

**LOULIS INTERNATIONAL FOODS  
ENTERPRISES BULGARIA LTD**

FINANCIAL STATEMENTS  
31 December 2017

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## FINANCIAL STATEMENTS

For the year ended 31 December 2017

CONTENTS	PAGE
Board of Directors and other officers	1
Management Report	2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 18

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

A.T.S Directors Limited  
A.T.S Managers Limited  
L.M.N.T Directors Limited  
L.M.N.T Managers Limited  
Constantinos Loulis  
Nikolaos Fotopoulos  
Dimitrios Tarnaras

**Company Secretary:**

A.T.S Services Limited

**Independent Auditors:**

Baker Tilly Klitou and Partners Ltd  
Certified Public Accountants and Registered Auditors  
Corner C Hatzopoulou & 30 Griva Digheni Avenue  
1066 Nicosia  
Cyprus

**Registered office:**

2-4 Arch. Makarios Avenue  
Capital center, 9th floor  
1505 Nicosia  
Cyprus

**Bankers:**

Hellenic Bank Public Company Ltd  
Piraeus Bank (Cyprus) Ltd

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## MANAGEMENT REPORT

The Board of Directors presents its 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, are the provision of financing and holding of investments in companies operating in the production and marketing of flour and related products.

### **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.

### **Results**

The Company's results for the year are set out on page 6.

### **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.

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

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 18 to the financial statements.

### **Independent Auditors**

The Independent Auditors, Baker Tilly Klitou and Partners Ltd, 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,

A.T.S Directors Limited  
Director

Nicosia, 15 March 2018

# **Independent Auditor's Report**

## **To the Members of Loulis International Foods Enterprises Bulgaria Ltd**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of parent company Loulis International Foods Enterprises Bulgaria Ltd (the "Company"), which are presented in pages 6 to 18 and comprise the statement of financial position as at 31 December 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Loulis International Foods Enterprises Bulgaria Ltd 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, 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.

## **Independent Auditor's Report (continued)**

### **To the Members of Loulis International Foods Enterprises Bulgaria Ltd**

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 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.

## **Independent Auditor's Report (continued)**

### **To the Members of Loulis International Foods Enterprises Bulgaria Ltd**

#### **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.

Andreas Pittakas  
Certified Public Accountant and Registered Auditor  
for and on behalf of

Baker Tilly Klitou and Partners Ltd  
Certified Public Accountants and Registered Auditors

Corner C Hatzopoulou & 30 Griva Digheni Avenue  
1066 Nicosia  
Cyprus

Nicosia, 15 March 2018

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Note	2017 €	2016 €
Other operating income	5	<b>120.000</b>	6.398
Administration expenses	6	<b>(170.869)</b>	(145.483)
<b>Operating loss</b>		<b>(50.869)</b>	(139.085)
Finance income		<b>67.682</b>	70.749
Finance costs		<b>(2.245)</b>	(1.846)
<b>Net finance income</b>	8	<b>65.437</b>	68.903
<b>Profit/(loss) before tax</b>		<b>14.568</b>	(70.182)
Tax	9	<b>50.269</b>	(476)
<b>Net profit/(loss) for the year</b>		<b>64.837</b>	(70.658)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>64.837</b>	(70.658)

The notes on pages 10 to 18 form an integral part of these financial statements.



# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## STATEMENT OF FINANCIAL POSITION

31 December 2017

	Note	2017 €	2016 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	10	<b>3.566.533</b>	25.680
Loans receivable	11	<u>-</u>	<u>1.683.000</u>
		<b><u>3.566.533</u></b>	<b><u>1.708.680</u></b>
<b>Current assets</b>			
Receivables	12	<b>775.404</b>	2.029.481
Cash and cash equivalents	13	<b><u>242.128</u></b>	<u>888.125</u>
		<b><u>1.017.532</u></b>	<b><u>2.917.606</u></b>
<b>Total assets</b>		<b><u>4.584.065</u></b>	<b><u>4.626.286</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	<b>1.637.539</b>	1.637.539
Share premium		<b>1.850.971</b>	1.850.971
Translation reserve		<b>(3.546.389)</b>	(3.546.389)
Retained earnings		<b><u>4.512.452</u></b>	<u>4.447.615</u>
<b>Total equity</b>		<b><u>4.454.573</u></b>	<b><u>4.389.736</u></b>
<b>Current liabilities</b>			
Other payables	15	<b>116.772</b>	173.561
Current tax liabilities	16	<b><u>12.720</u></b>	<u>62.989</u>
<b>Total liabilities</b>		<b><u>129.492</u></b>	<b><u>236.550</u></b>
<b>Total equity and liabilities</b>		<b><u>4.584.065</u></b>	<b><u>4.626.286</u></b>

On 15 March 2018 the Board of Directors of Loulis International Foods Enterprises Bulgaria Ltd authorised these financial statements for issue.

.....  
A.T.S Directors Limited  
Director

.....  
L.M.N.T Directors Limited  
Director

The notes on pages 10 to 18 form an integral part of these financial statements.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share capital €	Share premium €	Translation reserve €	Retained earnings €	Total €
<b>Balance at 1 January 2016</b>	<b>1.637.539</b>	<b>1.850.971</b>	<b>(3.546.389)</b>	<b>4.518.273</b>	<b>4.460.394</b>
Total comprehensive income for the year	-	-	-	(70.658)	(70.658)
<b>Balance at 31 December 2016/ 1 January 2017</b>	<b>1.637.539</b>	<b>1.850.971</b>	<b>(3.546.389)</b>	<b>4.447.615</b>	<b>4.389.736</b>
Total comprehensive income for the year	-	-	-	64.837	64.837
<b>Balance at 31 December 2017</b>	<b>1.637.539</b>	<b>1.850.971</b>	<b>(3.546.389)</b>	<b>4.512.452</b>	<b>4.454.573</b>

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 18 form an integral part of these financial statements.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Note	2017 €	2016 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit/(loss) before tax</b>		<b>14.568</b>	(70.182)
Adjustments for:			
Interest income	8	<u>(67.682)</u>	(70.749)
		<b>(53.114)</b>	(140.931)
<b>Changes in working capital:</b>			
Decrease/(increase) in receivables		<b>1.254.077</b>	(312.608)
(Decrease)/increase in other payables		<u>(56.789)</u>	96.221
<b>Cash generated from/(used in) operations</b>		<u><b>1.144.174</b></u>	<u>(357.318)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additional contribution in investment in subsidiary	10	<b>(3.540.853)</b>	(25.680)
Loans repayments received		<b>1.683.000</b>	-
Proceeds from sale of investments in subsidiary undertakings		-	18.500
Interest received		<u>67.682</u>	70.749
<b>Net cash (used in)/generated from investing activities</b>		<u><b>(1.790.171)</b></u>	<u>63.569</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(645.997)</b>	(293.749)
Cash and cash equivalents at beginning of the year		<u>888.125</u>	1.181.874
<b>Cash and cash equivalents at end of the year</b>	13	<u><b>242.128</b></u>	<u>888.125</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Loulis International Foods Enterprises Bulgaria Ltd (the "Company") was incorporated in Cyprus on 1st April 2000 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 2-4 Arch. Makarios Avenue, Capital center, 9th floor, 1505 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are the provision of financing and holding of investments in companies operating in the production and marketing of flour and related products.

### 2. 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 Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

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 Company is not obliged by the Companies Law, Cap. 113, to prepare consolidated financial statements because the ultimate parent publishes consolidated financial statements according to IFRSs and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2017. The consolidated financial statements can be obtained from Loulis Port, Sourpi Magnesia, 37008, Greece.

The preparation of financial statements in conformity with IFRSs 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. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### 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.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

#### Subsidiary companies

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

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 2. Significant accounting policies (continued)

#### Subsidiary companies (continued)

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

#### Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Commission income**

Commission income is recognised when the right to receive payment is established.

#### Finance income

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

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as 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.

#### Tax

Income tax expense represents the sum of the tax currently payable and deferred 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 2. Significant accounting policies (continued)

#### 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.

#### Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

#### 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 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.

#### Comparatives

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

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to interest rate 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 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 3. Financial risk management (continued)

#### 3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

#### 3.3 Capital risk management

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. The Company's overall strategy remains unchanged from last year.

#### Fair value estimation

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

### 4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs 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. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **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 investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Valuation of non-listed investments**

The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 5. Other operating income

	2017	2016
	€	€
Payable - written off	-	6.398
Consultancy fees	<b>120.000</b>	-
	<b>120.000</b>	<b>6.398</b>

### 6. Administration expenses

	2017	2016
	€	€
Director's remuneration	<b>142.214</b>	120.000
Registrar of Companies annual levy	<b>350</b>	350
Stationery and printing	<b>92</b>	-
Auditors' remuneration - current year	<b>3.825</b>	1.940
Auditors' remuneration - prior years	-	1.623
Legal fees	-	3.291
Other professional fees	<b>3.843</b>	14.500
Overseas travelling	<b>20.270</b>	3.779
Rent	<b>275</b>	-
	<b>170.869</b>	<b>145.483</b>

### 7. Staff costs

	2017	2016
	€	€
Director's remuneration (Note 17.1)	<b>142.214</b>	120.000
	<b>142.214</b>	<b>120.000</b>

### 8. Finance income/cost

	2017	2016
	€	€
Interest income	<b>67.682</b>	70.749
<b>Finance income</b>	<b>67.682</b>	<b>70.749</b>
Sundry finance expenses	<b>(2.245)</b>	(1.846)
<b>Finance costs</b>	<b>(2.245)</b>	<b>(1.846)</b>
<b>Net finance income</b>	<b>65.437</b>	<b>68.903</b>

### 9. Tax

	2017	2016
	€	€
Overprovision of tax liability of previous years	<b>(50.269)</b>	-
Defence contribution - current year	-	476
<b>(Credit)/charge for the year</b>	<b>(50.269)</b>	<b>476</b>



# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 9. Tax (continued)

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/(loss) before tax	<u>14.568</u>	<u>(70.182)</u>
Tax calculated at the applicable tax rates	1.821	(8.773)
Tax effect of expenses not deductible for tax purposes	2.491	5.286
Tax effect of allowances and income not subject to tax	-	(198)
Tax effect of tax losses brought forward	(4.312)	-
Tax effect of tax loss for the year	-	3.685
Defence contribution current year	-	476
Prior year tax	<u>(50.269)</u>	<u>-</u>
<b>Tax charge</b>	<u><b>(50.269)</b></u>	<u>476</u>

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%.

The Company's chargeable income for the year amounted to €34.497 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

### 10. Investment in subsidiary

	2017 €	2016 €
Balance at 1 January	25.680	333.480
Additions (1)	3.540.853	25.680
Disposals (2)	<u>-</u>	<u>(333.480)</u>
<b>Balance at 31 December</b>	<u><b>3.566.533</b></u>	<u>25.680</u>

The details of the subsidiary are as follows:

Name	Country of incorporation	Principal activities	2017 Holding %	2016 Holding %	2017 €	2016 €
Loulis Mel - Bulgaria EAD	Bulgaria	Trade	100	100	<u>3.566.533</u>	<u>25.680</u>
					<u><b>3.566.533</b></u>	<u>25.680</u>

(1) During 2016, the Company incorporated a subsidiary in Bulgaria in a form of a joint stock company. The Company contributed the amount of €25,680, as a consideration of the 50,000 shares of the new shares issued by Loulis Mel - Bulgaria EAD. During 2017, the Company contributed the amount of €3.540.853, as a consideration of the 532.000 shares of the new shares issued by Loulis MEI - Bulgaria EAD. The Company holds 100% of the Loulis Mel-Bulgaria EAD.

(2) The shares in Lafco Leader Asian Food Company Ltd were transferred by the Company to Loulis Mills S.A, in 2016 at cost.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 11. Loans receivable

	2017	2016
	€	€
Loan to related party (Note 17.4)	-	1.683.000
	<u>-</u>	<u>1.683.000</u>

The fair values of loans receivable approximate to their carrying amounts as presented above.

### 12. Receivables

	2017	2016
	€	€
Loan to own subsidiary (Note 17.2)	305	608.063
Receivables from related companies (Note 17.3)	710.476	1.362.002
Deposits and prepayments	3.500	3.500
Other receivables	43.196	42.062
Refundable VAT	17.927	13.854
	<u>775.404</u>	<u>2.029.481</u>

### 13. Cash and cash equivalents

Cash balances are analysed as follows:

	2017	2016
	€	€
Cash in hand	890	-
Cash at bank	241.238	888.125
	<u>242.128</u>	<u>888.125</u>

### 14. Share capital

	2017	2017	2016	2016
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1,71 each	<u>1.167.625</u>	<u>1.996.639</u>	1.167.625	1.996.639
		€		€
<b>Issued and fully paid</b>				
Balance at 1 January	<u>957.625</u>	<u>1.637.539</u>	957.625	1.637.539
<b>Balance at 31 December</b>	<u>957.625</u>	<u>1.637.539</u>	957.625	1.637.539

### 15. Other payables

	2017	2016
	€	€
Accruals	4.840	60.000
Other creditors	989	2.618
Payables to related companies (Note 17.5)	110.943	110.943
	<u>116.772</u>	<u>173.561</u>

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

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 16. Current tax liabilities

	2017	2016
	€	€
Corporation tax	-	13.021
Special contribution for defence	<b>12.720</b>	49.968
	<b><u>12.720</u></b>	<b><u>62.989</u></b>

### 17. Related party transactions

The Company is controlled by Myloi Loullis S.A, incorporated in Greece, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

#### 17.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2017	2016
	€	€
Directors' remuneration	<b>141.943</b>	120.000
	<b><u>141.943</u></b>	<b><u>120.000</u></b>

According to resolution on 16 January 2017, the Company decided to pay the amount of €120.000 (2016: €120.000) to Mr. Loulis Constantinos for services provided and expenses made for the projects in Bulgaria and any extra amount for transportation and accomodation fees for the year 2017.

#### 17.2 Loan to own subsidiary (Note 12)

	2017	2016
	€	€
Loullis Mel - Bulgaria EAD	<b>305</b>	608.063
	<b><u>305</u></b>	<b><u>608.063</u></b>

The loan to Loulis Mel Bulgaria EAD provided on 1 June 2016 for the amount of €100.000 bears 4% interest and was repaid during the year.

The loan to Loulis Mel Bulgaria EAD provided on 7 September 2016 for the amount of €500.000 bears 4% interest and was repaid during the year.

#### 17.3 Receivables from related parties (Note 12)

<u>Name</u>	<u>Nature of transactions</u>	2017	2016
		€	€
Bikecor Services Ltd (1)	Trade and Finance	<b>588.879</b>	1.360.405
Nikolaos Fotopoulos	Finance	<b>1.597</b>	1.597
Mary Lane Limited (2)	Consulting services	<b>120.000</b>	-
		<b><u>710.476</u></b>	<b><u>1.362.002</u></b>

(1) Loan with Bikecor Services Ltd for the amount of €1.277.105 bears 5% interest and is repayable until 31 December 2017. The amount of €83.300 which is free of interest, relates to services provided from the Company to Bikecor Services Ltd during the year 2015.

(2) On 3 January 2017 the Company entered into an agreement with Mary Lane Limited for consulting services. The Company invoices an amount of €10.000 per month and the terms of this agreement end on 29 December 2017.

# LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 17. Related party transactions (continued)

#### 17.4 Loans to related party (Note 11)

	2017	2016
	€	€
Mills Loullis S.A.	-	1.683.000
	<u>-</u>	<u>1.683.000</u>

The loan to related company Mills Loulis S.A. was provided on 24.01.2013, it was interest free and it was repaid during the year.

#### 17.5 Payables to related parties (Note 15)

<u>Name</u>	<u>Nature of transactions</u>	2017	2016
		€	€
Mary Lane Limited	Consulting services	<b>110.943</b>	110.943
		<b><u>110.943</u></b>	<b><u>110.943</u></b>

### 18. 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**