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# ***R.A.M. Oil Cyprus Limited***

Original (signed)

*Report and  
financial  
statements*

*31 December 2016*

# **R.A.M. Oil Cyprus Limited**

## **Report and financial statements 31 December 2016**

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# **R.A.M. Oil Cyprus Limited**

## **Board of Directors and other officers**

### **Board of Directors**

Georgios Gregoras (Managing Director)  
Robertos Karachannas  
Elli Digeni  
Olga Tsaloglou (resigned 15/03/2017)  
Fotini Asimaki  
Dimitrios Kontofakas (appointed 15/03/2017)

### **Company Secretary**

#### **Marios Lytras**

8 Andrea Karkavitsa Street  
1076, Nicosia  
Cyprus

### **Registered office**

3 Ellispontou Street  
Strovolos  
2015, Nicosia  
Cyprus

### **Auditors**

PricewaterhouseCoopers Limited  
PwC Central  
43 Demostheni Severi Avenue  
CY-1080 Nicosia  
P O Box 21612  
CY-1591 Nicosia, Cyprus  
Telephone: + 357 - 22555000  
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[www.pwc.com/cy](http://www.pwc.com/cy)

# R.A.M. Oil Cyprus Limited

## Management Report

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2016.

### **Principal activities and nature of operations of the Company**

2 The principal activity of the Company, which is unchanged from last year, is to sell petroleum products in Cyprus through various petrol stations.

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

3 During the year ended 31 December 2016 the Company increased its turnover by 6% as a result of which its turnover amounted to €99.094.091 compared to €93.464.237, due to the increase in consumption through the existing and new petrol stations that opened during 2016 and the increase in the worldwide fuel oil trading price. Similarly to the increase in its turnover, the Company's gross and net profit increased by 36% and 11,7% respectively, as a result of which, the Company's net profit for the year amounted to €994.765 relative to €739.951 for the year 2015. The increase in the profitability was a result of the increase in the consumption and the continuous development of the Company.

4 As at 31 December 2016 the Company's total assets amounted to €11.510.596 (2015: €10.262.971) and its net assets amounted to €10.484.217 (2015: net assets €9.499.916). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

# R.A.M. Oil Cyprus Limited

## Management Report (continued)

5 The principal risks and uncertainties faced by the Company are disclosed in Notes 1, 3 and 4 of the financial statements.

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.

6 This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

### Foreign exchange risk

7 The Company 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. As at 31 December 2016, the Company's exposure to US Dollar amounted to €90.328 . The Company is not applying any hedge accounting for foreign exchange risk. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

# R.A.M. Oil Cyprus Limited

## Management Report (continued)

### Price risk

8 The Company is exposed to commodity price risk through its purchases and distribution of petroleum products in Cyprus.

9 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.

10 The Company is also exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as available-for-sale.

11 The Company's equity investments as at 31 December 2016 include equity securities which are publicly traded and included in the Cyprus Stock Exchange General Index amounting to €193.586. The Company does not apply any hedge accounting for price risk.

### Cash flow interest rate risk

12 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.

13 As at 31 December 2016, the Company's liabilities which bore variable interest rates amounted to €221.179. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Company does not apply hedge accounting for cash flow interest rate risk.

### Credit risk

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

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

16 The Company's credit risk arises from trade receivables amounting to €1.327.134, other receivables amounting to €1.876, and, bank balances amounting to €118.948. As of 31 December 2016, trade receivables of €576.044 (2015: €604.495) were past due more than three months. The amount of the provision was €480.029 as of 31 December 2016 (2015: €480.029). The individually impaired receivables mainly relate to wholesalers, which are in an unexpectedly difficult economic situation.

# **R.A.M. Oil Cyprus Limited**

## **Management Report (continued)**

### **Future developments of the Company**

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

### **Results**

18 The Company's results for the year are set out on page 11. The Board of Directors does not recommend the payment of a dividend and the profit for the year is retained.

### **Share capital**

19 There were no changes in the share capital of the Company.

### **Board of Directors**

20 The members of the Board of Directors at 31 December 2016 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2016 except Mr Dimitrios Kontofakas who was appointed as Director on 15 March 2017 replacing Mrs Olga Tsaloglou who resigned on the same date

### **Events after the balance sheet date**

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

### **Branches**

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

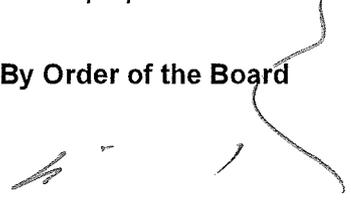
# R.A.M. Oil Cyprus Limited

## Management Report (continued)

### Independent Auditors

23 A resolution giving authority to the Board of Directors to fix auditors remuneration will be proposed at the Annual General Meeting.

**By Order of the Board**



**Georgios Gregoras**  
**Managing Director**

Nicosia,  
30 June 2017



## **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 R.A.M. Oil Cyprus Limited (the "Company"), which are presented on pages 11 to 39 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.

#### *Other information*

The Board of Directors is responsible for the other information. The other information comprises the Management Report 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.

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### *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 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory 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 requirement of the Cyprus Companies Law, Cap.113, and the information given therein is consistent with the financial statements.
- In our opinion and in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any 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 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.

A handwritten signature in black ink, appearing to read 'S. Solomonidou', written in a cursive style.

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

# R.A.M. Oil Cyprus Limited

## Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 €	2015 €
Revenue	5	99.094.091	93.464.237
Cost of sales		<u>(93.082.397)</u>	<u>(88.082.588)</u>
<b>Gross profit</b>		<b>6.011.694</b>	5.381.649
Selling, marketing and administrative expenses		<b>(4.879.974)</b>	(4.257.895)
Other income	6	-	61
Other losses - net	7	<u>(2.612)</u>	<u>(1.403)</u>
<b>Operating profit</b>		<b>1.129.108</b>	1.122.412
Finance costs	9	<u>(1.134)</u>	<u>(21.689)</u>
<b>Profit before income tax</b>		<b>1.127.974</b>	1.100.723
Income tax expense	10	<u>(133.209)</u>	<u>(360.772)</u>
<b>Profit for the year</b>		<b><u>994.765</u></b>	<b><u>739.951</u></b>
<b>Other comprehensive income:</b>			
Change in value of available-for-sale financial assets, net of tax	20	<u>(10.464)</u>	<u>(87.637)</u>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>(10.464)</u></b>	<b><u>(87.637)</u></b>
<b>Total comprehensive income for the year</b>		<b><u>984.301</u></b>	<b><u>652.314</u></b>

The notes on pages 15 to 39 are an integral part of these financial statements.

# R.A.M. Oil Cyprus Limited

## Balance sheet at 31 December 2016

	Note	2016 €	2015 €
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	13	85.645	111.249
Intangible assets	14	3.883.178	3.813.178
Available-for-sale financial assets	15	<u>183.122</u>	<u>193.586</u>
		<b><u>4.151.945</u></b>	<b><u>4.118.013</u></b>
<b>Current assets</b>			
Inventories	16	2.870.085	2.223.099
Trade and other receivables	17	3.396.674	2.998.973
Cash in hand and at bank	18	<u>1.091.892</u>	<u>922.886</u>
		<b><u>7.358.651</u></b>	<b><u>6.144.958</u></b>
<b>Total assets</b>		<b><u>11.510.596</u></b>	<b><u>10.262.971</u></b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	19	89.900	89.900
Share premium	19	7.910.100	7.910.100
Other reserves	20	183.122	193.586
Retained earnings		<u>2.301.095</u>	<u>1.306.330</u>
<b>Total equity</b>		<b><u>10.484.217</u></b>	<b><u>9.499.916</u></b>
<b>Current liabilities</b>			
Trade and other payables	22	781.991	456.526
Current income tax liabilities		23.209	84.833
Borrowings	21	<u>221.179</u>	<u>221.696</u>
		<b><u>1.026.379</u></b>	<b><u>763.055</u></b>
<b>Total equity and liabilities</b>		<b><u>11.510.596</u></b>	<b><u>10.262.971</u></b>

On 30 June 2017 the Board of Directors of R.A.M. Oil Cyprus Limited authorised these financial statements for issue.

Robertos Karayiannas, Director

Georgios Gregoras, Managing Director



The notes on pages 15 to 39 are an integral part of these financial statements.

# R.A.M. Oil Cyprus Limited

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

	Share capital €	Share premium €	Other reserves €	Retained earnings <sup>(1)</sup> €	Total €
<b>Balance at 1 January 2015</b>	<u>89.900</u>	<u>7.910.100</u>	<u>281.223</u>	<u>566.379</u>	<u>8.847.602</u>
<b>Comprehensive income</b>					
Profit for the year	-	-	-	<u>739.951</u>	<u>739.951</u>
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Fair value losses (Note 20)	-	-	<u>(87.637)</u>	-	<u>(87.637)</u>
Total other comprehensive income	-	-	<u>(87.637)</u>	-	<u>(87.637)</u>
Total comprehensive income for the year	-	-	<u>(87.637)</u>	<u>739.951</u>	<u>652.314</u>
<b>Balance at 31 December 2015/1 January 2016</b>	<u>89.900</u>	<u>7.910.100</u>	<u>193.586</u>	<u>1.306.330</u>	<u>9.499.916</u>
<b>Comprehensive income</b>					
Profit for the year	-	-	-	<u>994.765</u>	<u>994.765</u>
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Fair value losses (Note 20)	-	-	<u>(10.464)</u>	-	<u>(10.464)</u>
Total other comprehensive income	-	-	<u>(10.464)</u>	-	<u>(10.464)</u>
Total comprehensive income for the year	-	-	<u>(10.464)</u>	<u>994.765</u>	<u>984.301</u>
<b>Balance at 31 December 2016</b>	<u>89.900</u>	<u>7.910.100</u>	<u>183.122</u>	<u>2.301.095</u>	<u>10.484.217</u>

- (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.
- (2) The share premium is not available for dividend distribution.

The notes on pages 15 to 39 are an integral part of these financial statements.

# R.A.M. Oil Cyprus Limited

## Statement of cash flows for the year ended 31 December 2016

	Note	2016 €	2015 €
<b>Cash flows from operating activities</b>			
Profit before income tax		1.127.974	1.100.723
Adjustments for:			
Depreciation of plant and equipment	13	25.604	27.719
Interest income	6	-	(61)
Interest expense	9	8.957	25.093
		<u>1.162.535</u>	<u>1.153.474</u>
Changes in working capital:			
Inventories		(646.986)	159.629
Trade and other receivables		(397.701)	(655.261)
Trade and other payables		325.465	(72.569)
<b>Cash generated from operations</b>		<u>443.313</u>	<u>585.273</u>
Income tax paid		(194.833)	(277.672)
<b>Net cash generated from operating activities</b>		<u>248.480</u>	<u>307.601</u>
<b>Cash flows from investing activities</b>			
Purchases of intangibles	14	(70.000)	-
Release of bank deposits with original maturity over three months	23	-	114.481
Interest received		-	61
<b>Net cash (used in)/from investing activities</b>		<u>(70.000)</u>	<u>114.542</u>
<b>Cash flows from financing activities</b>			
Interest paid		(8.957)	(25.093)
<b>Net cash used in financing activities</b>		<u>(8.957)</u>	<u>(25.093)</u>
<b>Net increase in cash and cash equivalents</b>		<u>169.523</u>	<u>397.050</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>701.190</u>	<u>304.140</u>
<b>Cash and cash equivalents at end of year</b>	18	<u>870.713</u>	<u>701.190</u>

The notes on pages 15 to 39 are an integral part of these financial statements.

# R.A.M. Oil Cyprus 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 Ellispontou Street, Strovolos, 2015, Nicosia, Cyprus.

#### Principal activities

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

#### 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.

This operating environment ,has affected (1) the ability of the Company's trade and other debtors to repay the amounts due to the Company (2) the cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets.

# R.A.M. Oil Cyprus Limited

## 1 General information (continued)

### Operating environment of the Company (continued)

The Company's management has assessed:

1. Whether any impairment allowances are deemed necessary for the Company's financial assets carried at amortized cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, no matter how likely those future events are.
2. Whether the net realizable value for the Company's inventory exceeds cost.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary.

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, as modified by the revaluation of available-for-sale financial assets.

# R.A.M. Oil Cyprus Limited

## 2 Summary of significant accounting policies (continued)

### Basis of preparation (continued)

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 period 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:

**(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.

# R.A.M. Oil Cyprus Limited

## 2 Summary of significant accounting policies (continued)

### Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). 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.

### Current and deferred income 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 is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet 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, 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 substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit 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.

# R.A.M. Oil Cyprus Limited

## 2 Summary of significant accounting policies (continued)

### Plant and equipment

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

Depreciation on 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
Motor vehicles	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 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 plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other gains/(losses) – net" in profit or loss.

### Goodwill

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

# R.A.M. Oil Cyprus Limited

## 2 Summary of significant accounting policies (continued)

### Impairment of non-financial assets

Intangibles that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. 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). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### Financial assets

#### (i) Classification

The Company classifies its financial assets in the following categories: loans and receivables and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and in the case of assets classified as held to maturity, re-evaluates this designation at the end of each reporting period.

#### • 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 "trade and other receivables" and "cash and bank balances" in the balance sheet.

#### • Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term or not classified in any of the other categories. They are included in non-current assets, unless the investment matures or management intends to dispose of the investment within twelve months of the balance sheet date.

# R.A.M. Oil Cyprus Limited

## 2 Summary of significant accounting policies (continued)

### Financial assets (continued)

#### (ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available for sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on "available-for-sale financial assets".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Company's right to receive payments is established.

#### (iii) Impairment of financial assets

The Company assesses at the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

# R.A.M. Oil Cyprus Limited

## 2 Summary of significant accounting policies (continued)

### Financial assets (continued)

#### (iii) Impairment of financial assets (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

# R.A.M. Oil Cyprus Limited

## 2 Summary of significant accounting policies (continued)

### 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.

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, marketing and administrative expenses". 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, marketing and administrative expenses" in profit or loss.

### Share capital

Ordinary shares are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

### 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.

# R.A.M. Oil Cyprus Limited

## 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, commodity price risk, price risk and cash flow interest rate risk), credit risk and liquidity risk.

#### • Market risk

##### Foreign exchange risk

The Company 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.

At 31 December 2016, if the Euro had weakened/strengthened by 5% (2015: 5%) against the US Dollar with all other variables held constant, the impact on post-tax profit for the year, as a result of foreign exchange gains/losses on translation of US Dollar denominated trade receivables, would not have been significant.

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

# R.A.M. Oil Cyprus Limited

## 3 Financial risk management (continued)

### (i) Financial risk factors (continued)

#### • Market risk (continued)

##### **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.

##### **Price risk**

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as available-for-sale.

The Company's equity investments that are publicly traded are included in the Cyprus Stock Exchange General Index.

If the CSE general index increased/decreased by 5% with all other variables held constant, the impact on other components of equity would not have been significant.

The Company does have a formal policy for managing its market price risk.

##### **Cash flow 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.

At 31 December 2016, if interest rates on Euro-denominated borrowings had been 1% (2015: 1%) higher/lower with all other variables held constant, the impact on post-tax profit for the year, as a result of higher/lower interest expense on floating rate borrowings, would not have been significant.

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

##### **Credit risk**

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

# R.A.M. Oil Cyprus Limited

## 3 Financial risk management (continued)

### (i) Financial risk factors (continued)

#### Credit risk (continued)

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

#### • Liquidity risk

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

	Less than 1 year €
<b>At 31 December 2015</b>	
Borrowings	221.696
Trade and other payables	<u>456.526</u>
	<u>678.222</u>
<b>At 31 December 2016</b>	
Borrowings	221.179
Trade and other payables	<u>781.990</u>
	<u>1.003.169</u>

### (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.

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

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

# R.A.M. Oil Cyprus Limited

## 3 Financial risk management (continued)

### (ii) Capital risk management (continued)

	2016 €	2015 €
Total borrowings (Note 21)	221.179	221.696
Less: cash and bank balances (Note 18)	<u>(1.091.892)</u>	<u>(922.886)</u>
Net debt	(870.713)	(701.190)
Total equity	<u>10.484.217</u>	<u>9.499.916</u>
Total capital as defined by management	<u>9.613.504</u>	<u>8.798.726</u>

### (iii) Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2016.

	Level 1 €
<b>31 December 2016</b>	
<b>Assets</b>	
Available-for-sale financial assets:	
- Equity securities	<u>193,586</u>

The following table presents the Company's assets that are measured at fair value at 31 December 2015.

	Level 1 €
<b>31 December 2015</b>	
<b>Assets</b>	
Available-for-sale financial assets:	
- Equity securities	<u>193,586</u>

# R.A.M. Oil Cyprus Limited

## 3 Financial risk management (continued)

### (iii) Fair value estimation (continued)

- Financial instruments in level 1

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 available-for-sale.

## 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 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Estimated impairment of goodwill**

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash-generating units has been determined based on value-in-use calculations. These calculations require the use of estimates as disclosed in Note 14.

A reduction of sales volume growth rate to 0% and a rise in discount rate to 9,8% could result to the impairment of 3 petrol stations with a total impact of €60.990.

The estimate of the recoverable amount of intangible assets requires judgement. It is reasonably possible, based on existing knowledge, that the outcomes within the next financial year to differ from the estimates and could require a material adjustment to the fair value of intangible assets.

# R.A.M. Oil Cyprus Limited

## 4 Critical accounting estimates and judgements (continued)

### (i) Critical accounting estimates and assumptions (continued)

#### • 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. 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.

#### • Provision for impairment of trade receivables

The company provides goods to consumer and business customers, on credit terms. We know that certain debts due to us will not be paid through the default of a small number of our customers. Estimates, based on our historical experience, are used in determining the level of debts that we believe will not be collected. These estimates include such factors as the current state of the economy and particular industry issues.

## 5 Revenue

	2016 €	2015 €
Sales of goods	<u>99,094,091</u>	<u>93,464,237</u>

## 6 Other income

	2016 €	2015 €
Interest income:		
Bank balances	<u>-</u>	<u>61</u>

## 7 Other losses - net

	2016 €	2015 €
VAT (charge)/recovery on provision for bad debts	<u>(2,612)</u>	<u>(1,403)</u>

# R.A.M. Oil Cyprus Limited

## 8 Expenses by nature

	2016 €	2015 €
Cost of sales	93.082.397	88.082.588
Depreciation, amortisation and impairment charges (Notes 13 and 14)	25.604	27.719
Repairs and maintenance	43.449	37.442
Security services	188.615	159.774
Insurance	49.821	33.692
Auditors' remuneration	20.369	20.000
Trade receivables - impairment charge for receivables (Note 17)	-	7.302
Entertaining expenses	21.120	17.101
Travelling local expenses	2.200	2.640
Other expenses	353.860	312.753
Electricity	224.723	237.012
Management services (Note 23(i))	346.509	346.509
Petrol stations managing costs	3.576.951	2.999.510
Printing and stationery	18.516	20.329
Professional fees	8.237	11.816
Bad debts written off that were not previously provided	-	24.296
<b>Total cost of goods sold, selling and marketing costs, administrative expenses and other expenses</b>	<b><u>97.962.371</u></b>	<b><u>92.340.483</u></b>

## 9 Finance costs

	2016 €	2015 €
Interest expense:		
Bank borrowings	8.957	25.093
Net foreign exchange gain	<u>(7.823)</u>	<u>(3.404)</u>
	<u>1.134</u>	<u>21.689</u>

## 10 Income tax expense

	2016 €	2015 €
<b>Current tax:</b>		
Corporation tax	140.918	144.803
Under provision of prior years' taxes:		
Corporation tax	<u>(7.709)</u>	<u>215.969</u>
Income tax expense	<u>133.209</u>	<u>360.772</u>

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

	2016 €	2015 €
Profit before tax	<u>1.127.974</u>	<u>1.100.723</u>
Tax calculated at the applicable corporation tax rate of 12.5%	140.997	137.590
Tax effect of expenses not deductible for tax purposes	3.705	11.178
Tax effect of allowances and income not subject to tax	(3.784)	(3.965)
(Over)/Under provision of prior years' taxes	<u>(7.709)</u>	<u>215.969</u>
Income tax charge	<u>133.209</u>	<u>360.772</u>

(30)

# R.A.M. Oil Cyprus Limited

## 10 Income tax expense (continued)

The Company is subject to income tax on taxable profits at the rate of 10% up to 31 December 2012, and at the rate of 12,5% as from 1 January 2013.

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, etc) are exempt from Cyprus income tax.

## 11 Financial instruments by category

	Loans and receivables €	Available-for- sale €	Total €
<b>31 December 2016</b>			
<b>Assets as per balance sheet</b>			
Available-for-sale financial assets	-	183.122	183.122
Trade and other receivables	3.396.674	-	3.396.674
Cash and bank balances	1.091.892	-	1.091.892
<b>Total</b>	<b>4.488.566</b>	<b>183.122</b>	<b>4.671.688</b>
			Other financial liabilities €
<b>31 December 2016</b>			
<b>Liabilities as per balance sheet</b>			
Borrowings			221.179
Trade and other payables			781.991
<b>Total</b>			<b>1.003.170</b>
	Loans and receivables €	Available-for- sale €	Total €
<b>31 December 2015</b>			
<b>Assets as per balance sheet</b>			
Available-for-sale financial assets	-	193.586	193.586
Trade and other receivables	2.998.973	-	2.998.973
Cash and bank balances	922.886	-	922.886
<b>Total</b>	<b>3.921.859</b>	<b>193.586</b>	<b>4.115.445</b>
			Other financial liabilities €
<b>31 December 2015</b>			
<b>Liabilities as per balance sheet</b>			
Borrowings			221.696
Trade and other payables			456.526
<b>Total</b>			<b>678.222</b>

# R.A.M. Oil Cyprus Limited

## 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 €
<b>Trade receivables</b>		
Counterparties without external credit rating		
Group 1	<u>699.016</u>	<u>541.867</u>
<b>Fully performing other receivables</b>		
Group 2	<u>2.547.693</u>	<u>2.248.429</u>
	2016 €	2015 €
<b>Cash at bank and short-term bank deposits<sup>(1)</sup></b>		
Caa2	70.904	-
Caa3	-	87.131
Unrated	<u>48.044</u>	<u>10.943</u>
	<u>118.948</u>	<u>98.074</u>

<sup>(1)</sup> As at 31 December 2016 the 'cash and bank balances' include an amount of €925.694 (2015: €781.894) which represents cheques received in December 2016 but not deposited to the bank. These cheques were deposited in January 2017. The rest of the balance sheet item 'cash and bank balances' is cash in hand.

Group 1 – new and existing customers with no defaults in the past.

Group 2 – companies within the group with no defaults in the past.

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

## 13 Plant and equipment

	Plant and machinery €	Motor vehicles €	Total €
<b>At 1 January 2015</b>			
Cost	165.320	130.458	295.778
Accumulated depreciation	<u>(63.792)</u>	<u>(93.018)</u>	<u>(156.810)</u>
Net book amount	<u>101.528</u>	<u>37.440</u>	<u>138.968</u>
<b>Year ended 31 December 2015</b>			
Opening net book amount	101.528	37.440	138.968
Depreciation charge (Note 8)	<u>(16.528)</u>	<u>(11.191)</u>	<u>(27.719)</u>
Closing net book amount	<u>85.000</u>	<u>26.249</u>	<u>111.249</u>
<b>At 31 December 2015</b>			
Cost	165.320	130.458	295.778
Accumulated depreciation	<u>(80.320)</u>	<u>(104.209)</u>	<u>(184.529)</u>
Net book amount	<u>85.000</u>	<u>26.249</u>	<u>111.249</u>

# R.A.M. Oil Cyprus Limited

## 13 Plant and equipment (continued)

	Plant and machinery €	Motor vehicles €	Total €
<b>Year ended 31 December 2016</b>			
Opening net book amount	85.000	26.249	111.249
Depreciation charge (Note 8)	<u>(15.014)</u>	<u>(10.590)</u>	<u>(25.604)</u>
Closing net book amount	<u>69.986</u>	<u>15.659</u>	<u>85.645</u>
<b>At 31 December 2016</b>			
Cost	165.320	130.458	295.778
Accumulated depreciation	<u>(95.334)</u>	<u>(114.799)</u>	<u>(210.133)</u>
Net book amount	<u>69.986</u>	<u>15.659</u>	<u>85.645</u>

Depreciation expense of €25.604 (2015: €27.719) has been charged in "selling, marketing and administrative expenses".

## 14 Intangible assets

	Goodwill (1) €	Right of use (2) €	Total €
<b>At 31 December 2015</b>			
Cost	4.119.178	249.147	4.368.325
Accumulated amortisation and impairment	<u>(306.000)</u>	<u>(249.147)</u>	<u>(555.147)</u>
Net book amount	<u>3.813.178</u>	<u>-</u>	<u>3.813.178</u>
<b>At 1 January 2016</b>			
Net book amount	3.813.178	-	3.813.178
Additions	<u>70.000</u>	<u>-</u>	<u>70.000</u>
Closing net book amount	<u>3.883.178</u>	<u>-</u>	<u>3.883.178</u>
<b>At 31 December 2016</b>			
Cost	4.189.178	249.147	4.438.325
Accumulated amortisation and impairment	<u>(306.000)</u>	<u>(249.147)</u>	<u>(555.147)</u>
Net book amount	<u>3.883.178</u>	<u>-</u>	<u>3.883.178</u>

### Impairment test for goodwill

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

(1) Goodwill arose from the acquisition of the retail operations from its related party Hellenic Petroleum Cyprus Limited, at their net book value in 2009. Additionally, on 1 January 2012 and 23 June 2016, the Company acquired the goodwill of the petrol stations in Mandria (Pafos) and Avgorou respectively, from Hellenic Petroleum Cyprus Limited.

# R.A.M. Oil Cyprus Limited

## 14 Intangible assets (continued)

(2) in 2009, the Company has 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.

The main assumptions used by management for the assessment of the right to use the facilities at Paphos airport were:

- Growth rate: 3%
- Discount rate: 8,8%

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.

## 15 Available-for-sale financial assets

	2016 €	2015 €
At beginning of year	193.586	281.223
Net losses transferred to other comprehensive income (Note 20)	(10.464)	(87.637)
<b>At end of year</b>	<b><u>183.122</u></b>	<b><u>193.586</u></b>

Available-for-sale financial assets are analysed as follows:

	2016 €	2015 €
Listed equity securities:		
Cyprus Stock Exchange	<u>183.122</u>	<u>193.586</u>
	<b><u>183.122</u></b>	<b><u>193.586</u></b>

Available-for-sale financial assets are denominated in the following currencies:

	2016 €	2015 €
Euro - functional and presentation currency	<u>183.122</u>	<u>193.586</u>

## 16 Inventories

	2016 €	2015 €
Finished goods	<u>2.870.085</u>	<u>2.223.099</u>

All stock items are stated at weighted average cost.

# R.A.M. Oil Cyprus Limited

## 17 Trade and other receivables

	2016 €	2015 €
Trade receivables	1.327.134	1.208.388
Less: Provision for impairment of receivables	<u>(480.029)</u>	<u>(480.029)</u>
Trade receivables - net	847.105	728.359
Receivables from related parties (Note 23(ii))	2.547.693	2.248.429
Other receivables and prepayments	<u>1.876</u>	<u>22.185</u>
	<u><b>3.396.674</b></u>	<u><b>2.998.973</b></u>

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

As of 31 December 2015, trade receivables of €699.015 (2015: €541.867) were fully performing.

Trade receivables that are less than three months past due are not considered impaired. As of 31 December 2016, trade receivables of €52.075 (2015: €62.026) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2016 €	2015 €
Up to 3 months	<u>52.075</u>	<u>62.026</u>

As of 31 December 2016, trade receivables of €576.044 (2015: €604.495) were past due more than three months. The amount of the provision was €480.029 as of 31 December 2016 (2015: €480.029). 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. The ageing of these receivables is as follows:

	€	€
Over 3 months	<u>576.044</u>	<u>604.495</u>

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

	2016 €	2015 €
At 1 January	480.029	547.743
Provision for receivables impairment (Note 8)	-	7.302
Receivables written off during the year as uncollectible	<u>-</u>	<u>(75.016)</u>
At 31 December	<u><b>480.029</b></u>	<u><b>480.029</b></u>

The creation and release of provision for impaired receivables have been included in 'selling and marketing costs' in profit or loss (Note 8). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

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

# R.A.M. Oil Cyprus Limited

## 17 Trade and other receivables (continued)

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

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

	2016 €	2015 €
Euro - functional and presentation currency	3.306.346	2.992.683
US Dollar	<u>90.328</u>	<u>6.290</u>
	<u><b>3.396.674</b></u>	<u><b>2.998.973</b></u>

## 18 Cash and bank balances

	2016 €	2015 €
Cash at bank and in hand	<u><b>1.091.892</b></u>	<u><b>922.886</b></u>

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

	2016 €	2015 €
Cash and bank balances	1.091.892	922.886
Less:		
Bank overdrafts (Note 21)	<u>(221.179)</u>	<u>(221.696)</u>
	<u><b>870.713</b></u>	<u><b>701.190</b></u>

Cash and cash equivalents are denominated in the following currencies:

	2016 €	2015 €
Euro - functional and presentation currency	<u><b>1.091.892</b></u>	<u><b>922.886</b></u>

## 19 Share capital and share premium

	Number of shares	Share capital €	Share premium €	Total €
At 1 January 2015/ 31 December 2015/ 31 December 2016	<u>8 990</u>	<u>89.900</u>	<u>7.910.100</u>	<u>8.000.000</u>

The total authorized number of ordinary shares is 11 000 shares (2015: 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.

# R.A.M. Oil Cyprus Limited

## 20 Other reserves

	Available-for-sale financial assets €
<b>At 1 January 2014</b>	281.223
Available-for-sale financial assets:	
Fair value losses (Note 15)	<u>(87.637)</u>
<b>At 31 December 2015/1 January 2016</b>	193.586
Available-for-sale financial assets:	
Fair value losses (Note 15)	<u>(10.464)</u>
<b>At 31 December 2016</b>	<u><u>183.122</u></u>

## 21 Borrowings

	2016 €	2015 €
<b>Current</b>		
Bank overdrafts (Note 18)	<u>221.179</u>	<u>221.696</u>

On 31 December 2016, the Company was bound by letters of guarantee of €35.650 (2015: €35.650) for trading purposes.

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

	2016 %	2015 %
Bank overdrafts	4,9	4,90

The Company's 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.

The Company has the following undrawn borrowing facilities:

	2016 €	2015 €
Floating rate:		
Expiring within one year	<u>779.642</u>	<u>779.718</u>

The fair value of current borrowings equals their carrying amounts.

The carrying amounts of the Company's borrowings equal the fair values of the borrowings and are denominated in the following currencies:

	2016 €	2015 €
Euro - functional and presentation currency	<u>221.179</u>	<u>221.696</u>

# R.A.M. Oil Cyprus Limited

## 22 Trade and other payables

	2016 €	2015 €
Trade payables	622.845	81.042
Other payables	<u>159.146</u>	<u>375.484</u>
	<u>781.991</u>	<u>456.526</u>

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

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

	2016 €	2015 €
Euro - functional and presentation currency	<u>781.990</u>	<u>456.525</u>

## 23 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.

The ultimate parent undertaking of the group of undertakings for which group accounts are drawn up, and of which the Company is a member, and the ultimate controlling party is Hellenic Petroleum S.A. which is the smallest and largest group to consolidate these financial statements. Copies of Hellenic Petroleum S.A. financial statements can be obtained from the Company Secretary at 17 Chlm Ethnikis Odou Athinwn - Korinthou, Aspropyrgos, 19300, Greece.

The following transactions were carried out with related parties:

### (i) Purchases of goods and services

	2016 €	2015 €
Purchases of goods:		
Hellenic Petroleum Cyprus Limited (net off Excise Duty and CSO tax)	<u>50.117.919</u>	<u>48.600.318</u>
Management services:		
Hellenic Petroleum Cyprus Limited (Note 8)	346.509	346.509
EKO EBEE	<u>70.591</u>	<u>4.000</u>
	<u>417.100</u>	<u>350.509</u>

Purchases from all related parties were made on commercial terms and conditions.

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

	2016 €	2015 €
Receivables from related parties (Note 17):		
Hellenic Petroleum Cyprus Limited	<u>2.547.693</u>	<u>2.248.429</u>

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

# R.A.M. Oil Cyprus Limited

## 24 Events after the balance sheet date

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

Independent auditor's report on pages 7 to 10.

# R.A.M. Oil Cyprus Limited

## Analysis of expenses for the year ended 31 December 2016

	2016	2015
	€	€
<b>Selling, marketing and administrative expenses</b>		
Depreciation of plant and equipment	25.604	27.719
Entertaining expenses	21.121	17.101
Auditors' remuneration	20.369	20.000
Legal and professional fees	8.237	11.816
Management services	346.509	346.509
Licence fees	25.284	25.284
Impairment charge for receivables	-	24.296
Provision for impairment of receivables	-	7.302
Repairs and maintenance	43.449	37.442
Telephone, telexes and facsimiles	43.774	37.240
Printing and stationery	18.516	20.329
Cleaning expenses	51.981	44.464
Water and sewerage expenses	40.154	35.918
Security services	188.615	159.774
Insurance	49.821	33.692
Electricity	224.723	237.012
Travelling local expenses	2.200	2.640
Taxes and licences	21.801	22.633
Bank charges	76.520	116.822
Sundry expenses	23.754	26.388
Aviation service fee	70.591	4.005
Petrol stations managing costs	3.576.951	2.999.510
**Other administration expense 6	-	(1)
	<u>4.879.974</u>	<u>4.257.895</u>