

G.A.P. Vassilopoulos Limited

Report and financial statements 31 December 2000

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G.A.P. Vassilopoulos Limited

Directors and advisers

Directors

George Vassilopoulos
Aris Vassilopoulos
Petros Vassilopoulos
Savvas Garibaldinos

Registered office

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P O Box 3897
CY – 1687 Nicosia
Cyprus

Company Secretary

Eve Vassilopoulou
94 Righenis Street
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Cyprus

Auditors

PricewaterhouseCoopers
Julia House
3 Themistocles Dervis Street
CY – 1066 Nicosia
P O Box 21612
CY – 1591 Nicosia
Cyprus

G.A.P. Vassilopoulos Limited

Directors' report for the year ended 31 December 2000

- 1 The directors present their report together with the audited financial statements of the Group for the year ended 31 December 2000.

Principal activities

- 2 The principal activities of the group are unchanged from last year and include the following:
 - Operation of the Classic Hotel in Nicosia
 - Provision of shipping services
 - Provision of seafreight services
 - Provision of airfreight services
 - Provision of Aviation services
 - Provision of local and international courier services
 - Provision of Insurance services
 - Provision of Travel services
 - Transfers of funds international

Results

- 3 The consolidated income statement for the year is set out on page 4.

Directors

- 4 The directors at the date of this report are shown on page 1.

Auditors

- 5 The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

By order of the Board

Aris Vassilopoulos
Director

Nicosia
14 February 2001

Auditors' report to the members of G.A.P. Vassilopoulos Limited

1 We have audited the accompanying balance sheet and consolidated balance sheet of G.A.P. Vassilopoulos Limited as of 31 December 2000 and the related consolidated income statement and consolidated cash flow statement for the year then ended and have obtained all the information and explanations we considered necessary. These financial statements, set out on pages 4 to 34, are the responsibility of the Group's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3 In our opinion, proper books of account have been kept by the Group and the financial statements, which are in agreement therewith, give a true and fair view of the financial position of the company and the group as of 31 December 2000 and of the group results of the operations and cash flows for the year then ended in accordance with International Accounting Standards and comply with the Companies Law, Cap. 113.

PricewaterhouseCoopers
Chartered Accountants

Nicosia
14 February 2001

G.A.P. Vassilopoulos Limited

Consolidated profit and loss account

	Note	2000 C£	1999 C£
Sales		16.559.419	8.960.066
Cost of sales		(14.562.877)	(7.914.477)
Gross profit		1.996.542	1.045.589
Other operating income	3	181.209	63.259
Administrative expenses		(1.051.570)	(578.394)
Operating profit		1.126.181	530.454
Finance costs – net	4	(47.899)	(58.954)
Profit before tax	5	1.078.282	471.500
Tax	7	(327.203)	(142.905)
Net profit		751.079	328.595
Basic earnings per share (cents per share)	8	5,4	2,4
Diluted earnings per share (cents per share)	8	4,7	2,4

Consolidated statement of recognised gains and losses for the year ended 31 December 2000

	Notes	2000 C£	1999 C£
Revaluation surplus - land and buildings	21	135.000	261.247
Deferred tax on revaluation surplus - land and buildings	21	(40.587)	(70.362)
Deferred tax adjustment on revaluation of land based on consumers' price index	21	920	2.454
Gains not recognised in the profit and loss account		95.333	193.339
Net profit		751.079	328.595
Total recognised gains		846.412	521.934
Accumulate effect from the change of the accounting principle concerning interest		-	1.962

The notes on pages 9 to 34 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Consolidated balance sheet at 31 December 2000

	Notes	2000 C£	1999 C£
Assets			
Non-current assets			
Tangible fixed assets	10	2,918,650	2,617,364
Intangible assets	12	303,351	294,852
		3,222,001	2,912,216
Current assets			
Stocks of food and beverages		15,669	15,976
Debtors and prepayments	14	3,389,317	1,950,113
Amounts due to related companies	15	828,882	419,622
Other investments		20,992	-
Cash at bank	25	793,049	680,961
		5,047,909	3,066,672
Total assets		8,269,910	5,978,888
Equity and liabilities			
Capital and reserves			
Ordinary shares	22	1,385,000	615,007
Reserves	23	712,990	849,313
		2,097,990	1,464,320
Non-current liabilities			
Borrowings	16	1,009,772	1,087,561
Leases	17	94,054	123,640
Deferred tax liabilities	13	315,305	262,642
Directors current account	18	130,264	151,177
Other liabilities		22,500	-
		1,347,577	1,350,203
Current liabilities			
Creditors and accruals	19	2,567,454	2,054,999
Amounts due to related companies	15	564,935	448,681
Current tax liabilities	20	468,384	231,111
Borrowings	16	74,073	100,937
Leases	17	80,675	4,809
Bank overdraft	25	1,068,822	323,828
		4,824,343	3,164,365
Total liabilities		6,171,920	4,514,568
Total equity and liabilities		8,269,910	5,978,888

On 14 February 2001 the Board of Directors of G.A.P. Vassilopoulos Limited authorised these financial statements for issue.

Aris Vassilopoulos)
) Directors

George Vassilopoulos)

The notes on pages 9 to 34 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Balance sheet at 31 December 2000

	Notes	2000 C£	1999 C£
Assets			
Non-current assets			
Tangible fixed assets	10	2,442,443	2,257,459
Investments in subsidiaries	11	394,807	394,807
		<u>2,837,250</u>	<u>2,652,266</u>
Current assets			
Stocks of food and beverages		15,669	15,976
Debtors and Prepayments	14	125,455	92,356
Amounts due to related companies	15	40,391	32,124
Other investments		20,992	-
Cash at bank		11,530	896
		<u>214,037</u>	<u>141,352</u>
Total assets		<u>3,051,287</u>	<u>2,793,618</u>
Equity and liabilities			
Capital and reserves			
Ordinary shares	22	1,385,000	615,007
Reserves	23	45,825	836,019
		<u>1,430,825</u>	<u>1,451,026</u>
Non-current liabilities			
Borrowings	16	435,642	435,417
Deferred tax liabilities	13	316,240	260,103
Directors' current account	18	57,516	82,806
		<u>809,398</u>	<u>778,326</u>
Current liabilities			
Creditors and accruals	19	233,098	113,007
Amounts due to related companies	15	438,083	339,385
Current tax liabilities	20	25,811	17,475
Borrowings	16	38,364	68,526
Bank overdraft	21	75,708	25,873
		<u>811,064</u>	<u>564,266</u>
Total liabilities		<u>1,620,462</u>	<u>1,342,592</u>
Total equity and liabilities		<u>3,051,287</u>	<u>2,793,618</u>

On 14 February 2001 the Board of Directors of G.A.P. Vassilopoulos Limited authorised these financial statements for issue.

Aris Vassilopoulos)
) Directors
George Vassilopoulos)

The notes on pages 9 to 34 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Consolidated cash flow statement For the year ended 31 December 2000

	2000 C£	1999 C£
Cash flows from operating activities		
Profit before taxation	1.078.282	471.500
Adjustments for:		
Depreciation of tangible fixed assets	196.308	102.158
Amortisation of goodwill	11.501	-
Interest expense	148.256	92.330
Interest income	(89.718)	(63.253)
Loss from the sale of fixed assets	567	4.653
	<hr/>	<hr/>
Operating profit before working capital changes	1.345.196	607.388
(Increase)/Decrease of stock	307	(5.920)
Increase in debtors	(1.439.204)	(1.231.121)
Increase in Creditors	534.955	1.267.806
	<hr/>	<hr/>
Cash generated from operations	441.254	638.153
Taxation (paid)/refunded	(76.933)	2.047
	<hr/>	<hr/>
	364.321	640.200
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(367.454)	(578.926)
Proceeds from sale of fixed assets	4.293	3.561
Acquisition of business	(22.500)	(109.852)
Purchase of 'A' Licenses		
Purchase of other investments	(20.992)	-
Interest received	89.718	63.253
	<hr/>	<hr/>
Net cash used in investing activities	(314.435)	(806.964)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	1.000
Proceeds from bank borrowings	-	515.000
Proceeds from finance lease loans	46.280	128.449
Repayments of borrowings	(266.897)	(335.722)
(Repayments to) / Proceeds from related companies	(293.006)	(318.918)
(Repayments to) / Proceeds from directors	(20.913)	33.925
	<hr/>	<hr/>
Net cash (used in) / from financing activities	(534.536)	23.734
	<hr/>	<hr/>
(Decrease) / Increase in cash and cash equivalents	<u>(632.906)</u>	<u>272.340</u>
Movement in cash and cash equivalents		
At start of year	357.133	84.793
(Decrease) / Increase	(632.906)	272.340
	<hr/>	<hr/>
At end of year	<u>(275.773)</u>	<u>357.133</u>

The notes on pages 9 to 34 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Notes to the financial statements

1 General

(a) Incorporation and change of name

G.A.P. Vassilopoulos Limited (the 'company'), was formed in Cyprus on 22 May 1964 as a private limited liability company with the name G.A.P. Estate Limited and on 31 December 1999 the company changed to public in accordance with the provisions of the Company Law, Cap.113. On 16 February 2000, the company changed its name to G.A.P. Vassilopoulos Limited.

The company's place of operation is:

2-4 Arch. Makarios III Avenue

Capital Centre

9th floor

Nicosia

(b) Acquisition of companies

On 31 December 1999, the company acquired indirectly all the share capital of the following companies based on agreement to merge their interest of all shareholders with the exchange of shares of the company.

- G.A.P. Vassilopoulos Express Limited
- G.A.P. Vassilopoulos Aviation Limited
- G.A.P. Vassilopoulos Insurance Agencies Limited
- G.A.P. Vassilopoulos Finance Limited
- G.A.P. Vassilopoulos Airfreight Limited
- G.A.P. Vassilopoulos Shipping Limited
- G.A.P. Vassilopoulos Seafreight Limited
- G.A.P. Mega Exress Company Limited

(c) The Group's principal activities during the year were:

- Operation of the Classic Hotel in Nicosia
- Provision of shipping services
- Provision of seafreight services
- Provision of airfreight services
- Provision of Aviation services
- Provision of local and international courier services
- Provision of Insurance services
- Provision of Travel services
- Transfers of funds international

G.A.P. Vassilopoulos Limited

2 Principal accounting policies

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

Basis of preparation

The consolidated financial statements which are expressed in Cyprus Pounds, they have been prepared in accordance with the International Accounting Standards (IAS), with the Provision of the Companies Law, Cap. 113 and in accordance with the Cyprus stock exchange laws and regulations. The consolidated financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. For example, land and buildings are shown at fair value

Group accounting

Subsidiary undertakings, which are those undertakings in which the Group has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, are consolidated. Subsidiaries are consolidated using merger accounting. All inter-company transactions, balances and gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost can not be recovered.

Revenue recognition

Sales are recognised upon deliver of products and customer acceptance, or on the performance of services. Sales are shown net of VAT and discounts, and after eliminating sales within the Group.

Other revenues earned by the Group are recognised on the following basis.

- Interest income on an accrual basis.

Leases

Leases of fixed assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where 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 the income statement on a straight-line basis over the period of the lease.

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Employee benefits

The company participates in a defined contribution plan, the “Provident Fund G.A.P. Vassilopoulos”. This is funded by payments from employees and by the relevant companies within the Group. The Group’s contributions are charged to the income statement in the period to which the contributions relate.

Foreign currency translation

Foreign currency transactions are translated into Cyprus pounds at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Taxation

Provision is made for corporation tax and defence contribution on the taxable profit for the year at the appropriate rates in force.

Provision is also made for deferred taxation, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted by the balance sheet date are used to determine deferred taxation.

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.

Tangible fixed assets

Land and buildings are shown at fair value, based on triennial valuations by external independent valuers, less subsequent depreciation for buildings. All other fixed assets are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation of fixed assets are credited to the revaluation reserve in shareholders’ equity. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the asset’s original cost is transferred from the revaluation reserve to retained earnings.

Depreciation is calculated on a straight-line method to write off the cost of each asset, or its revalued amount, to their residual values over their estimated useful life as follows:

Land	Nil
Buildings	100 years
Computer hardware	5 years
Computer software	3 years
Other equipment	10 years
Furniture and fittings	10 years
Motor vehicles – cars	5 years
Motor vehicles – motorcycles	6,7 years
Crockery, cutlery and linen	3 years

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

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in operating profit. On disposal of revalued assets, the revaluation amounts are transferred to retained earnings.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill is amortised using the straight-line method over its estimated useful life.

Goodwill arose as a result of the acquisition of the business and motor vehicle licenses "A" from G.A.P. Mega Express Company Limited, and is amortised over a period of 20 years.

Flotation expenses

Flotation expenses, which would otherwise be avoided and are attributed to equity transactions, are deducted (net of the relevant tax benefit) first from the share premium account and thereafter from other reserves.

Investments in subsidiaries

Investments in subsidiaries are shown at cost and provision is only made where there is a permanent diminution in value.

Other Investments

Other Investments are shown at cost and provision is only made where there is a permanent diminution in value.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out (FIFO) method.

Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

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Borrowings

Borrowings are recorded at the initial amount advanced. Any differences between this amount and the amount to be repaid are amortised in proportion to the instalments payable during the period of the loan and are included in finance costs.

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. When 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 are adjusted to conform with changes in presentation in the current year.

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3 Segment information

Business segments

Year ended	Tourist and Hotel services	Shipping/ seafreight services	Airfreight services	Insurance services	Local and international courier services	Transfer of funds international	Total
31 December 2000	C£	C£	C£	C£	C£	C£	C£
Sales	2.274.321	8.289.590	2.018.364	1.680.410	2.065.165	231.569	16.559.419
Operating profit	194.358	310.382	129.547	123.247	255.552	113.095	1.126.181
Finance costs – net							(47.899)
Profit before tax							1.078.282
Tax							(327.203)
Net profit							751.079
Segment assets	2.289.965	1.161.309	552.242	860.626	747.874	112.278	5.724.294
Consolidation adjustm.							96.865
Revised segment assets							5.821.159
Unallocated assets							2.145.628
Total assets							7.966.787
Segment liabilities	308.806	857.362	530.177	838.345	563.545	273.021	3.371.256
Unallocated liabilities							2.497.511
Total liabilities							5.868.767
Capital expenditure	104.040	114.291	5.845	18.166	124.336	776	367.454
Depreciation	54.056	50.741	3.570	4.921	81.619	1.401	196.308

On 1 January 2000, G.A.P. Vassilopoulos Limited acquired the activities of G.A.P. Vassilopoulos Travel Limited. The results of G.A.P. Vassilopoulos Travel Limited are incorporated in the results of G.A.P. Vassilopoulos Limited as from 1 January 2000.

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3 Segment information (continued)

Business segments

Year ended	Tourist and Hotel services	Shipping/ seafreight services	Airfreight services	Insurance services	Local and international courier services	Transfer of funds international	Total
31 December 1999	C£	C£	C£	C£	C£	C£	C£
Sales	566.666	5.255.295	1.500.732	531.160	951.855	154.358	8.960.066
Operating profit	103.369	173.861	85.231	49.732	40.877	77.384	530.454
Finance costs – net							(58.954)
Profit before tax							471.500
Tax							(142.905)
Net profit							328.595
Segment assets	2.300.207	680.199	336.161	647.743	779.655	177.183	4.921.148
Consolidation adjustm.							75.230
Revised segment assets							4.996.378
Unallocated assets							916.030
Total assets							5.912.408
Segment liabilities	69.946	752.717	307.238	552.340	451.569	158.605	2.292.415
Consolidation adjustm.							17.478
Revised segment liabilities							2.309.893
Unallocated liabilities							2.138.195
Total liabilities							4.448.088
Capital expenditure	197.466	149.451	2.582	2.320	227.107	-	578.926
Depreciation	45.440	28.791	3.623	382	22.676	1.246	102.158

All Group operations are in Cyprus, and therefore no segmental reporting is presented on a geographical basis. All transactions between the segments were carried out on a commercial terms.

G.A.P. Vassilopoulos Limited

4 Operating profit

The following items have been included in arriving at operating profit:

	2000 C£	1999 C£
Directors remuneration	57.952	55.138
Auditors' remuneration	32.587	12.096
Depreciation on fixed assets (Note 9)	196.308	102.158
Loss on disposal of fixed assets (Note 22)	567	4.653
Operating lease rentals payable - property	89.906	44.473
Repairs and maintenance expenditure on fixed assets	16.859	14.738
Staff costs (Note 6)	1.080.415	899.203

5 Finance costs - net

	2000 C£	1999 C£
Interest expense		
- bank borrowings	(148.256)	(92.330)
Bank charges	(19.625)	(11.943)
Net foreign exchange transaction losses	-	(17.934)
	<u>(167.881)</u>	<u>(122.207)</u>
Interest income	89.718	63.253
Net foreign exchange transaction gains	30.264	-
	<u>(47.899)</u>	<u>(58.954)</u>

6 Staff costs

	2000 C£	1999 C£
Salaries and related costs	991.205	824.957
Social Insurance Contributions	59.478	49.497
Provident Fund	29.732	24.749
	<u>1.080.415</u>	<u>899.203</u>
Number of persons employed at the year end	<u>268</u>	<u>283</u>

The Provident fund, which the company contributes for the employees, is the Provident Fund G.A.P. Vassilopoulos. The provident fund prepares its own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of service.

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7 Tax

	2000 C£	1999 C£
Corporation tax	275.252	120.317
Under-provision of corporation tax in previous years	11.131	-
Defence contribution	27.823	21.699
Deferred tax (Note 17)	12.997	889
	<u>327.203</u>	<u>142.905</u>

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

	2000 C£	1999 C£
Profit before tax	<u>1.078.282</u>	<u>471.500</u>
Tax at the applicable tax rates (20% and 25% Corporation tax and 4% defence contribution)	276.465	133.192
Income not subject to tax	58.671	18.451
Expenses not deductible for tax purposes	(19.064)	(8.738)
Under-provision of corporation tax in previous years	11.131	-
Tax charge	<u>327.203</u>	<u>142.905</u>

The taxation, based on the current rates, is estimated on the accounting profit per company of the group because each company is taxable separately.

8 Earnings per share

	2000	1999
Earnings per share		
Net profit attributable to shareholders (£)	<u>751.079</u>	<u>328.595</u>
Weighted average number of ordinary shares of 10 cents issued during the year.	<u>13.850.000</u>	<u>13.850.000</u>
Basic earnings per share (cents per share)	<u>5,4</u>	<u>2,4</u>
Diluted earnings per share		
Net profit used to determine diluted earnings per share (£)	751.079	328.595
Weighted average number of ordinary shares in issue	13.850.000	13.850.000
Adjustment for warrants	2.200.340	-
	<u>16.050.340</u>	<u>13.850.000</u>
Diluted earnings per share (cents per share)	<u>4.7</u>	<u>2.4</u>

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8 Earnings per share (Continued)

The weighted average number of ordinary shares was calculated as follows:

	2000	1999
At 1 January		
Ordinary shares of C£1 each	200	200
Bonus issue	220.000	220.000
	<u>220.200</u>	<u>220.200</u>
Number of shares after a stock split with value of C£1 to 10cent each on 30 September 1999	2.202.000	2.202.000
Shares issued for the acquisition of subsidiary companies on 31 December 1999	3.948.070	3.948.070
Bonus issue on 14 September 2000	7.699.930	7.699.930
	<u>13.850.000</u>	<u>13.850.000</u>
Weighted average number of warrants for the purchase of shares	2.200.340	-
At 31 December	<u>16.050.340</u>	<u>13.850.000</u>

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

9 Tangible fixed assets

The company and its subsidiaries

	Land buildings C£	Furniture & fittings C£	Equipment C£	Motor v C£	Cutlery, & linen C£	Total 2000 C£	Total 1999 C£
Cost or valuation							
At 1 January	2.100.000	239.305	148.5	311.6	42.5	2.841.817	2.041.881
Revaluation surplus (Note 21)	135.000	-	-	-	-	135.000	233.059
Additions	61.116	101.320	85.6	118.4	1.5	367.454	578.926
Disposals (Note 22)	-	-	-	(7.5)	-	(7.500)	(12.049)
At 31 December	<u>2.296.116</u>	<u>340.625</u>	<u>233.5</u>	<u>422.5</u>	<u>43.5</u>	<u>3.336.771</u>	<u>2.841.817</u>
Depreciation							
At 1 January	-	83.841	52.5	55.5	32.5	224.453	154.318
Revaluation surplus (Note 21)	-	-	-	-	-	-	(28.188)
Depreciation charge	17.135	43.776	31.5	96.5	7.5	196.308	102.158
Disposals (Note 22)	-	-	-	(2.6)	-	(2.640)	(3.835)
At 31 December	<u>17.135</u>	<u>127.617</u>	<u>83.5</u>	<u>149.5</u>	<u>40.5</u>	<u>418.121</u>	<u>224.453</u>
Net book value	<u>2.143.981</u>	<u>213.008</u>	<u>150.5</u>	<u>273.0</u>	<u>3.5</u>	<u>2.918.650</u>	<u>2.617.364</u>

G.A.P. Vassilopoulos Limited

9 Fixed Assets (Continued)

Independent valuers revalued the land and building in January 1998. The revaluation surplus of C£1.092.811 less C£214.321 of deferred taxation was credited to the revaluation reserve (Note 21).

Independent valuers also revalued the land and building on 31 December 1999. The revaluation surplus of C£261.247 less C£70.362 of deferred taxation was credited to the revaluation reserve (Note 21).

The last revaluation of land and building was on 7 June 2000 and independent valuers carried it out. The revaluation surplus of C£135.000 less C£40.587 of deferred taxation was credited to the revaluation reserve (Note 21).

The deferred taxation is adjusted every year, based on the taxable rates and the revaluation amount each year.

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2000 C£	1999 C£
Cost	939.618	835.578
Accumulated depreciation	(135.447)	(89.636)
	<u>804.171</u>	<u>745.942</u>

The intangible fixed assets includes land in revaluation amounting to C£460.000 (1999:C£460.000) which no depreciation is charged.

Bank borrowings are secured on land and buildings to the value of £420.000 (1999: C£420.000) (Note 16).

The net book value of the intangible fixed assets of the group at 31 December 2000, includes an amount of C£113.023 (1999:C£114.465), which concerns intangible fixed assets acquired via leasing. The depreciation charge for the year which concerns those intangible fixed assets amounted to C£46.100 (1999:C£44.210)

G.A.P. Vassilopoulos Limited

9 Intangible fixed assets (Continued)

The company

	Land buildings C£	Furniture & fittings C£	Equipment C£	Cutlery, c & linen C£	Total 2000 C£	Total 1999 C£
Cost or valuation						
At 1 January	2,100,000	148,544	103,111	42,211	2,394,008	1,965,703
Revaluation surplus (Note 21)	135,000	-	-	-	135,000	233,059
Additions	43,253	45,393	13,800	1,400	104,046	197,466
Disposals	-	-	-	-	-	(2,220)
At 31 December	<u>2,278,253</u>	<u>193,937</u>	<u>116,911</u>	<u>43,611</u>	<u>2,663,043</u>	<u>2,394,008</u>
Depreciation						
At 1 January	-	67,116	36,900	32,211	136,549	121,517
Revaluation surplus (Note 21)	-	-	-	-	-	(28,188)
Depreciation charge (Note 4, 21)	16,599	18,433	11,100	7,800	54,056	45,440
Disposals	-	-	-	-	-	(2,220)
At 31 December	<u>16,599</u>	<u>85,549</u>	<u>48,000</u>	<u>40,011</u>	<u>190,605</u>	<u>136,549</u>
Net book value	<u>2,261,654</u>	<u>108,388</u>	<u>68,911</u>	<u>3,600</u>	<u>2,442,443</u>	<u>2,257,459</u>

Independent valuers revalued the land and building in January 1998. The revaluation surplus of C£1,092,811 less C£214,321 of deferred taxation was credited to the revaluation reserve (Note 21).

Independent valuers also revalued the land and building on 31 December 1999. The revaluation surplus of C£261,247 less C£70,362 of deferred taxation was credited to the revaluation reserve (Note 21).

The last revaluation of land and building was on 7 June 2000 and independent valuers carried it out. The revaluation surplus of C£135,000 less C£40,587 of deferred taxation was credited to the revaluation reserve (Note 21).

The deferred taxation is adjusted every year, based on the taxable rates and the revaluation amount each year.

If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2000 C£	1999 C£
Cost	939,618	835,578
Accumulated depreciation	(135,447)	(89,636)
	<u>804,171</u>	<u>745,942</u>

The intangible fixed assets includes land in revaluation amounting to C£460,000 (1999:C£460,000) which no depreciation is charged.

Bank borrowings are secured on land and buildings to the value of £420,000 (1999: C£420,000) (Note 16).

G.A.P. Vassilopoulos Limited

10 Investments in subsidiaries

The company

	2000 C£	1999 C£
At beginning of year	394.807	24.100
Additions	-	1.000
Reserves of companies acquired (Note 23)	-	369.707
	<u>394.807</u>	<u>394.807</u>

The above investments relate to the acquisition of 100% shareholding of the following companies incorporated in Cyprus. The acquisition was effected with the issue of shares by the holding company (note 21, 23) and it represents the net book value of the acquired companies and therefore no goodwill arose. The principal activities, the year of incorporation and the fully paid share capital of the acquired companies on the date of acquisition (31 December 1999) are as follows:

Name	Principal activity	Year of incorp.	Issued and fully paid share capital (31/12/1999)
			C£
G.A.P. Vassilopoulos Express Limited	Overseas postage services	1992	1.000
G.A.P. Vassilopoulos Aviation Limited	Travel agency	1990	10.000
G.A.P. Vassilopoulos Insurance Agencies Limited	Insurance services	1994	1.000
G.A.P. Vassilopoulos Finance Limited	Financing services	1996	1.000
G.A.P. Vassilopoulos Airfreight Limited	Airfreight services	1992	10.000
G.A.P. Vassilopoulos Shipping Limited	Shipping services	1998	1.000
G.A.P. Vassilopoulos Seafreight Limited	Seafreight services	1990	100
G.A.P. Mega Express Company Limited	Local courier services	1999	1.000
Total			<u>25.100</u> =====

G.A.P. Vassilopoulos Limited

11 Intangible assets

The company

	Goodwill	Motor vehicle licenses "A"	Total 2000	Total 1999
	C£	C£	C£	C£
Cost				
At 1 January	209.852	85.000	294.852	-
Additions	20.000	-	20.000	294.852
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	229.852	85.000	314.852	294.852
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 January				
Amortisation charge (Note 22)	(11.501)	-	(11.501)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December	(11.501)	-	(11.501)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value	218.351	85.000	303.351	294.852
	=====	=====	=====	=====

No amortisation has been charged on Motor vehicle licenses "A", because no economic benefit was realised. The economic benefit is expected to commence during 2001.

During 2000, goodwill arose as a result of the acquisition of the business of P&H Fly Messengers Limited (2000), M. Ioannou Yellow Messengers Limited, Yellow Express Limited (2000) and Primoline Insurance Brokers Limited by G.A.P. Vassilopoulos Mega Express Company Limited.

.All the amounts for the acquisition were paid as follows:

	2000	1999
	C£	C£
Cash	22.500	194.852
Shares of the holding company Which will be given during the listing of the company	-	100.000
	<hr/>	<hr/>
	22.500	294.852
Less: Net assets acquired	(2.500)	-
	<hr/>	<hr/>
Goodwill as above	20.000	294.852
	<hr/>	<hr/>

Goodwill arose from the acquisition of a business will be amortised over a period of 20 years as from the date that the companies will have an economic benefit.

G.A.P. Vassilopoulos Limited

12 Other investments

The company and its subsidiaries

	2000 C£	1999 C£
At beginning of the year	-	-
Additions	20,992	-
At end of the year	<u>20,992</u>	<u>-</u>

The company

	2000 C£	1999 C£
At beginning of the year	-	-
Additions	20,992	-
At end of the year	<u>20,992</u>	<u>-</u>

13 Receivables and prepayments

The company and its subsidiaries

	2000 C£	1999 C£
Trade receivables	2,048,190	1,267,026
Loans to related companies (Note 24)	525,759	353,142
Loans to directors	1,295,754	572,636
Prepayments and other receivables	45,373	110,451
	<u>3,915,076</u>	<u>2,303,255</u>

The company

	2000 C£	1999 C£
Trade receivables	122,515	76,519
Loans to related companies (Note 24)	40,391	31,361
Prepayments and other receivables	2,940	15,837
	<u>165,846</u>	<u>123,717</u>

The loans to directors bear 9 per cent interest per annum. The directors have paid their balance to the group on 28 February 2001.

All the above balances are receivable within one year.

G.A.P. Vassilopoulos Limited

14 Cash and cash equivalents

The company and its subsidiaries

	2000 C£	1999 C£
Cash at bank and in hand	<u>793.049</u>	<u>680.961</u>

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	2000 C£	1999 C£
Cash and bank balances	793.049	680.961
Bank overdrafts (Note 16)	(1.068.822)	(323.828)
	<u>(275.773)</u>	<u>357.133</u>

15 Trade and other payables

The company and its subsidiaries

	2000 C£	1999 C£
Trade payables	2.312.946	1.836.552
Accrued expenses and other payables	254.508	218.447
	<u>2.567.454</u>	<u>2.054.999</u>

The company

	2000 C£	1999 C£
Trade payables	207.538	78.031
Accrued expenses and other payables	25.560	34.977
	<u>233.098</u>	<u>113.008</u>

G.A.P. Vassilopoulos Limited

16 Borrowings

The company and its subsidiaries

	2000 C£	1999 C£
Current		
Bank overdrafts	1,068,822	323,828
Bank borrowings	74,073	100,937
Loans from related companies (Note 24)	261,812	382,201
Finance lease liabilities	80,675	4,809
	<u>1,485,382</u>	<u>811,775</u>
Non-current		
Bank borrowings	785,454	812,744
Loans from directors (Note 24)	130,264	151,177
Finance lease liabilities	94,054	123,640
	<u>1,009,772</u>	<u>1,087,561</u>
Total borrowings	<u>2,495,154</u>	<u>1,899,336</u>

The bank overdrafts bear interest at the rate of 8 per cent per annum and are secured by personal guarantees of the directors. The bank borrowings are secured over the land and buildings of the Group to the extent of C£420,000 and by personal guarantees of the directors. Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Maturity of non-current borrowings (excluding finance lease liabilities):

	2000 C£	1999 C£
Between 1 and 2 years	78,336	109,177
Between 2 and 5 years	383,722	257,532
Over 5 years	323,396	446,035
	<u>785,454</u>	<u>812,744</u>

The present value of finance lease liabilities is as follows:

	2000 C£	1999 C£
Not later than 1 year	80,675	4,809
Later than 1 year and not later than 5 years	14,859	39,941
Later than 5 years	79,195	83,699
	<u>174,729</u>	<u>128,449</u>

16 Borrowings (Continued)

The company

	2000 C£	1999 C£
Current		
Bank overdrafts	75,708	25,873
Bank borrowings	38,364	68,526
Loans from related companies (Note 24)	438,083	338,622
	<u>552,155</u>	<u>433,021</u>

G.A.P. Vassilopoulos Limited

Non-current		
Bank borrowings	435.642	435.417
Loans from directors (Note 24)	57.516	82.806
	<u>493.158</u>	<u>518.223</u>
Total borrowings	<u><u>1.045.313</u></u>	<u><u>951.244</u></u>

The bank overdrafts bear interest at the rate of 8 per cent per annum and are secured by personal guarantees of the directors. The bank borrowings are secured over the land and buildings of the company to the extent of C£420.000 and by personal guarantees of the directors.

Maturity of non-current borrowings (excluding finance lease liabilities):

	2000	1999
	C£	C£
Between 1 and 2 years	41.464	74.076
Between 2 and 5 years	394.178	361.341
	<u>435.642</u>	<u>435.417</u>

17 Deferred income taxes

The company and its subsidiaries

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 15% (1999: 15 %).

The movement on the deferred income tax account is as follows:

	2000	1999
	C£	C£
At beginning of the year	262.642	193.845
Income statement charge	12.997	889
Tax charged to equity	39.666	67.908
At end of year	<u>315.305</u>	<u>262.642</u>

17 Deferred income taxes (Continued)

The deferred tax charged to equity during the year is as follows:

	2000	1999
	C£	C£
Revaluation reserve in shareholders' equity - land and buildings	40.587	70.362
Deferred tax adjustment on revaluation of land based on consumers' price index	(921)	(2.454)
	<u> </u>	<u> </u>

G.A.P. Vassilopoulos Limited

39.666

67.908

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The company has unrecognised tax losses of C£53.610 (C£230.741) to carry forward against taxable profits for the five succeeding years from the year they have been incurred. The time limitation for the utilisation of these losses is as follows:

	2000	1999
	C£	C£
31 December		
2000	-	117.204
2001	22.150	25.031
2002	4.231	8.676
2003	27.229	29.010
2004	-	50.820
	53.610	230.741

The movement in deferred tax assets and liabilities during the period is as follows:

	Tax	Accelerated	Revaluation	Total
	Losses	tax depreciation	gains	
	C£	C£	C£	C£
At 1 January 1999	(25.220)	6.754	212.311	193.845
Charged/(credited) to P/L	1.598	10.441	(11.150)	889
Charged to equity	-	-	67.908	67.908
At 31 December 1999	(23.622)	17.195	271.523	262.642
Charged/(credited) to P/L	17.580	13.096	(17.679)	12.997
Credited to equity	-	-	39.666	39.666
At 31 December 2000	(6.042)	30.291	252.923	315.305

17 Deferred income taxes (Continued)

The company

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 15% (1999: 15 %).

The movement on the deferred income tax account is as follows:

2000
C£

1999
C£

(26)

G.A.P. Vassilopoulos Limited

At beginning of the year	260.102	193.848
Income statement charge / (credit)	16.472	(1.654)
Tax charged to equity	39.666	67.908
At end of year	<u>316.240</u>	<u>260.102</u>

The deferred tax charged to equity during the year is as follows:

	2000	1999
	C£	C£
Revaluation reserve in shareholders' equity - land and buildings	40.587	70.362
Deferred tax adjustment on revaluation of land based on consumers' price index	(921)	(2.454)
	<u>39.666</u>	<u>67.908</u>

Deferred income tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. The company has unrecognised tax losses of C£53.610 (1999: C£170.814) to carry forward against taxable profits for the five succeeding years from the year they have been incurred. The time limitation for the utilisation of these losses is as follows:

	2000	1999
	C£	C£
31 December		
2000	-	117.204
2001	22.150	22.150
2002	4.231	4.231
2003	27.229	27.229
	<u>53.610</u>	<u>170.814</u>

13 Deferred income taxes (Continued)

The movement in deferred tax assets and liabilities during the period is as follows:

	Tax losses C£	Accelerated tax depreciation C£	Revaluation gains C£	Total C£
At 1 January 1999	(25.220)	6.754	212.311	193.848
Charged/(credited) to P/L	1.598	7.900	(11.148)	(1.654)
Charged to equity	-	-	67.908	67.908
At 31 December 1999	<u>(23.622)</u>	<u>14.654</u>	<u>269.071</u>	<u>260.102</u>

G.A.P. Vassilopoulos Limited

Charged/(credited) to P/L	17.580	(1.109)	-	16.472
Charged to equity	-	-	39.666	39.666
At 31 December 2000	<u>(6.042)</u>	<u>13.545</u>	<u>408.737</u>	<u>316.240</u>

14 Financial Instruments

The main financial assets of the Group are the cash at bank and in hand and trade and other receivables. The main financial liabilities of the Group are the bank overdrafts, the bank loans and trade payables.

(a) Interest rate risk

The interest rates and terms of repayment of borrowings are stated in Note 16.

(b) Credit risk

Concentrations of credit risk with respect to trade debtors are limited due to the Group's large number of customers. The Group's historical experience in collection of amounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade debtors.

(c) Fair values

The fair values of the company's financial assets and liabilities approximate their carrying amounts at the balance sheet date.

15 Commitments

The Group has not contracted for any capital expenditure at the balance sheet date. The future aggregate minimum lease payments under non cancelable operating leases are as follows:

	2000 C£	1999 C£
Not later than 1 year	103.714	82.475
Between 1 and 2 years	64.443	103.334
Between 2 and 5 years	-	60.103
		(28)

G.A.P. Vassilopoulos Limited

168.157
245.912

16 Ordinary shares

	2000		1999	
	Number of shares C£	C£	Number of shares C£	C£
Authorised	75 000 000	7.500.000	75 000 000	7.500.000
Issued and fully paid				
At 1 January	6.150.070	615.007	220 200	220.200
Split – ten to one	-	-	2 202 000	220.200
Issue of shares to acquire Subsidiaries (Note 23)	-	-	3 948 070	394.807
Bonus issue (Note 21)	7 699 930	769.993	-	-
At 31 December	13 850 000	1.385.000	6 150 070	615.007

17 Reserves

The company and its subsidiaries

	Retained earnings C£	Share premium account C£	Land and buildings revaluation reserve C£	Total C£
At 1 January 1999	44.248	-	652.838	697.086
Net profit	328.595	-	-	328.595

G.A.P. Vassilopoulos Limited

Revaluations (Notes 9)	-	-	261.247	261.247
Deferred tax on revaluations	-	-	(70.362)	(70.362)
Deferred tax adjustment on revaluation of land based on consumers' price index	-	-	2.454	2.454
Additional depreciation on revalued buildings transferred to retained earnings	6.314	-	(6.314)	-
Capitalisation of retained earnings of wholly-owned subsidiary companies (Note 23)	(369.707)	-	-	(369.707)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	9.450	-	839.863	849.313
Net profit	751.079	-	-	751.079
Revaluations (Note 9)	-	-	135.000	135.000
Deferred tax on revaluation	-	-	(40.587)	(40.587)
Deferred tax adjustment on revaluation of land based on consumers' price index	-	-	921	921
Additional depreciation on revalued buildings transferred to retained earnings	6.678	-	(6.678)	-
Listing expenses	-	(212.742)	-	(212.742)
Bonus issue of shares (Note 20)	-	-	(769.993)	(769.993)
	<hr/>	<hr/>	<hr/>	<hr/>
	767.206	(212.742)	158.525	712.990
	=====	=====	=====	=====

The listing expenses will be written off from the share premium which is expected to arise in the year of listing. The land and buildings reserve is not distributable.

21 Reserves (Continued)

The company

	Retained earnings	Share premium account	Land and buildings revaluation reserve	Total
	C£	C£	C£	C£
At 1 January 1999	(60.738)	-	652.838	592.100
Net profit	50.580	-	-	50.580

G.A.P. Vassilopoulos Limited

Revaluations (Note 9)	-	-	261.247	261.247
Deferred tax on revaluations	-	-	(70.362)	(70.362)
Deferred tax adjustment on revaluation of land based on consumers' price index	-	-	2.454	2.454
Additional depreciation on revalued buildings transferred to retained earnings	6.314	-	(6.314)	-
At 31 December 1999	(3.844)	-	839.863	836.019
Net profit	97.207	-	-	97.207
Revaluation (Note 9)	-	-	135.000	135.000
Deferred tax on revaluation	-	-	(40.587)	(40.587)
Deferred tax adjustment on revaluation of land based on consumers' price index	-	-	921	921
Additional depreciation on revalued buildings transferred to retained earnings	6.678	-	(6.678)	-
Listing expenses	-	(212.742)	-	(212.742)
Bonus issue of shares (Note 20)	-	-	(769.993)	(769.993)
	100.041	(212.742)	158.526	45.825

The listing expenses will be written off from the share premium which is expected to arise in the year of listing. The land and buildings reserve is not distributable.

18 Cash generated from operations

	2000 C£	1999 C£
Net profit	751.079	328.595
Adjustments for:		
Tax (Note 7)	327.203	142.905
Depreciation	196.308	102.158
Amortisation (Note 11)	11.501	-
Loss on sale of fixed assets (Note 9)	567	4.653
Interest income (Note 5)	(89.718)	(63.253)
Interest expense (Note 5)	148.256	92.330
Changes in working capital:		
Stocks of food and beverages	307	(5.920)
Receivables and prepayments	(1.439.204)	(723.421)
Trade and other payables	534.955	1.267.806
Cash generated from operations	441.254	1.145.853

22 Cash generated from operations (Continued)

In the consolidated cash flow statement, proceeds from sale of fixed assets comprise:

	2000 C£	1999 C£
Net book amount (Note 9)	4.860	8.214
Loss on sale of fixed assets	(567)	(4.653)
Proceeds from sale of fixed assets	4.293	3.561

G.A.P. Vassilopoulos Limited

19 Acquisition

On 31 December 1999, the Group acquired 100% of the share capital of the following companies:

- G.A.P. Vassilopoulos Express Limited
- G.A.P. Vassilopoulos Aviation Limited
- G.A.P. Vassilopoulos Insurance Agencies Limited
- G.A.P. Vassilopoulos Finance Limited
- G.A.P. Vassilopoulos Airfreight Limited
- G.A.P. Vassilopoulos Shipping Limited
- G.A.P. Vassilopoulos Seafreight Limited
- G.A.P. Mega Express Company Limited

The assets and liabilities arising from the acquisition are as follows:

G.A.P. Vassilopoulos Express Limited	72.807
G.A.P. Vassilopoulos Aviation Limited	(14.270)
G.A.P. Vassilopoulos Insurance Agencies Limited	23.393
G.A.P. Vassilopoulos Finance Limited	54.050
G.A.P. Vassilopoulos Airfreight Limited	154.807
G.A.P. Vassilopoulos Shipping Limited	84.198
G.A.P. Vassilopoulos Seafreight Limited	55.836
G.A.P. Mega Express Company Limited	(36.014)
	<hr/>
	394.807
Less:	
Discharged by shares issued (Note 20)	(25.100)
	<hr/>
	369.707
	=====

20 Related party transactions

The company and its subsidiaries

The following transactions were carried out with related parties:

i) Loans advanced to related parties

	2000 C£	1999 C£
G.A.P. Vassilopoulos Restaurants Limited	33.207	27.930
G.A.P. Vassilopoulos Navigation Co. Limited	4.190	2.089
G.A.P. Vassilopoulos Offices Limited	237.094	200.000
		(32)

G.A.P. Vassilopoulos Limited

G.A.P. Vassilopoulos Communication Limited	4.678	1.012
Sambrosa Holdings Limited	-	122.111
G.A.P. Vassilopoulos Travel Limited	219.139	-
G.A.P. Vassilopoulos cleaning and bonded Limited	27.451	-

At end of year	<u>525.759</u>	<u>353.142</u>
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The related party loans were provided interest free, and there was no specified repayment date.

ii) Loans received from related parties

	2000 C£	1999 C£
G.A.P. Vassilopoulos Insurances Limited	242.468	334.471
G.A.P. Vassilopoulos Travel Limited	-	47.730
Sambrosa Holdings Limited	19.344	-

At end of year	<u>261.812</u>	<u>382.201</u>
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The related party loans were received interest free, and there was no specified repayment date.

iii) Loans from the directors of the company

	2000 C£	1999 C£
At beginning of year	151.177	117.252
Loans advanced in the year	(375.871)	(40.334)
Interest charged on loans advanced to directors	(61.592)	(47.449)
Repayments in the year	416.550	121.708

At end of year	<u>130.264</u>	<u>151.177</u>
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The directors' loans were advanced/received interest free, except for the loan in G.A.P. Vassilopoulos Shipping Ltd, which was advanced to the directors at an interest of 9% per annum. There was no specified repayment date on any loan advanced to directors.

iv) Director's remuneration

In 2000 the total remuneration of the directors was £57.952 (1998: C£55.138).

24 Related party transactions (Continued)

The company

The following transactions were carried out with related parties:

i) Loans advanced to related parties

	2000 C£	1999 C£
G.A.P. Vassilopoulos Shipping Limited	-	31.361
G.A.P. Vassilopoulos Mega Express Limited	633	-
G.A.P. Vassilopoulos Offices Limited	779	-
G.A.P. Vassilopoulos Travel Limited	38.803	-
G.A.P. Vassilopoulos Aviation Limited	176	-

(33)

G.A.P. Vassilopoulos Limited

40.391

31.361

The related party loans were provided interest free, and there was no specified repayment date.

ii) Loans received from related parties

	2000 C£	1999 C£
G.A.P. Vassilopoulos Restaurants Limited	1.517	1.517
G.A.P. Vassilopoulos Navigation Co. Limited	2.459	2.459
G.A.P. Vassilopoulos Express Limited	22.350	23.591
G.A.P. Vassilopoulos Insurance Agencies Limited	33.946	2.416
G.A.P. Vassilopoulos Seafreight Limited	16.241	3
Sambrosa Holdings Limited	183.558	192.864
G.A.P. Vassilopoulos Insurances Limited	31.289	22.039
G.A.P. Vassilopoulos Travel Limited	-	4.054
G.A.P. Vassilopoulos Airfreight Limited	88.776	89.679
G.A.P. Vassilopoulos Shipping Limited	24.579	-
G.A.P. Vassilopoulos Finance Limited	33.368	-
	<u>438.083</u>	<u>338.622</u>

The related party loans were received interest free, and there was no specified repayment date.

iii) Loans from the directors of the company

	2000 C£	1999 C£
At beginning of year	82.806	123.374
Loan repayments in the year	(25.290)	(40.568)
At end of year	<u>57.516</u>	<u>82.806</u>

The directors' loans were provided interest free, and there was no specified repayment date.

iv) Director's remuneration

In 2000 the total remuneration of the directors was £12.536 (1999: C£9.465).

21 Principal subsidiary undertakings

Name

G.A.P. Vassilopoulos Express Limited
G.A.P. Vassilopoulos Aviation Limited
G.A.P. Vassilopoulos Vassilopoulos Insurance Agencies Limited
G.A.P. Vassilopoulos Finance Limited
G.A.P. Vassilopoulos Airfreight Limited
G.A.P. Vassilopoulos Shipping Limited
G.A.P. Vassilopoulos Seafreight Limited
G.A.P. Mega Express Company Limited

G.A.P. Vassilopoulos Limited

All subsidiaries are incorporated in Cyprus and are wholly owned. All holdings are in ordinary share capital of the undertaking concerned and were acquired on 31 December 1999 (Note 20).

22 Post balance sheet events

Acquisition of agency

On 1 January 2001, the Group agreed to become the General Agent of the Ecclesiastical Insurance Company of the United Kingdom in Greece. The Group will control the 50% of the Ecclesiastical Insurance (Greece).

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Income statement

(all amounts in Cyprus pounds)	Page	Year ended 31 December	
		2000	1999
Sales		2.274.321	542.809
Cost of sales		(1.853.073)	(384.194)
Gross profit		421.248	158.615
Other operating income		34.995	21.398
Selling expenses	37	(145.215)	(38.955)
Administrative expenses	37	(114.887)	(39.959)
Other operating expenses		(1.783)	-
Operating profit		194.358	101.101
Finance costs – net	37	(62.188)	(44.360)
			(35)

G.A.P. Vassilopoulos Limited

Profit before tax	132.170	56.740
Tax	(34.963)	(6.160)
Net profit	97.207	50.580

Statement of total recognised gains and losses

(all amounts in Cyprus pounds)	Notes	<u>Year ended 31 December</u>	
		2000	1999
Revaluation surplus - land and buildings	21	135.000	261.247
Deferred tax on revaluation surplus - land and buildings	21	(40.587)	(70.362)
Deferred tax adjustment on revaluation of land based on consumers' price index	21	921	2.454
Net gains not recognised in P/L		<u>95.334</u>	<u>193.339</u>
Net profit		97.207	50.580
Total recognised gains		<u>192.541</u>	<u>243.919</u>

Cost of sales for the year ended 31 December 2000

	2000 C£	1999 C£
Stocks 1 January		
Food	4.161	1.590
Beverages	11.814	7.729
Purchases		
Food	83.933	66.068
Beverages	54.962	42.320
Stocks 31 December		
Food	(2.602)	(4.161)
		(36)

G.A.P. Vassilopoulos Limited

Beverages	(13.067)	(11.814)
	<u>139.201</u>	<u>101.732</u>
Direct expenses		
Salaries and related costs	133.985	158.872
Casual labour	974	-
Travel agency costs	1.431.861	-
Insurance	2.512	2.416
Municipality taxes	3.143	2.488
Electricity	24.915	18.382
Water	3.081	4.202
Kitchen consumables	8.377	8.494
Cleaning and laundry	21.573	21.584
Television and radio expenses	2.645	5.967
Over-booking costs	2.362	-
JCC expenses	1.546	171
Bad debts	4.082	-
Repairs and maintenance	13.228	10.758
Sundry expenses	1.550	3.688
Depreciation		
Buildings	16.599	15.103
Equipment	11.844	10.187
Furniture and fittings	21.710	12.280
Crockery, cutlery, and linen	7.885	7.870
	<u>1.713.872</u>	<u>282.462</u>
Cost of sales	<u>1.853.073</u>	<u>384.194</u>

G.A.P. Vassilopoulos Limited

Analysis of expenses for the year ended 31 December 2000

	2000 C£	1999 C£
Selling expenses		
Salaries and related costs	85.840	7.591
Advertising and promotion	24.910	12.845
Decoration expenses	1.604	2.602
Musicians' expenses	30.805	13.215
Entertaining customers	164	480
Sundry expenses	1.892	2.222
	<u>145.215</u>	<u>38.955</u>
	=====	=====
Administrative expenses		
Salaries and related costs	38.650	10.199
Director's fees and related costs	12.536	9.465
Rent	2.160	-
Travelling abroad	592	-
Telephones and telefax	14.757	9.799
Printing, stationery and postage	18.057	6.280
Staff training	-	630
Audit fees	3.600	1.800
Under-provision of audit fees in previous years	8.007	-
Legal fees	15	-
Professional fees	6.200	-
Subscriptions	5.500	-
Sundry expenses	4.813	1.786
	<u>114.887</u>	<u>39.959</u>
	=====	=====
Finance costs - net		
Interest income	2.212	2.269
Interest expense	(59.403)	(35.458)
Bank charges	(4.997)	(11.171)
	<u>(62.188)</u>	<u>(44.360)</u>
	=====	=====