

R.A.M. OIL CYPRUS LIMITED

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

Year ended 31 December 2017

R.A.M. OIL CYPRUS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS Year ended 31 December 2017

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R.A.M. OIL CYPRUS LIMITED

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Marios Lytras
8 Andrea Karkavitsa Street
1076, Nicosia
Cyprus

Independent Auditors

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors
Jean Nouvel Tower
6 Stasinou Avenue
PO Box 21656
1511 Nicosia, Cyprus

Registered office

3 Ellispontou Street
Strovolos
2015, Nicosia
Cyprus

R.A.M. OIL CYPRUS LIMITED

MANAGEMENT REPORT

The Board of Directors of R.A.M. Oil Cyprus Limited (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2017.

Principal activities and nature of operations of the Company

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

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

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in note 3 of the financial statements.

Results

The Company's results for the year are set out on page 6. The net profit for the year attributable to the shareholders of the Company amounted to €1.788.271 (2016: €994.765). On 31 December 2017 the total assets of the Company were €14.170.635 (2016: €11.807.185) and the net assets of the Company were €12.250.252 (2016: €10.484.217).

Dividends

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

Share capital

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

Board of Directors

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

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

Branches

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

Events after the reporting period

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

Independent Auditors

The independent auditors, Ernst & Young Cyprus Limited, were appointed by the Board of Directors in replacement of the previous auditors PricewaterhouseCoopers Limited and have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Marios Lytras
Secretary

Nicosia, 5 July 2018



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1511 Nicosia, Cyprus

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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 in pages 6 to 27 and comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of comprehensive income in page 29, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Board of Directors for the financial statements

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 a true and fair view.

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

Report on Other Legal Requirements

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

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



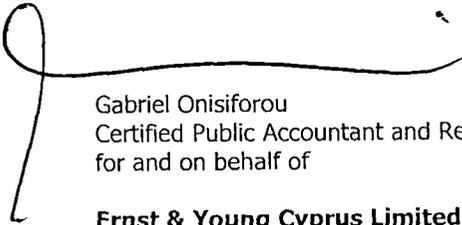
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Other Matter

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

Comparative figures

The financial statements of the Company for the year ended 31 December 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 June 2017.



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

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 5 July 2018

R.A.M. OIL CYPRUS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	2017 €	2016 €
Revenue	5	121.235.732	99.094.091
Cost of sales		(113.850.186)	(93.082.397)
Gross profit		7.385.546	6.011.694
Selling, marketing and administration expenses		(5.314.646)	(4.879.974)
Other expenses	6	(424)	(2.612)
Operating profit		2.070.476	1.129.108
Net finance income/(cost)	8	2.816	(1.134)
Profit before tax		2.073.292	1.127.974
Tax	9	(285.021)	(133.209)
Net profit for the year		1.788.271	994.765
Other comprehensive income			
<i>Items that may be classified subsequently to profit or loss:</i>			
Available-for-sale financial assets - Fair value Loss		(22.236)	(10.464)
Other comprehensive loss for the year		(22.236)	(10.464)
Total comprehensive income for the year		1.766.035	984.301

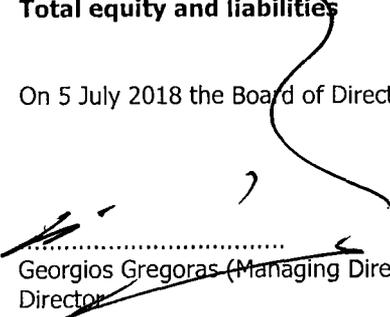
The notes on pages 10 to 27 form an integral part of these financial statements.

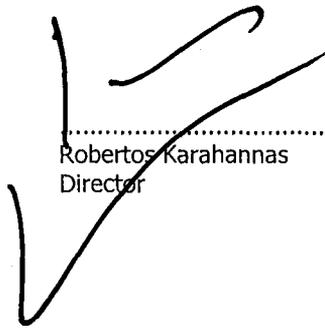
R.A.M. OIL CYPRUS LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2017

	Note	2017 €	2016 €
ASSETS			
Non-current assets			
Property, plant and equipment	11	67.178	85.645
Intangible assets	12	3.883.178	3.883.178
Available-for-sale financial assets	13	160.886	183.122
		<u>4.111.242</u>	<u>4.151.945</u>
Current assets			
Inventories	14	2.691.853	2.870.085
Trade and other receivables	15	5.623.727	3.693.263
Cash at bank and in hand	16	1.743.813	1.091.892
		<u>10.059.393</u>	<u>7.655.240</u>
Total assets		<u>14.170.635</u>	<u>11.807.185</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	89.900	89.900
Share premium	17	7.910.100	7.910.100
Fair value reserve - available-for-sale financial assets	18	160.886	183.122
Retained earnings		4.089.366	2.301.095
Total equity		<u>12.250.252</u>	<u>10.484.217</u>
Current liabilities			
Trade and other payables	20	1.711.198	1.078.580
Borrowings	19	175.185	221.179
Current tax liabilities		34.000	23.209
		<u>1.920.383</u>	<u>1.322.968</u>
Total equity and liabilities		<u>14.170.635</u>	<u>11.807.185</u>

On 5 July 2018 the Board of Directors of R.A.M. Oil Cyprus Limited authorised these financial statements for issue.


.....
Georgios Gregoras (Managing Director)
Director


.....
Robertos Karahannas
Director

The notes on pages 10 to 27 form an integral part of these financial statements.

R.A.M. OIL CYPRUS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

	Share capital €	Share premium €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2016	89.900	7.910.100	193.586	1.306.330	9.499.916
Comprehensive income					
Net profit for the year	-	-	-	994.765	994.765
Available-for-sale financial assets: Fair value loss	-	-	(10.464)	-	(10.464)
Total comprehensive income for the year	-	-	(10.464)	994.765	984.301
Balance at 31 December 2016/ 1 January 2017	89.900	7.910.100	183.122	2.301.095	10.484.217
Comprehensive income					
Net profit for the year	-	-	-	1.788.271	1.788.271
Available-for-sale financial assets: Fair value loss	-	-	(22.236)	-	(22.236)
Total comprehensive income for the year	-	-	(22.236)	1.788.271	1.766.035
Balance at 31 December 2017	89.900	7.910.100	160.886	4.089.366	12.250.252

Share premium is not available for distribution.

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

The notes on pages 10 to 27 form an integral part of these financial statements.

R.A.M. OIL CYPRUS LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2017

	Note	2017 €	2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,073,292	1,127,974
Adjustments for:			
Depreciation of property, plant and equipment	11	18,467	25,604
Interest expense	8	3,328	8,957
		2,095,087	1,162,535
Changes in working capital:			
Decrease/(increase) in inventories		178,232	(646,986)
Increase in trade and other receivables		(1,930,464)	(694,290)
Increase in trade and other payables		632,618	622,054
Cash generated from operations		975,473	443,313
Tax paid		(274,230)	(194,833)
Net cash generated from operating activities		701,243	248,480
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	12	-	(70,000)
Net cash used in investing activities		-	(70,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(3,328)	(8,957)
Net cash used in financing activities		(3,328)	(8,957)
Net increase in cash and cash equivalents		697,915	169,523
Cash and cash equivalents at beginning of the year		870,713	701,190
Cash and cash equivalents at end of the year	16	1,568,628	870,713

The notes on pages 10 to 27 form an integral part of these financial statements.

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. Corporate information

Country of incorporation

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

Principal activities

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

2. Summary of significant accounting policies

The principal accounting policies adopted 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 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets.

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 on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Company.

Standards issued but not yet effective

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

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

- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IFRS 4: Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2018).
- Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).
- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).

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

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021).
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018).

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

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

- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12 October 2017) (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IAS 28: Long Term Interests in Associates and Joint Ventures (issued on 12 October 2017) (effective for annual periods beginning on or after 1 January 2019).
- Annual Improvements to IFRSs 2014–2016 Cycle (issued on 8 December 2016) (effective for annual periods beginning on or after 1 January 2018).
- Annual Improvements to IFRSs 2015–2017 Cycle (issued on 12 December 2017) (effective for annual periods beginning on or after 1 January 2019).
- Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018).
- IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 1 January 2018).
- IFRIC Interpretation 23 "Uncertainty over Income Tax Treatments" (effective for annual periods beginning on or after 1 January 2019).

The above are not expected to have significant impact on the financial statements of the Company when they become effective, other than IFRS 9, IFRS 15 and IFRS 16 which are currently under assessment by the Company.

Goodwill

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

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

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products provided in the normal course of business, net of discounts and sales related taxes. 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 estimated 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:

- **Sale of products**

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

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

- **Interest income**

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

Finance income

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

Borrowing costs

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

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

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on available-for-sale debt securities are recognised in profit or loss.

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

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

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Tax (continued)

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

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

Property, plant and equipment

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

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

	%
Motor vehicles	10-20
Plant and machinery	10

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

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

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

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

Impairment of non-financial assets

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

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Trade receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the Company 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 (more than 60 days overdue) 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. 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 in profit or loss.

Financial assets

(1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments 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.

- 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 reporting date. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the reporting date.

(2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on 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 carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in 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 and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

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. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is 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.

For financial assets measured at amortised cost, 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, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and at banks, deposits held at call with banks net of outstanding bank overdrafts and investments in money market instruments.

Trade 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 Company if longer). If not, they are presented as non-current liabilities.

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

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

2. Summary of significant accounting policies (continued)

Offsetting financial instruments

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

Inventories

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

Share capital

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

Provisions

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

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

Comparatives

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

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

3. Financial risk management objectives and policies

Financial risk factors

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

3.1 Market risk

Commodity price risk

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

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

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

Foreign exchange risk

The Company sells petroleum products in US dollars. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

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

3.2 Interest rate risk

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

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

3.3 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

3.4 Liquidity risk

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

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

31 December 2017

	Less than 1 year €
Borrowings	175,185
Trade and other payables	<u>1,711,198</u>
	<u>1,886,383</u>

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

3. Financial risk management objectives and policies (continued)

3.4 Liquidity risk (continued)

31 December 2016	Less than 1 year €
Borrowings	221.179
Trade and other payables	<u>1,078.580</u>
	<u>1,003.169</u>

3.5 Capital risk management

Capital includes equity shares and share premium.

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

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

Fair values

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

Fair value measurements recognised in statement of financial position

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

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

31 December 2017	Level 1 €	Total €
Financial assets		
Available-for-sale financial assets: Equity securities	<u>160.886</u>	<u>160.886</u>
Total	<u>160.886</u>	<u>160.886</u>
31 December 2016	Level 1 €	Total €
Financial assets		
Available-for-sale financial assets: Equity securities	<u>183.122</u>	<u>183.122</u>
Total	<u>183.122</u>	<u>183.122</u>

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.

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

4. Critical accounting estimates, judgments and assumptions

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

Judgments

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

- **Provision for bad and doubtful debts**

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **Impairment of goodwill**

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

5. Revenue

	2017	2016
	€	€
Sales of goods	<u>121.235.732</u>	<u>99.094.091</u>
Total revenue	<u>121.235.732</u>	<u>99.094.091</u>

6. Other expenses

	2017	2016
	€	€
VAT charge on provision for bad debts	<u>424</u>	<u>2.612</u>
	<u>424</u>	<u>2.612</u>

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

7. Expenses by nature

	2017	2016
	€	€
Cost of sales	113.850.186	93.082.397
Depreciation and amortisation expense	18.467	25.604
Auditors' remuneration	21.325	20.369
Repairs and maintenance	42.637	43.449
Security services	172.012	188.615
Insurance	34.241	49.821
Entertaining expenses	28.454	21.120
Travelling local expenses	-	2.200
Other expenses	419.265	353.860
Electricity	279.765	224.723
Management services (Note 21)	346.509	346.509
Petrol stations managing costs	3.912.113	3.576.951
Printing and stationery	20.619	18.516
Professional fees	33.210	8.237
Total cost of goods sold, selling and marketing costs, administrative expense and other expenses	<u>119.178.803</u>	<u>97.962.371</u>

8. Finance income/(cost)

	2017	2016
	€	€
Foreign exchange transaction profit	12.539	8.044
Finance income	<u>12.539</u>	<u>8.044</u>
Foreign exchange transaction losses	(6.395)	(221)
Interest expense	(3.328)	(8.957)
Finance costs	<u>(9.723)</u>	<u>(9.178)</u>
Net finance income/(cost)	<u>2.816</u>	<u>(1.134)</u>

9. Tax

	2017	2016
	€	€
Corporation tax - current year	285.021	140.918
Corporation tax - prior years	-	(7.709)
Charge for the year	<u>285.021</u>	<u>133.209</u>

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

	2017	2016
	€	€
Profit before tax	<u>2.073.292</u>	<u>1.127.974</u>
Tax calculated at the applicable tax rates	259.162	140.997
Tax effect of expenses not deductible for tax purposes	29.684	3.705
Tax effect of allowances and income not subject to tax	(3.825)	(3.784)
Prior year tax	-	(7.709)
Tax charge	<u>285.021</u>	<u>133.209</u>

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

9. Tax (continued)

The corporation tax rate is 12,5%.

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

10. Financial instruments by category

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

31 December 2017	Available-for-sale financial assets €	Loans and receivables €	Total €
Assets as per statement of financial position:			
Trade and other receivables	-	3.968.286	3.968.286
Financial assets	160.886	-	160.886
Cash and cash equivalents	-	1.743.813	1.743.813
Total	160.886	5.712.099	5.872.985
			Borrowings and other financial liabilities €
Liabilities as per statement of financial position:			
Borrowings			175.185
Trade and other payables			1.711.198
Total			1.886.383
31 December 2016	Available-for-sale financial assets €	Loans and receivables €	Total €
Assets as per statement of financial position:			
Trade and other receivables	-	3.396.674	3.396.674
Financial assets	183.122	-	183.122
Cash and cash equivalents	-	1.091.892	1.091.892
Total	183.122	4.488.566	4.671.688
			Borrowings and other financial liabilities €
Liabilities as per statement of financial position:			
Borrowings			221.179
Trade and other payables			781.991
Total			1.003.170

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

11. Property, plant and equipment

	Motor vehicles €	Plant and machinery €	Total €
Cost			
Balance at 1 January 2016	<u>130.458</u>	<u>165.320</u>	<u>295.778</u>
Balance at 31 December 2016/ 1 January 2017	<u>130.458</u>	<u>165.320</u>	<u>295.778</u>
Balance at 31 December 2017	<u>130.458</u>	<u>165.320</u>	<u>295.778</u>
Depreciation			
Balance at 1 January 2016	104.209	80.320	184.529
Charge for the year	<u>10.590</u>	<u>15.014</u>	<u>25.604</u>
Balance at 31 December 2016/ 1 January 2017	<u>114.799</u>	<u>95.334</u>	<u>210.133</u>
Charge for the year	<u>4.916</u>	<u>13.551</u>	<u>18.467</u>
Balance at 31 December 2017	<u>119.715</u>	<u>108.885</u>	<u>228.600</u>
Net book amount			
Balance at 31 December 2017	<u>10.743</u>	<u>56.435</u>	<u>67.178</u>
Balance at 31 December 2016	<u>15.659</u>	<u>69.986</u>	<u>85.645</u>

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

12. Intangible assets

	Goodwill (1)	Fuel Rights for Paphos Airport (2)	Total
	€	€	€
At 1 January 2016			
Cost	3.813.178	-	3.813.178
Net book amount	3.813.178	-	3.813.178
Year ended 31 December 2016			
Opening net book amount	3.813.178	-	3.813.178
Additions	70.000	-	70.000
Closing net book amount	3.883.178	-	3.883.178
At 31 December 2016			
Cost	3.883.178	249.147	4.132.325
Depreciation	-	(249.147)	(249.147)
Net book amount	3.883.178	-	3.883.178
Year ended 31 December 2017			
Opening net book amount	3.883.178	-	3.883.178
Closing net book amount	3.883.178	-	3.883.178
At 31 December 2017			
Cost	3.883.178	249.147	4.132.325
Depreciation	-	(249.147)	(249.147)
Net book amount	3.883.178	-	3.883.178

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.

The Company performed its annual impairment test in December 2017 and 2016. The recoverable amount of goodwill (petrol stations CGU) was determined based on a value in use calculation using cash flow projections covering a five-year period. As a result of the analysis performed, management did not identify an impairment for this CGU.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

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

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

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

Fuel rights

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

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

13. Available-for-sale financial assets

	2017	2016
	€	€
Balance at 1 January	183.122	193.586
Net losses transferred to other comprehensive income (Note 18)	(22.236)	(10.464)
Balance at 31 December	160.886	183.122

	Fair values 2017	Fair values 2016
	€	€
Securities listed on a Cyprus Stock Exchange	160.886	183.122
	160.886	183.122

14. Inventories

	2017	2016
	€	€
Finished products	2.691.853	2.870.085
	2.691.853	2.870.085

Inventories are stated at weighted average cost.

15. Trade and other receivables

	2017	2016
	€	€
Trade receivables	1.829.031	1.327.134
Less: provision for impairment of receivables	(455.889)	(480.029)
Trade receivables - net	1.373.142	847.105
Receivables from related companies (Note 21.2)	2.577.341	2.547.693
VAT Refundable	1.655.441	296.589
Other receivables	17.803	1.876
	5.623.727	3.693.263

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

As of 31 December 2017, trade receivables of €1.373.142 (2016: €847.105) were fully performing.

As of 31 December 2017, trade receivables of €455.889 (2016: €480.029) were impaired and provided for. The individually impaired receivables mainly relate to customers, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

Movement in provision for impairment of receivables:

	2017	2016
	€	€
Balance at 1 January	480.029	480.029
Bad debts recovered (Note 7)	(26.947)	-
Charge for the year (Note 7)	13.400	-
Bad debts written off already provided for	(10.593)	-
Balance at 31 December	455.889	480.029

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

15. Trade and other receivables (continued)

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

16. Cash at bank and in hand

Cash balances are analysed as follows

	2017	2016
	€	€
Cash at bank and in hand	<u>1.743.813</u>	1.091.892
	<u>1.743.813</u>	<u>1.091.892</u>

Cash and cash equivalents by type:

	2017	2016
	€	€
Cash at bank and in hand	1.743.813	1.091.892
Bank overdrafts (Note 19)	<u>(175.185)</u>	<u>(221.179)</u>
	<u>1.568.628</u>	<u>870.713</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

17. Share capital and share premium

Issued and fully paid	Number of shares	Share capital €	Share premium €	Total €
Balance at 1 January 2016	<u>8.990</u>	<u>89.900</u>	<u>7.910.100</u>	<u>8.000.000</u>
Balance at 31 December 2016/ 1 January 2017	<u>8.990</u>	<u>89.900</u>	<u>7.910.100</u>	<u>8.000.000</u>
Balance at 31 December 2017	<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 (2016: 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.

18. Other reserves

	Fair value reserve - available-for- sale financial assets €
Balance at 1 January 2016	193.586
Fair value adjustment (Note 13)	<u>(10.464)</u>
Balance at 31 December 2016/ 1 January 2017	<u>183.122</u>
Fair value adjustment (Note 13)	<u>(22.236)</u>
Balance at 31 December 2017	<u>160.886</u>

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

19. Borrowings

	2017 €	2016 €
Current borrowings		
Bank overdrafts (Note 16)	<u>175.185</u>	<u>221.179</u>

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

	2017	2016
Bank overdrafts	4,9%	4,9%

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

The Company has undrawn borrowing facilities of €824.815 as at 31 December 2017 (2016: €779.642).

20. Trade and other payables

	2017 €	2016 €
Trade payables	1.342.912	620.772
Other creditors	364.181	455.735
Payables to related companies (Note 21.3)	<u>4.105</u>	<u>2.073</u>
	<u>1.711.198</u>	<u>1.078.580</u>

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

21. Related party transactions

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

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

The following transactions were carried out with related parties:

21.1 Purchases of goods and services

	2017 €	2016 €	
	<u>Nature of transactions</u>		
Hellenic Petroleum Cyprus Limited (net of Excise Duty and CSO tax)	Purchase of goods	86.989.318	50.117.919
Hellenic Petroleum Cyprus Limited (Note 7)	Management services	346.509	346.509
EKO ABEE	Management services	<u>104.960</u>	<u>70.591</u>
		<u>87.440.787</u>	<u>50.535.019</u>

R.A.M. OIL CYPRUS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

21. Related party transactions (continued)

21.2 Receivables from related parties (Note 15)

Name	Nature of transactions	2017 €	2016 €
Hellenic Petroleum Cyprus Limited	Sales/purchases of goods/services	<u>2.577.341</u>	2.547.693
		<u>2.577.341</u>	<u>2.547.693</u>

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

21.3 Payables to related parties (Note 20)

Name	Nature of transactions	2017 €	2016 €
EKO ABEE	Management services	<u>4.105</u>	2.073
		<u>4.105</u>	<u>2.073</u>

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

22. Contingent liabilities

At 31 December 2017, the Company holds letters of guarantee of €45.650 (2016: €35.650) for trading purposes.

The Company had no contingent liabilities as at 31 December 2017 (2016: Nil).

23. Commitments

The Company had no capital or other commitments as at 31 December 2017 (2016: Nil).

24. Events after the reporting period

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

Independent Auditor's Report on pages 3 to 5

R.A.M. OIL CYPRUS LIMITED

ADDITIONAL INFORMATION TO THE STATEMENT OF COMPREHENSIVE
INCOME

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Analysis of expenses	29

R.A.M. OIL CYPRUS LIMITED

ANALYSIS OF EXPENSES

Year ended 31 December 2017

	2017	2016
	€	€
Selling, marketing and administrative expenses		
Security Services	172.012	188.615
Licence Fees	25.539	25.284
Provision for bad and doubtful debts, net	(13.547)	-
Electricity	279.765	224.723
Cleaning expenses	59.309	51.981
Insurance	34.241	49.821
Repairs and maintenance	42.637	43.449
Sundry expenses	36.709	23.754
Telephone and postage	42.797	43.774
Stationery and printing	20.619	18.516
Taxes and Licences	26.363	21.801
Auditors' remuneration	21.325	20.369
Legal and professional fees	33.210	8.237
Travelling local expenses	-	2.200
Entertaining	28.454	21.121
Management fees	346.509	346.509
Water and Sewerage Expenses	34.837	40.154
Bank Charges	88.327	76.520
Petrol Station Managing Costs	3.912.113	3.576.951
Aviation Service Fee	104.960	70.591
Depreciation	18.467	25.604
	<u>5.314.646</u>	<u>4.879.974</u>