YUGEN LIMITED

FINANCIAL STATEMENTS

Period from date of incorporation 18 January 2018
to 31 December 2018

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CONTENTS

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Konstantinos Karachalios (appointed on 14/12/2018) Robertos Karahannas (appointed on 14/12/2018) Marios Lytras (appointed on 14/12/2018) Theodora Papadimitriou (appointed on 14/12/2018) Christos Tziolas (appointed on 14/12/2018) POL (SERVICES) LIMITED (appointed on 18/1/2018 and resigned on 14/12/2018)
Company Secretary	POL Secretarial Limited Metochiou, 37 Agios Andreas, 1101, 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	Metochiou, 37 Agios Andreas, 1101, Nicosia, Cyprus
Registration number	HE378891

MANAGEMENT REPORT

The Board of Directors of Yugen Limited (the "Company") presents to the members its first Management Report and audited financial statements of the Company for the period from date of incorporation 18 January 2018 to 31 December 2018.

Incorporation
Yugen Limited (the "Company") was incorporated in Cyprus on 18 January 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company
The principal activities of the Company are the management and operation of its fuel terminal at the Vassiliko area, that is currently under construction for the provision of storage and handling services to Fuel Marketing Entities.

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 as this is the first year of incorporation.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 2, 5 and 6 of the financial statements.

Results
The Company's results for the period are set out on page 7. The net loss for the period attributable to the shareholders of the Company amounted to €11.754. On 31 December 2018 the total assets of the Company were €1.128.916 and the net liabilities of the Company were €10.754.

Dividends
The Company did not have any distributable profits as at 31 December 2018, thus the Board of Directors cannot recommend the payment of a dividend.

Share capital

Authorised capital
On incorporation date the Company’s authorised share capital was fixed under tis Memorandum of Association at 1.000 ordinary shares of nominal value €1 each. On 18 January 2019, the Company increased its authorised share capital from 1.000 to 10.000 ordinary shares of nominal value €1 each.
Issued capital
Upon incorporation on 18 January 2018 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.
On 18 January 2019 the Company's issued share capital increased from 1.000 to 9.000 ordinary shares by issuing 8.000 additional ordinary shares of nominal value of €1 each at a premium as detailed in note 16.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1. Upon incorporation of the Company, POL (SERVICES) LIMITED was appointed director, and resigned on 14 December 2018. On the same date, Konstantinos Karachalios, Robertos Karahannas, Marios Lytras, Theodora Papadimitriou and Christos Tziolas were appointed as Directors and remained in office to 31 December 2018 and at the date of this report.

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

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 16 to the financial statements.

Independent Auditors
The independent auditors, Ernst & Young Cyprus Limited, were appointed by the Company as first auditors 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
Director

Nicosia, 25 April 2019

Independent Auditor's Report

To the Members of Yugen Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yugen Limited (the "Company"), which are presented in pages 7 to 21 and comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period from date of incorporation 18 January 2018 to 31 December 2018, 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 2018, and of its financial performance and its cash flows for the period from date of incorporation 18 January 2018 to 31 December 2018 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, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal Requirements

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

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

Other Matter

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

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

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 25 April 2019

STATEMENT OF COMPREHENSIVE INCOME
Period from date of incorporation 18 January 2018 to 31 December 2018

	Note	**18/01/2018-31/12/2018 €**
Administration expenses	7	**(11.754)**
Loss before tax		**(11.754)**
Net loss for the period		**(11.754)**
Other comprehensive income		**-**
Total comprehensive loss for the year		**(11.754)**

The notes on pages 11 to 21 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 December 2018

	Note	2018 €
ASSETS		
Non-current assets		
Property, plant and equipment	9	**1.024.800**
		1.024.800
Current assets		
Other receivables	10	**103.116**
Receivables from parent	13	**1.000**
		104.116
Total assets		**1.128.916**
EQUITY AND LIABILITIES		
Equity		
Share capital	11	**1.000**
Accumulated losses		**(11.754)**
Total equity		**(10.754)**
Current liabilities		
Other payables	12	**2.380**
Payables to related companies	13	**1.137.290**
		1.139.670
Total equity and liabilities		**1.128.916**

On 25 April 2019 the Board of Directors of Yugen Limited authorised these financial statements for issue.

....	....
Robertos Karahannas	Marios Lytras
Director	Director

The notes on pages 11 to 21 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Period from date of incorporation 18 January 2018 to 31 December 2018

	Note	Share capital €	Accumulated losses €	Total €
Comprehensive income				
Net loss for the period		-	(11.754)	(11.754)
Total comprehensive loss for the year		-	(11.754)	(11.754)
Transactions with owners				
Issue of share capital	11	1.000	-	1.000
Total transactions with owners		1.000	-	1.000
Balance at 31 December 2018		**1.000**	**(11.754)**	**(10.754)**

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

CASH FLOW STATEMENT

Period from date of incorporation 18 January 2018 to 31 December 2018

	18/01/2018-31/12/2018 €
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	**(11.754)**
	(11.754)
Changes in working capital:	
Increase in other payables	**2.380**
Increase in payables to related companies	**9.374**
Cash generated from operations	**-**
CASH FLOWS FROM INVESTING ACTIVITIES	**-**
CASH FLOWS FROM FINANCING ACTIVITIES	**-**
Net increase in cash and cash equivalents	**-**
Cash and cash equivalents at beginning of the period	**-**
Cash and cash equivalents at end of the period	**-**

The notes on pages 11 to 21 form an integral part of these financial statements.

1. Corporate information

Country of incorporation

The Company Yugen Limited (the "Company") was incorporated in Cyprus on 18 January 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Metochiou, 37, Agios Andreas, 1101, Nicosia, Cyprus.

Principal activities

The principal activities of the Company are the management and operation of its fuel terminal at the Vassiliko area, that is currently under construction for the provision of storage and handling services to Fuel Marketing Entities.

2. Basis of preparation

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

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 6.

The Financial Statements cover the period from the Company's incorporation 18 January 2018 and therefore no comparatives are presented.

3. Adoption of new or revised standards and interpretations

As from 18 January 2018, the Company adopted all the IFRSs and International Accounting Standards (IAS), which are relevant to its operations.

Standards issued but not yet effective

The Company has not early adopted any of the following standards, interpretation or amendment that has been issued but not yet effective. In addition, the Company assessed all standards, interpretations and amendments issued but not yet effective, and concluded that, except for IFRS 16, which is analysed below, they will not have any significant impact on the financial statements.

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

(i) Adopted by the European Union

- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 Leases: The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

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

Standards issued but not yet effective (continued)

(i) Adopted by the European Union (continued)

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Agreement contains a Lease, SIC-15 Operating Leases- Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal From of a Lease.

The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. More specifically, IFRS 16 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company has set up a project team which has reviewed the Company's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Company's operating leases. The Company has assessed the estimated impact that initial application of IFRS 16 will have on its financial statements. Particularly, it has disclosed known or reasonably estimable information relevant to assessing the possible impact that the application of IFRS 16 will have on its financial statements in the period of initial application that was available when the financial statements were prepared, as seen below.

The actual impacts of adopting the standard on 1 January 2019 may change because:

- The Company is in the process of finalising the testing and assessment of controls over its new IT systems; and

- The new accounting policies and estimates are subject to change until the Company presents its first financial statements that include the date of initial application

Transition

The Company plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Under this approach the Company will a) recognize a lease liability and will measure that lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at the date of initial application and b) recognise a right-of-use asset and measure that right-of-use asset by an amount equal to the lease liability.

The cumulative effect of adopting IFRS 16, if such need arises, will be recognized as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

Leases in which the Company is a lessee

The Company will recognize new asset and liability for its operating lease of the land. Subsequent to initial recognition, the Company will a) measure the right-of-use asset by applying the cost model and depreciate it on a straight line basis up to the end of the lease term and b) measure the lease liability by increasing and reducing the carrying amount to reflect interest on the lease liability and lease payments made, respectively.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

Based on the information currently available, and subject to the completion of the above mentioned implementation tasks the Company estimates that it will recognize additional lease liabilities of approximately €1.518.814 as at 1 January 2019 and additional right-of-use assets of approximately €1.621.935.

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

Standards issued but not yet effective (continued)

(i) Adopted by the European Union (continued)
- Amendments to IAS 28: Long term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019)
- IFRIC Interpretation 23 "Uncertainty over Income Tax Treatments" (effective for annual periods beginning on or after 1 January 2019).

(ii) Not adopted by the European Union
- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021).
- IFRS 14 Regulatory Deferral Accounts (the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard)
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) (effective for annual periods beginning on or after 1 January 2020).
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018) (effective for annual periods beginning on or after 1 January 2019).
- 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 References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020)
- Amendment to IFRS 3 Business Combinations (issued on 22 October 2018) (effective for annual periods beginning on or after 1 January 2020)
- IFRS 10 (Amendments) and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely).

The Board of Directors expects that the adoption of these standards or interpretations in future periods will not have a material effect on the financial statements of the Company, other than IFRS 16, the impact of which was assessed by management, as presented above.

4. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

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.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

4. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial instruments

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

4. Summary of significant accounting policies (continued)

Financial instruments (continued)

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

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

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

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

Subsequent measurement

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

• Financial assets at amortised cost (debt instruments)

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

• Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.
Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period, otherwise they are classified as non-current. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model

(b) Financial assets at amortised cost

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

4. Summary of significant accounting policies (continued)

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

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

Trade receivables

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

Trade receivables are also subject to the impairment requirements of IFRS 9.The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See Note 5 Credit risk section.

Trade payables

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

Derecognition of financial assets and liabilities

Financial assets

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

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

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

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

4. 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.

Share capital

Ordinary shares are classified as equity.

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 a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

5. Financial risk management

Financial risk factors
The Company is exposed to 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:

5.1 Credit risk
Credit risk arises from receivable balances from related parties carried at amortised cost.

5.2 Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company's exposure to liquidity risk is not considered significant as the majority of the Company's current liabilities are towards the Company's related parties. The Company has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the financial support of its shareholder.

5.3 Capital risk management
Capital includes equity shares.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Fair value estimation

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

6. 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:

- **Income taxes**

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

- **Impairment of non-financial assets**

  The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

7. Expenses by nature

	18/01/2018-31/12/2018 €
Auditors' remuneration	**2.380**
Operating lease rentals	**9.374**
Total expenses	**11.754**

On 7 December 2018, a land rental agreement was signed between Yugen Ltd and the Republic of Cyprus (Ministry of Energy, Commence and Tourism) for the Energy and Industrial area at Vassiliko. The agreement is for 33 years, with an annual rental fee of €112.490 being payable at the beginning of each year.

8. Tax

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%.

9. Property, plant and equipment

	Property under construction €
Cost	
Additions	1.024.800
Balance at 31 December 2018	**1.024.800**
Net book amount	
Balance at 31 December 2018	**1.024.800**

Property under construction relates to the new fuels terminal being currently under construction at the Vassiliko area.

10. Other receivables

	2018 €
Rent prepayment	**103.116**
	103.116

On 7 December 2018, a land rental agreement was signed between Yugen Ltd and the Republic of Cyprus (Ministry of Energy, Commence and Tourism) for the Energy and Industrial area at Vassiliko. The agreement is for 33 years, with an annual rental fee of €112.490 being payable at the beginning of each year.

The exposure of the Company to credit risk and impairment losses in relation to other receivables is reported in note 5 of the financial statements.

11. Share capital

	2018 Number of shares	2018 €
Authorised		
Ordinary shares of €1 each	**1.000**	**1.000**
		€
Issued and fully paid		
Issue of shares on incorporation	**1.000**	**1.000**
Balance at 31 December	**1.000**	**1.000**

Authorised capital

On incorporation date the Company's authorised share capital was fixed under tis Memorandum of Association at 1.000 ordinary shares of nominal value €1 each.

On 18 January 2019, the Company increased its authorised share capital from 1.000 to 10.000 ordinary shares of nominal value €1 each.

Issued capital

Upon incorporation on 18 January 2018 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

On 18 January 2019 the Company's issued share capital increased from 1.000 to 9.000 ordinary shares by issuing 8.000 additional ordinary shares of nominal value of €1 each at a premium of €499 per share as detailed in note 16.

12. Other payables

	2018
	€
Other payables	2.380
	2.380

13. Related party transactions

As at 31 Decemeber 2018 the Company was controlled by R.A.M Oil Cyprus Ltd, incorporated in Cyprus, which owned 100% of the Company's shares. The Company’s ultimate controlling party is Hellenic Petroleum S.A., incorporated in Greece.

As at the date of these financial statements being authorised for issue the Company is controlled by Hellenic Petroleum Cyprus Holding (HPCH) Ltd, incorporated in Cyprus, which owns 100% of the Company's shares. The Company’s ultimate controlling party is Hellenic Petroleum S.A., incorporated in Greece (Note 16).

The following transactions were carried out with related parties:

13.1 Directors' remuneration

There was no remuneration for the directors of the Company for the year 2018.

13.2 Receivables from shareholder

		2018
Name	Nature of transactions	€
R.A.M Oil Cyprus Ltd	Finance	1.000
		1.000

13.3 Payables to related parties

		2018
Name	Nature of transactions	€
Hellenic Pertoleum Cyprus Limited	Finance	1.137.290
		1.137.290

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

14. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018.

15. Commitments

Operating lease commitments

The Company leases the land at Vasiliko area for the construction of the fuel terminals under a non cancellable operating lease agreement. The lease has varying terms, escalation clauses and renewal rights.
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2018
	€
Within one year	15.383
Between one and five years	93.092
After five years	1.410.344
	1.518.819

Construction of Fuel Terminal

The Company entered into a contract agreement with a third party contractor, for the construction of its fuel terminals at Vasiliko area. The total cost for the construction contract of the terminal amounts to €23.400.000. This investment will be financed by Hellenic Petroleum Group.

The Company had no further capital or other commitments as at 31 December 2018.

16. Events after the reporting period

On 18 January 2019, the authorised share capital of the Company was increased from 1.000 to 10.000 ordinary shares of €1 each. On the same date, R.A.M Oil Cyprus Ltd transferred its total shareholding of 1.000 ordinary shares of nominal value of €1 each to Hellenic Petroleum Cyprus Holding (HPCH) Ltd and on the same day the Company issued 8.000 additional ordinary shares of nominal value of €1 each at a premium to Hellenic Petroleum Cyprus Holding (HPCH) Ltd and as a result Hellenic Petroleum Cyprus Holding (HPCH) Ltd controls 100% of the total issued share capital of the Company.

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

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