founder shares of €1,71 each	1 000	1.710	1 000	1.710
Ordinary shares of €1,71 each	549 000	938.790	549 000	938.790
Total	550 000	940.500	550 000	940.500
Issued and fully paid				
Founder shares of €1,71 each	1 000	1.710	1 000	1.710
Ordinary shares of €1,71 each	549 000	938.790	549 000	938.790
Total	550 000	940.500	550 000	940.500

The total authorized number of ordinary shares is 550 000 shares (2015: 550 000 shares) with a par value of €1,71 per share. All issued shares are fully paid.

On 29 December 2016 the Board of Directors agreed to proceed with a reduction of the Company's share capital following the termination of operations of the Company in April 2016. (Note 22)

18 Borrowings

	2016 €	2015 €
Current		
Bank overdrafts (Note 16)	8.451	103.271

18 Borrowings (continued)

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

	2016	2015
	%	%
Bank overdrafts	**4,90**	5.50

The Company's bank borrowings and bank overdrafts are arranged at floating rates. For borrowings at floating rates the interest rate is subject to repricing exposing the Company to cash flow interest rate risk.

As at 31 December 2016 the Company had undrawn borrowing facilities of €290.554 (2015: €195.734).

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

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

	2016	2015
	€	€
Euro - functional and presentation currency	**8.451**	103.271

19 Trade and other payables

	2016	2015
	€	€
Trade payables	**-**	62.729
Other payables	**228**	60.714
Accrued expenses	**6.326**	59.882
	6.554	183.325

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

20 Contingencies

i) Relocation

The deliberations with the Government for the relocation of Oil and LPG Companies from Larnaca to Vasiliko continue. The Minister of Interior has been actively involved with the relocation and organised meetings with the Oil and LPG Companies for this purpose. The firm decision of the Government to relocate the Companies was clearly expressed and at the same time the Government's determination to compensate the Companies only by way of change of use of their land at Larnaca was also communicated. The Minister of Interior endorsed on the 30th of January 2014 a Decree, which was issued by the Larnaca Municipality, whereby the use of all of the Oil and LPG terminals within the administrative boundaries of the Larnaca Municipality shall be terminated within a period of three years from the date of the endorsement. On the 1st of February 2017 the Government decree to relocate has expired. In a meeting held at the Ministry of Interior on 24 November 2016, in the presence of a team of four Ministers, all representatives from Oil Companies and related government officials, the Minister of Interior (the responsible authority) stated that he will consider an extension of the degree following the application by the Companies providing specific actions on how they plan to proceed with the relocation. This is still in process.

ii) Letters of guarantee

The Company has contigent liability in respect of bank guarantees arising in the ordinary course of business from which it is anticipated that no material liability will arise. The guarantess amounted to €11.004 (2015: €11.004).

21 Related party transactions

Until 14 December 2016 the Company was controlled by Hellenic Petroleum Cyprus Limited, incorporated in the United Kingdom, which owned 65% of the Company's shares and the remaining 35% of the shares were held by Petrolina (Holdings) Public Limited. From 15 December 2016 Hellenic Petroleum Cyprus Limited owns 100% of the Company's shares, having acquired the remaining 35%. The Company's ultimate controlling party is Hellenic Petroleum S.A., a company listed in Greece.

The following transactions were carried out with related parties:

(i) Sales of goods and services

	2016	2015
	€	€
Sales of goods and services:		
Hellenic Petroleum Cyprus Limited	**533.239**	886.722
Petrolina (Holdings) Public Limited (until 14 December 2016)	**165.350**	368.366
	698.589	1.255.088

All the transactions with related parties are of a trading nature.

21 Related party transactions (continued)

(ii) Purchases of goods and services:

	2016	2015
	€	€
Purchases of services:		
Hellenic Petroleum Cyprus Limited (management fee, operating lease)	**81.071**	81.071
Purchases of goods:		
Hellenic Petroleum Cyprus Limited	**595**	3.459

All the transactions with related parties are of a trading nature.

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

	2016	2015
	€	€
Receivables from related parties (Note 15):		
Petrolina (Holdings) Public Limited (as at 14 December 2016)	**-**	454.080
Hellenic Petroleum Cyprus Limited	**511.767**	405.978
	511.767	860.058

The above balances bear no interest and are repayable on demand.

22 Events after the balance sheet date

On 29 December 2016 the Board of Directors agreed to proceed with a reduction of the Company's share capital following the termination of operations of the Company in April 2016. The relevant court order has not yet been obtained as at the date of authorisation of these financial statements .

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

Independent auditor's report on pages 2 to 4.

Superlube Limited

Additional information to the statement of comprehensive income

Cost of goods sold
for the year ended 31 December 2016

	2016	2015
	€	€
Raw materials at 1 January	**173.311**	304.875
Purchases of raw materials	**328.772**	858.307
Raw materials at 31 December	**-**	(258.722)
Cost of materials used	**502.083**	904.460
Direct expenses		
Salaries and related costs	**46.542**	135.196
Contractor costs	**-**	21.819
Depreciation of property, plant and equipment	**17.719**	20.111
Impairment of property, plant & equipment	**69.928**	-
Operating lease rentals	**29.813**	29.813
Repairs and maintenance	**10.497**	5.453
Materials and consumables	**724**	5.159
Insurance	**4.446**	4.767
Electricity	**6.238**	14.388
Taxes and licences	**1.714**	46.122
Other expenses	**254**	631
	187.875	283.459
Cost of goods sold	**689.958**	1.187.919

Superlube Limited

Analysis of expenses
for the year ended 31 December 2016

	2016	2015
	€	€
Administrative expenses		
Management fees	**51.258**	51.258
Auditors' remuneration	**7.405**	5.775
Legal fees	**2.136**	2.136
Professional fees	**1.905**	600
Telephone, telexes and facsimiles	**350**	868
Printing and stationery	**55**	78
Canteen expenses	**1.750**	2.644
Safety Costs	**-**	967
Bank charges	**1.135**	1.165
Sundry expenses	**591**	604
	66.585	66.095