



ARTE BUNKERING

in masterly fashion

**ANNUAL REPORT
2013**

Contents

Activities Report	3
Annual Accounting Report	4
Balance Sheet	4
Profit Statement	5
Cash Flow Statement	6
Statement of Changes in Equity	7
Annexes to the Annual Accounting Report	8
Annex 1 Accounting Policies	8
Annex 2 Cash	9
Annex 3 Receivables from Buyers	9
Annex 4 Taxes Prepaid and Taxes Payable	10
Annex 5 Other Receivables	10
Annex 6 Borrowings	11
Annex 7 Debts to Suppliers	11
Annex 8 Other Operating Income	11
Annex 9 General Administrative Expenses	12
Annex 10 Staff Expenses	12
Annex 11 Other Expenses	12
Annex 12 Finance Income and Expenses	12
Annex 13 Related Parties	12

ACTIVITIES REPORT

The main activity of Arte Bunkering OÜ is fuel-related intermediary activities. Intermediary activities constitute the intermediary's activities related to the sale of oil products. Arte Bunkering OÜ brings together the ship owners who turn to us when they need to find fuel for fuelling their ships up and the sellers of fuel, earning money from intermediary activities. The ships that need fuelling up can be located at any place in the world. Our experience and expertise, knowledge of the bunker market and many physical suppliers of oil products help us to fulfil orders and supply oil products all over the world, by purchasing the goods from the supplier at a good price, and selling them to the ship owner at a higher price including our intermediary services fee.

Our main risks:

1. Inability or refusal of the ship owner to pay for the fuel.

Goals of the reporting period:

1. Development of activity, finding new customers and ship owners, conclusion of contracts.
2. Obtaining/opening credit limits from the physical suppliers of oil products. Prolonging the payment deadline to 30 days.

All the goals were achieved during the reporting period.

Activity of the intermediary during the year 2013 was relatively stable and profitable.

During the year 2013 there were 6 persons working in Arte Bunkering OÜ. Total expenses on the employee's wages including social tax constituted 284074 euros.

ANNUAL ACCOUNTING REPORT

Balance Sheet (in euros)

	31.12.201	31.12.201
Assets		
Current assets		
Cash	1 190 395	1 880 256
Receivables and prepayments	14 497 416	7 474 663
Total current assets	15 687 811	9 354 919
Total assets	15 687 811	9 354 919
Liabilities and equity		
Liabilities		
Short-term liabilities		
Loan liabilities	0	531 188
Debts and prepayments	9 907 312	3 297 288
Total short-term liabilities	9 907 312	3 828 476
Total liabilities	9 907 312	3 828 476
Equity		
Equity at the nominal value	775 000	2 556
Mandatory reserve capital	20 000	256
Retained profit (loss) for the previous	4 731 443	2 411 485
Profit (loss) for the financial year	254 056	3 112 146
Total equity	5 780 499	5 526 443
Total liabilities and equity	15 687 811	9 354 919

Profit Statement (in euros)

	201	201
Sales revenue	112 558	72 697 737
Expenses on sold products (goods,	-111 501	69 222 281
Gross profit (loss)	1 057 762	3 475 456
General administrative expenses	-558 074	-326 341
Other operating income	1 528 895	1 101 104
Other operating expenses	-1 544 590	-1 144 739
Operating profit (loss)	483 993	3 105 480
Finance income and expenses	-229 937	0
Profit (loss) before income tax	254 056	3 105 480
Profit (loss) for the financial year	254 056	3 105 480

Cash Flows Statement (in euros)

	201	201
Cash flows from business operations		
Business profit (loss)	483 993	3 105 480
Change of receivables and prepayments related to business operations	-7 012 250	-5 471 107
Change of inventories	-10 503	-7 568
Change of liabilities and prepayments related to business operations	6 610 024	2 928 706
Interests received	7 112	15 321
Total cash flows from business operations	78 376	570 832
Cash flows from financing activities		
Loans received	0	531 188
Repayments of the loans received	-531 188	0
Paid interests	-557	0
Other payments in connection with	-10 000	0
Total cash flows from financing	-541 745	531 188
Total cash flows	-463 369	1 102 020
Cash and cash equivalents at the	1 880 256	786 891
Change of cash and cash equivalents	-463 369	1 102 020
Impact of changes of currency rates	-226 492	-8 655
Cash and cash equivalents at the end of the period	1 190 395	1 880 256

Statement of Changes in Equity (in euros)

				Total
	Equity at the nominal	Mandatory reserve capital	Retained profit (loss)	
31.12.2011	2 556	256	2 411 485	2 414 297
Profit (loss) for the			3 112 146	3 112 146
31.12.2012	2 556	256	5 523 631	5 526 443
Profit (loss) for the			254 056	254 056
Changes in the reserves		19 744	-19 744	0
Other changes in the reserves	772 444		-772 444	0
31.12.2013	775 000	20 000	4 985 499	5 780 499

Annexes to the Annual Accounting Report

Annex 1 Accounting Policies

General information

Arte Bunkering OÜ's Annual Accounting Report for 2013 was prepared in accordance with the accepted accounting practices of the Republic of Estonia. The main requirements of the accepted accounting practices are established by the Estonian Accounting Act and supplemented by the regulations issued by the Accounting Standards Board.

The Annual Accounting Report was prepared on the basis of the acquisition cost principle, except for the cases that are described in the following accounting policies.

The Annual Accounting Report is drawn up in euros.

Cash

Cash and its equivalents in cash flows statement include cash in hand, deposits held at call with banks, term deposits with maturities of three months or less and units of the money fund.

Transactions performed in foreign currency and financial assets and liabilities fixed in foreign currency

Transactions fixed in foreign currency are shown on the basis of the currency rates of the Bank of Estonia valid on the day of performance of the transaction. Monetary financial assets and liabilities as well as non-monetary financial assets and liabilities fixed in foreign currency that are reflected according to the principle of fair value are re-calculated into Estonian kroons on the balance sheet day on the basis of the currency rates of the Bank of Estonia valid on that day. Profits received from the transactions performed in foreign currency are reflected in the profit statement as income and expenses for the respective period.

Receivables and prepayments

Receivables from buyers.

Short-term requirements to buyers which arise in the course of the Company's customary business transactions are reflected as receivables from buyers, except for the requirements to the other companies and the associated companies. Receivables from buyers are reflected at

their adjusted acquisition cost (that is the amount of discounts made when required deducted from the nominal value).

Estimation of reception of receivables is carried out for every individual buyer if possible. Receipts of prior to written-down unlikely receivables are presented as reduction of cost of unlikely receivables.

Other receivables.

All other receivables (accrued income, given loans and other short-term and long-term receivables) are reflected at their adjusted acquisition cost.

Inventories

Inventories are initially recorded at their acquisition cost, which consists of purchase expenses and other expenses required to take inventories to their supposed place and condition.

In addition to the acquisition cost, inventory purchase expenses comprise the customs duty related to the purchase of inventories, as well as other non-refundable fees and transportation costs directly related to the acquisition of inventories after deduction of discounts and grants.

In the course of presentation of inventories in expenses and accounting of carrying amount of inventories, the weighted average acquisition cost method was applied.

Inventories estimation is presented in the Balance Sheet depending on the circumstance of which is lower: whether their acquisition cost or their net realisable value. Write-off of inventories according to their net sale value is reflected as expenses on sold products for the period when write-off was made.

Financial liabilities

All financial liabilities (debts to suppliers, loans received, accrued expenses and other short-term and long-term debts) are initially recorded at their acquisition cost which also includes all the expenses directly related to the acquisition. Consequently they are reflected according to the adjusted acquisition cost method.

Adjusted acquisition cost of short-term financial obligations as a rule is equal to their nominal value, due to which short-term financial liabilities are reflected in the balance sheet in amount due to be paid. Accounting of adjusted acquisition cost of long-term financial liabilities is made using the internal interest rate method.

Taxation

According to the legislation in force in Estonia the company's profit is not subject to tax, and therefore there are no deferred income tax receivables or liabilities. Instead of profit, Estonian taxation system provides for taxation of dividends paid out of retained earnings with the tax rate being 21/79 of the amount of net dividends paid out of retained earnings. The company's income tax arising from payment of dividends is reflected in profit statements as the income tax expenses for the same period when the dividends were announced, irrespective of the period for which they were announced or during which they were actually paid out.

Related parties

Related parties to the business entity are designated on the basis of IAS 24 n2 requirements.

Income

Income from sale of goods is reflected if all significant risks related to ownership have been transferred to the buyer, reliable designation of sales revenue and expenses related to the transaction can be made and reception of the payment arising from the transaction is likely.

Income from sale of service is reflected after provision of the service.

Mandatory reserve capital

According to the Commercial Code the company is obliged to form mandatory reserve capital. Reserve capital is formed from annual net profit allocations. Every financial year the company is required to transfer at least 1/20 of its net profit to the reserve capital until the reserve capital reaches 1/10 of the share capital. The reserve capital may be used to cover a loss, or to increase share capital. Payments shall not be made to shareholders from the reserve capital

Annex 2 Cash (in euros)

	31.12.2013	31.12.2012
Cash in hand	1 579	0
Demand deposits	1 188 816	0
Total cash	1 190 395	1 880 256

Annex 3 Receivables from Buyers (in euros)

	31.12.2013	31.12.2012
Accounts receivable from buyers	14 066 572	7 424 670
Total receivables and prepayments	14 066 572	7 424 670

Annex 4 Taxes Prepaid and Taxes Payable (in euros)

	31.12.2013	31.12.2012
	Tax arrears	Tax arrears
Personal income tax	2 041	767
Social tax	3 289	1 353
Unemployment insurance	341	164
Other tax prepayments and	156	475
Total tax prepayments and	5 827	2 759

Annex 5 Other Receivables (in euros)

	31.12.2013	Division by remaining term		
		Within 12 months	Within 1 - 5 years	Over 5 years
Loans receivable	405 263	405 263		
Loans	405 263	405 263		
Accrued income	25 581			
Deferred expenses	25 581			
Total other receivables	430 844	405 263		
	31.12.2012	Division by remaining term		
		Within 12 months	Within 1 - 5 years	Over 5 years
Loans receivable	41 175	41 175		
Loans	41 175	41 175		
Accrued income	8 818			
Deferred expenses	8 818			
Total other receivables	49 993	41 175		

Annex 6 Borrowings (in euros)

	31.12.2013	Division by remaining term			Interest rate	Base currency	Deadline
		Within 12 months	Within 1 - 5 years	Over 5 years			
Short-term loans							
Short-term part of long-term loans	0	0					
Total short-term loans	0	0					
Total borrowings	0	0					
	31.12.2012	Division by remaining term			Interest rate	Base currency	Deadline
		Within 12 months	Within 1 - 5 years	Over 5 years			
Short-term loans							
Short-term part of long-term loans	531 188	531 188			2%	USD	03.01.2013
Total short-term loans	531 188	531 188					
Total borrowings	531 188	531 188					

Annex 7 Debts to Suppliers (in euros)

	31.12.2013	31.12.2012
Debts to suppliers in USD	0	0
Debts to suppliers in EUR	9 859 139	3 267 429
Total debts to suppliers	9 859 139	3 267 429

Annex 8 Other Operating Income (in euros)

	2013	2012
Profit from changes of currency rate	1 528 895	1 101 104
Total other operating income	1 528 895	1 101 104

Annex 9 General Administrative Expenses (in euros)

	2013	2012
Various office expenses	207 008	117 805
Business trips expenses	25 222	12 394
Staff expenses	284 074	175 515
Other	41 770	20 627
Total general administrative expenses	558 074	326 341

Annex 10 Staff Expenses (in euros)

	2013	2012
Wage expenses	214 884	132 481
Social tax	66 396	43 034
Holiday reserves	2 794	0
Total staff expenses	284 074	175 515
Average number of staff expressed in full-time equivalent	6	6

Annex 11 Other Expenses (in euros)

	2013	2012
Loss from changes of currency rate	1 544 590	1 144 739
Total other expenses	1 544 590	1 144 739

Annex 12 Finance Income and Expenses (in euros)

	2013
Profit (loss) from changes of currency rate	-226 492
Interest income from loans	7 112
Interest expenses from loans	-557
Other finance expenses	-10 000
Total finance income and expenses	-229 937

Annex 13 Related Parties (in euros)

The member of the Management Board does not receive the remuneration for members of the Management Board