

G.A.P. Vassilopoulos Limited

Report and financial statements 31 December 2001

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G.A.P. Vassilopoulos Limited

Directors and advisers

Directors

George Vassilopoulos – Chairman
Aris Vassilopoulos – Vice-Chairman
Petros Vassilopoulos – Vice-Chairman
Savvas Garibaldinos – Finance Director

Company Secretary

ATS Services Limited

2 - 4 Archbishop Makarios III Avenue
Capital Center, 9th floor
P O Box 21265
CY 1505 - Nicosia
Cyprus

Registered office

2 - 4 Archbishop Makarios III Avenue
Capital Centre, 9th Floor
P O Box 21265
CY 1505 - Nicosia
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 2001

1 The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2001.

Principal activities

2 The principal activities of the Group are the following:

- Operation of hotel
- Shipping agency and seafreight forwarding
- Airfreight forwarding
- Insurance agency
- Travel and Tours and Aviation
- International money transfers
- Domestic and International Express courier and logistics
- Clearing and bonded
- International removals.

Results

3 The Group's consolidated results for the year are set out on page 6.

Share capital

4 On 27 February 2001, the Company issued 4 988 438 shares of nominal value of C£0,10 at the price of C£0.40 each to its employees and selected investors and associates of the Company by private placement.

5 On 6 April 2001, the Company issued 1 186 563 shares of nominal value C£0,10 at the price of C£0.40 each by Initial Public Offering as follows:

- (a) 306 250 shares were issued as consideration for the completion of acquisitions by the Company
- (b) 880 313 shares to the public

6 On 6 April 2001, the Company made a bonus issue of 18 605 091 shares of C£0,10 each, fully paid by capitalization of the share premium account, created by the private placement, public offering and the fair value reserves.

7 On 6 April 2001, the Company also issued 2 575 339 warrants at a ratio 1 warrant to 15 shares. The warrants can be exercised in the period 1 to 15 September. The exercise price will be the 50% of the average closing prices of the Company's share in the period between 20 to 30 July inclusive of the relevant year (2002 and 2003), but not lower than the nominal value of the share price.

G.A.P. Vassilopoulos Limited

8 The Company's shares and warrants were listed on the Cyprus Stock Exchange on 3 May 2001.

Directors

9 The Directors at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2001.

10 In accordance with the Company's Articles of Association Mr Petros Vassilopoulos retires and, being eligible, offers himself for re-election.

Directors' interest in the share capital of the Company

11 The percentage of the share capital of the Company owned by each member of the Board of Directors, his spouse, his minor children and companies in which he owns, or is able to exercise control over 20 per cent or more of the voting rights whether directly or through nominees on 31 December 2001 and at the date of this report, was as follows:

	31 December 2001	24 May 2002
	%	%
George Vassilopoulos	23,32	23,32
Aris Vassilopoulos	23,32	23,32
Petros Vassilopoulos	23,32	23,32
Savvas Garibaldinos	0,01	0.01

Substantial shareholdings

12 The shareholders who held more than 5% of the share capital of the Company, directly or indirectly on 31 December 2001 and on the date of this report were as follows:

	31 December 2001	24 May 2002
	%	%
George Vassilopoulos	23,32	23,32
Aris Vassilopoulos	23,32	23,32
Petros Vassilopoulos	23,32	23,32

Contracts with Directors and related parties

13 Except for the contracts mentioned in Note 24, on 31 December 2001 there were no other contracts with the Company or its subsidiaries in which a Director or related parties had a material interest.

G.A.P. Vassilopoulos Limited

Auditors

14 The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office. A resolution giving authority to the Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board

George Vassilopoulos
Chairman

Nicosia
24 May 2002

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

1 We have audited the financial statements on pages 6 to 41 and have obtained all the information and explanations we considered necessary. These financial statements are the responsibility of the Company'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 Company and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of G.A.P. Vassilopoulos Limited and the Group as of 31 December 2001 and the Group profit 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
24 May 2002

G.A.P. Vassilopoulos Limited

Consolidated profit and loss account for the year ended 31 December 2001

	Note	2001 C£	2000 C£
Sales	3	20.392.109	16.559.419
Cost of sales		(17.972.107)	(14.562.877)
Gross profit		2.420.002	1.996.542
Other operating income	4	198.784	181.209
Administrative and selling expenses		(1.186.401)	(1.071.195)
Operating profit	6	1.432.385	1.106.556
Finance costs – net	8	11.263	(28.274)
Share of result before tax of associates	14	(129.657)	-
Profit before taxation		1.313.991	1.078.282
Taxation	9	(449.576)	(327.203)
Net profit		864.415	751.079
		Cent	Cent
Earnings per share			
Basic	10	2,5	2,5
Diluted	10	2,1	2,2

The notes on pages 11 to 41 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Consolidated statement of changes in shareholders' equity for the year ended 31 December 2001

	Note	Share capital C£	Share premium C£	Fair value Reserves C£	Retained earnings C£	Total C£
At 1 January 2000		615.007	-	839.863	9.450	1.464.320
Fair value gains:						
Land and buildings	18	-	-	94.413	-	94.413
Depreciation transfer (1)	18	-	-	(6.678)	6.678	-
Deferred tax adjustments (2)	18	-	-	920	-	920
Net gains not recognised in the profit and loss account		-	-	88.655	6.678	95.333
Issue of bonus shares	17,18	769.993	-	(769.993)	-	-
Net profit		-	-	-	751.079	751.079
		769.993	-	(769.993)	751.079	751.079
At 31 December 2000		1.385.000	-	158.525	767.207	2.310.732
At 1 January 2001		1.385.000	-	158.525	767.207	2.310.732
Effect of adopting IAS39		-	-	3.136	-	3.136
		1.385.000	-	161.661	767.207	2.313.868
Fair value loss:						
Investments	18	-	-	(6.342)	-	(6.342)
Net losses not recognised in the profit and loss account		-	-	(6.342)	-	(6.342)
Issue of shares	17	617.500	1.852.500	-	-	2.470.000
Issue of bonus shares	17	1.860.509	(1.852.500)	(8.009)	-	-
Flotation expenses		-	-	(150.516)	(303.367)	(453.883)
Net profit		-	-	-	864.415	864.415
At 31 December 2001		3.863.009	-	(3.206)	1.328.255	5.188.058

- (1) The depreciation transfer represents the difference between the actual depreciation on buildings and the equivalent depreciation based on the historical cost of buildings net of applicable deferred taxation.
- (2) The deferred tax adjustment represents an adjustment on the revaluation of land based on the consumers' price index.

The notes on pages 11 to 41 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Consolidated balance sheet at 31 December 2001

	Note	2001 C£	2000 C£
Assets			
Non-current assets			
Fixed assets	11	3,214,430	2,918,650
Intangible assets	12	413,166	361,291
Investments in associated undertakings	14	565,648	-
Available-for-sale investments	15	8,605	20,992
		4,201,849	3,300,933
Current assets			
Stock		14,252	15,669
Debtors and prepayments	16	4,273,767	3,452,020
Cash at bank		1,674,607	793,049
		5,962,626	4,260,738
Total assets		10,164,475	7,561,671
Equity and liabilities			
Capital and reserves			
Share capital	17	3,863,009	1,385,000
Fair value reserves	18	(3,206)	158,525
Retained earnings		1,328,255	767,207
		5,188,058	2,310,732
Non-current liabilities			
Borrowings	19	411,590	879,508
Deferred tax liabilities	20	338,731	315,305
		750,321	1,194,813
Current liabilities			
Creditors and accruals	21	2,390,101	2,364,172
Current tax liabilities		816,172	468,384
Borrowings	19	1,019,823	1,223,570
		4,226,096	4,056,126
Total liabilities		4,976,417	5,250,939
Total equity and liabilities		10,164,475	7,561,671

On 24 May 2002 the Board of Directors of G.A.P. Vassilopoulos Limited authorised these financial statements for issue.

George Vassilopoulos, Chairman

Aris Vassilopoulos, Vice Chairman

The notes on pages 11 to 41 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Balance sheet at 31 December 2001

	Note	2001 C£	2000 C£
Assets			
Non-current assets			
Fixed assets	11	2.908.659	2.442.443
Intangible assets	12	12.000	-
Investments in subsidiary undertakings	13	431.821	394.807
Investments in associated undertakings	14	502.266	-
Available-for-sale investments	15	3.605	20.992
		3.858.351	2.858.242
Current assets			
Stock		14.252	15.669
Debtors and prepayments	16	1.276.253	378.588
Cash at bank		212.785	11.530
		1.503.290	405.787
Total assets		5.361.641	3.264.029
Equity and liabilities			
Capital and reserves			
Share capital	17	3.863.009	1.385.000
Fair value reserves	18	(3.206)	158.525
Retained earnings		(131.651)	100.042
		3.728.152	1.643.567
Non-current liabilities			
Borrowings	19	392.499	435.642
Deferred tax liabilities	20	336.987	316.240
		729.486	751.882
Current liabilities			
Creditors and accruals	21	702.257	728.697
Current tax liabilities		59.308	25.811
Borrowings	19	142.438	114.072
		904.003	868.580
Total liabilities		1.633.489	1.620.462
Total equity and liabilities		5.361.641	3.264.029

On 24 May 2002 the Board of Directors of G.A.P. Vassilopoulos Limited authorised these financial statements for issue.

George Vassilopoulos, Chairman

Aris Vassilopoulos, Vice Chairman

The notes on pages 11 to 41 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Consolidated cash flow statement For the year ended 31 December 2001

	Note	2001 C£	2000 C£
Cash flows from operating activities			
Profit before taxation		1.313.991	1.078.282
Adjustments for:			
Depreciation of fixed assets		181.371	196.308
Amortisation of goodwill		17.128	11.501
(Profit)/loss on disposal of fixed assets		(11.260)	567
Interest income		(188.117)	(89.718)
Interest expense		242.835	148.256
Share of result before tax of associates		129.657	-
		<u>1.685.605</u>	<u>1.345.196</u>
Operating profit before working capital changes			
Changes in working capital:			
Stocks		1.417	307
Debtors and prepayments		(821.747)	(383.294)
Creditors and accruals		25.929	47.361
		<u>891.204</u>	<u>1.009.570</u>
Cash generated from operations			
Taxation paid		(91.303)	(76.933)
		<u>799.901</u>	<u>932.637</u>
Cash flows from investing activities			
Acquisition of subsidiary/business, net of cash acquired	25	(138.192)	(77.940)
Purchase of fixed assets	11	(730.162)	(367.454)
Proceeds from sale of fixed assets		264.271	4.293
Purchase of available-for-sale investments	15	(5.000)	(20.992)
Sale of available for-sale-investments	15	14.181	-
Disposal of subsidiary, net of cash acquired	5	7.182	-
Purchase of investments in associated undertakings	14	(679.607)	-
Interest received		188.117	89.718
		<u>(1.079.210)</u>	<u>(372.375)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of shares		2.470.000	-
Flotation expenses		(453.883)	-
Proceeds from borrowings		-	256.524
Repayments of borrowings		(508.695)	(1.301.436)
Interest paid		(242.835)	(148.256)
		<u>1.264.587</u>	<u>(1.193.168)</u>
Net cash generated from/(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year		(275.773)	357.133
		<u>709.505</u>	<u>(275.773)</u>
Cash and cash equivalents at end of year	22	<u>709.505</u>	<u>(275.773)</u>

The notes on pages 11 to 41 form part of these financial statements.

G.A.P. Vassilopoulos Limited

Notes to the financial statements

1 General

Country of incorporation

G.A.P. Vassilopoulos Limited (the “Company”) was incorporated in Cyprus on 22 May 1964 as a private limited company in accordance with the provisions of the Companies Law, Cap. 113 with the name G.A.P. Estate Limited company. On 16 February 2000, the Company changed its name to G.A.P. Vassilopoulos Limited. The Company’s registered office is at 2 - 4 Archbishop Makarios III Avenue, Capital Center, 9th floor, Nicosia, Cyprus.

Principal activities

The principal activities of the Group are the following:

- Operation of hotel
- Shipping agency and seafreight forwarding
- Airfreight forwarding Insurance agency
- Insurance agency
- Travel and Tours and Aviation
- International money transfers
- Domestic and International Express courier and logistics

2 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, have been prepared in accordance with International Accounting Standards, the provisions of the Companies Law, Cap. 113, and the Cyprus Stock Exchange laws and regulations. The consolidated financial statements have been prepared under the historical cost convention as modified by the fair valuation of land and buildings and available-for-sale investments.

In 2001 the Company adopted IAS39 Financial Instruments: Recognition and Measurement.

G.A.P. Vassilopoulos Limited

2 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the Company and its subsidiaries mentioned in Note 13.

Subsidiary undertakings

Subsidiary undertakings, which are those entities 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 from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. All intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Uniform accounting policies have been used throughout the Group.

Investments in subsidiary companies are shown at cost and provision is only made where, in the opinion of Directors, there is a permanent diminution in value. Where there has been a permanent diminution in the value of an investment, it is recognised as an expenses when the diminution is identified.

Associated undertakings

Investments in associated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not control. Unrealised gains on transactions between the Company and its associated undertakings are eliminated to the extent of the Company's interest in the associated undertakings; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Company's investment in associated undertakings includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated undertaking reaches zero, unless the Company has incurred obligations or guaranteed obligations in respect of the associated undertaking.

Foreign currencies

Foreign currency transactions are accounted for 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 profit and loss account. Such balances are translated at year-end exchange rates.

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2 Accounting policies (continued)

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 fair value reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the profit and loss account) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Depreciation is calculated on a straight-line method from the date of acquisition to write off the cost of each asset, or its revalued amount, over their estimated useful life. The annual depreciation rates are as follows:

	%
Land	Nil
Buildings	1
Plant and machinery	10
Computer hardware	20 – 33 1/3
Computer software	33 1/3
Furniture and fittings	10
Motor vehicles – cars	20
Motor vehicles - motorcycles	33 1/3
Crockery, cutlery and linen	33 1/3

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

Expenditure for repairs and maintenance of fixed assets is charged to the profit and loss account. Expenditure for significant improvements and renovations is capitalised if it is considered that it adds value to fixed assets.

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.

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2 Accounting policies (continued)

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

Intangible assets

The intangible assets represent the cost of acquisition of motor vehicle licenses “A”, parking licenses, and goodwill on the acquisition of businesses.

Licenses “A” were acquired from G.A.P. Mega Express Company Limited and are amortised over their estimated economic life of 20 years. Parking licenses relate to the company’s hotel operations, and are not amortised as an active market exists. The licenses have been granted for an indefinite period of time.

Goodwill represents the excess of the cost of an acquisition over the fair value of the group’s share of the net assets of the acquired undertaking at the date of acquisition. Goodwill arising from acquisitions of associated undertakings is included in investments in associated undertakings. Goodwill is amortised using the straight-line method over twenty years.

The carrying amount of goodwill is reviewed annually and written down for permanent impairment where it is considered necessary.

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2 Accounting policies (continued)

Investments

At 1 January 2001 the Company adopted IAS 39 and classified its investments into the following categories: trading, held-to-maturity and available-for-sale. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets; during the year the Company did not hold any investments in these categories. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value, whilst held-to-maturity investments are carried at amortised cost using the effective yield method. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the profit and loss account in the year in which they arise.

Unrealised gains or losses arising from the change in the fair value of available-for-sale investments are recognised directly in equity and are released to the profit and loss account only when they are sold or have suffered an impairment in their value.

Prior to the adoption of IAS 39 the Company had recorded its marketable securities at cost.

Stocks

Stocks represent food and beverages held at Classic Hotel, and are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Trade debtors

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

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2 Accounting policies (continued)

Flotation expenses

Flotation expenses, which would otherwise be avoided and are attributed to equity transactions, are deducted first from the share premium account and thereafter from other reserves.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

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.

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.

Employee benefits

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition the Company operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs.

Revenue recognition

Sales are recognised upon performance of services to customers and delivery of products to customers and are shown net of discounts and VAT. Transactions and gains on transactions between the companies within the Group are eliminated

Other revenues earned by the Company are recognised on the following bases:

- Rental income – on an accrual basis
- Interest income – on an effective yield basis
- Dividend income – when the Company's right to receive payment is established.

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2 Accounting policies (continued)

Segmental reporting

The Group carries on operations in six different classes of business as described below:

- (1) Travel and tours, aviation and hotels
- (2) Shipping agency and seafreight forwarding
- (3) Airfreight forwarding
- (4) Insurance agency
- (5) International money transfers
- (6) Domestic and International Express courier and logistics

All classes of business of the Group operate in Cyprus.

Costs are attributed to each class of business on an actual basis.

Financial instruments

(1) Financial risk factors

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

(a) Market price risk

The Group's available-for-sale investments are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio ratios by exposures.

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(c) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

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(d) Liquidity risk

Liquidity risk is defined as the risk 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 Group has procedures with the object of minimising such losses.

(e) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. At the year-end the Group had no significant balances in foreign currencies. The Group's policy is not to enter into any currency hedging transactions.

(2) Fair values

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

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3 Segment information

Business segments

Year ended 31 December 2001	Travel & tours, aviation and hotels C£	Shipping agency/ seafreight forwarding C£	Airfreight forwarding C£	Insurance agency/ services C£	International money transfers C£	Express Courier and logistics C£	Consolidation adjustments C£	Total C£
Sales	2.508.625	8.887.094	2.040.335	2.137.887	324.461	4.493.707		20.392.109
Operating profit	190.269	394.679	141.391	361.951	164.286	179.809		1.432.385
Finance costs – net								11.263
Share of results before tax of associates								(129.657)
Profit before tax								1.313.991
Tax								(449.576)
Net profit								864.415
Segment assets	3.360.299	1.072.653	543.337	1.558.931	630.476	2.838.200	(704.903)	9.298.993
Unallocated assets								865.482
Total assets								10.164.475
Segment liabilities	365.401	695.311	390.309	899.582	421.378	900.166	(265.130)	3.407.017
Unallocated liabilities								1.569.400
Total liabilities								4.976.417
Capital expenditure	535.900	120.208	6.036	12.264	212	55.542		730.162
Depreciation	69.684	55.755	5.257	7.328	1.422	41.925		181.371

All Group operations are in Cyprus, and therefore no segmental reporting is presented on a geographical basis.

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3 Segment information (continued)

Business segments

Year ended	Travel & tours, aviation and hotels C£	Shipping agency/ seafreight forwarding C£	Airfreight forwarding C£	Insurance agency/ services C£	International money transfers C£	Express Courier and logistics C£	Consolidation adjustments C£	Total C£
31 December 2000								
Sales	2.274.321	8.289.590	2.018.364	1.680.410	231.569	2.065.165	-	16.559.419
Operating profit	194.358	310.382	129.547	123.247	113.095	235.927	-	1.106.556
Finance costs – net								(28.274)
Profit before tax								1.078.282
Tax								(327.203)
Net profit								751.079
Segment assets	2.593.088	1.161.309	552.242	315.092	112.278	747.874	(206.258)	5.275.625
Unallocated assets								2.286.046
Total assets								7.561.671
Segment liabilities	308.806	1.122.382	530.177	292.811	273.021	563.545	(303.123)	2.787.619
Unallocated liabilities								2.463.320
Total liabilities								5.250.939
Capital expenditure	104.040	114.291	5.845	18.166	776	124.336		367.454
Depreciation	54.056	50.741	3.570	4.921	1.401	81.619		196.308

All Group operations are in Cyprus, and therefore no segmental reporting is presented on a geographical basis.

G.A.P. Vassilopoulos Limited

4 Other operating income

Other operating income mainly comprises members' fees and demurrages.

5 Disposal of subsidiary

On 30 June 2001, the Company disposed G.A.P. Mega Express Company Limited to Akis (Parcel Transportation Express) Limited in exchange of 100 000 shares of nominal value C£1 each in Akis (Parcel Transportation Express) Limited. Following the above transaction, the activities of the two companies have been merged and Akis (Parcel Transportation Express) Limited changed its name to G.A.P. Akis Express Limited. The sales, results, cash flows and net assets of the subsidiary disposed were as follows:

	6 mon 30 June C£	12 mont 31 I C£
Sales	565.391	1.224.241
Cost of sales	(388.053)	(702.038)
Gross profit	177.338	522.203
Administration cost	(158.087)	(362.984)
Finance cost	19.251 (19.433)	159.219 (28.443)
(Loss)\Profit before tax	(182)	130.776
Tax	(630)	(33.465)
(Loss)\Profit after tax	(812)	97.311
Operating cash flows	413.127	220.423
Investing cash flows	(49.924)	(87.314)
Financing cash flows	(84.218)	(16.615)
	278.985	116.494
	At 30 Jun C£	At 31 De C£
Non-current assets	392.216	317.004
Current assets	338.241	487.889
Total assets	730.457	804.893
Total liabilities	(667.075)	(657.681)
Net assets	63.382	147.212

G.A.P. Vassilopoulos Limited

6 Operating profit

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

	2001 C£	2000 C£
Depreciation on fixed assets (Note 11)	181.371	196.308
Profit/(loss) on disposal of fixed assets	11.260	(567)
Repairs and maintenance expenditure	28.064	16.859
Amortisation of goodwill (Note 12)	17.128	11.501
Operating lease rentals	109.929	89.906
Auditors' remuneration	26.180	32.587
Staff costs (Note 7)	1.827.514	1.814.782

7 Staff costs

	2001 C£	2000 C£
Wages and salaries	1.706.297	1.686.652
Social insurance costs	100.632	101.294
Provident Fund contributions	20.585	26.836
	<u>1.827.514</u>	<u>1.814.782</u>
Number of persons employed by the Group at 31 December	<u>261</u>	<u>268</u>

The Provident fund, which the Group contributes for the benefit of employees working in the Group is the "Provident Fund of G.A.P. Vassilopoulos Group". This is a defined contribution scheme, which is funded separately and prepares its own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of service.

8 Finance costs – net

	2001 C£	2000 C£
Interest expense	(242.835)	(148.256)
Interest on overdue tax	(1.228)	-
Interest income	188.117	89.718
Dividend income	39	-
Net foreign exchange transaction gains	67.170	30.264
	<u>11.263</u>	<u>(28.274)</u>

G.A.P. Vassilopoulos Limited

9 Taxation

	2001 C£	2000 C£
Current taxation:		
Corporation tax	381.819	275.252
Defence contribution	42.010	27.823
Deferred tax (Note 20)	26.184	12.997
Under-provision of tax in previous years	15.261	11.131
Share of tax of associates (Note 14)	(15.698)	-
	<u>449.576</u>	<u>327.203</u>

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

	2001 C£	2000 C£
Profit before taxation	<u>1.313.991</u>	<u>1.078.282</u>
Tax calculated at the applicable tax rates	359.920	276.465
Tax effect of expenses not deductible for tax purposes	89.511	58.671
Tax effect of allowance and income not subject to tax	(15.116)	(19.064)
Under-provision of corporation tax in previous years	15.261	11.131
Taxation charge	<u>449.576</u>	<u>327.203</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.

The companies within the Group are subject to corporation tax at the rate of 20% on the first C£40.000 of the taxable profit and 25% on the balance. Taxable profits are also subject to defence contribution at the rate of 3%.

The Company's shares were listed on the Cyprus Stock Exchange on 3 May 2001. According to Income Tax Law the corporation tax rates are reduced to 10% on the first C£40.000 and 12,5% thereafter for the first four taxable years (ie. 2002 – 2005 inclusive). The resulting tax saving must not exceed the C£100.000 per taxable year.

G.A.P. Vassilopoulos Limited

10 Earnings per share

	2001	2000
Net profit attributable to shareholders (£)	<u>864.415</u>	<u>751.079</u>
Weighted average number of shares of nominal value 10 cent each considered to have been issued during the year	<u>34.410.516</u>	<u>29.593.249</u>
Basic earnings per share (cents per share)	<u>2,5</u>	<u>2,5</u>
Weighted average number of shares 10 cent each considered to have been issued during the year adjusted for the assumed exercise of share warrants.	<u>41.386.534</u>	<u>33.993.928</u>
Diluted earnings per share (cents per share)	<u>2,1</u>	<u>2,2</u>

G.A.P. Vassilopoulos Limited

11 Fixed assets

The company and its subsidiaries

	Land buildings C£	Equipment C£	Furniture & fittings C£	Motor v C£	Cutlery, & linen C£	Total 2001 C£	Total 2000 C£
Cost or valuation							
At 1 January	2,296,116	233,2	340,625	422,2	43,8	3,336,771	2,841,817
Additions	277,652	35,2	218,422	188,2	9,9	730,162	367,454
Disposals	-	-	(68,758)	(38,0)	-	(106,758)	(7,500)
Subsidiary sold	-	-	(25,411)	(238,8)	-	(264,241)	-
Adjustment on revaluation (Note 18)	-	-	-	-	-	-	135,000
At 31 December	<u>2,573,768</u>	<u>269,1</u>	<u>464,878</u>	<u>334,2</u>	<u>53,8</u>	<u>3,695,934</u>	<u>3,336,771</u>
Depreciation							
At 1 January	17,135	83,2	127,617	149,2	40,2	418,121	224,453
Charge for year	20,058	31,2	53,439	71,2	5,0	181,371	196,308
Disposals	-	-	(12,030)	(15,2	-	(27,230)	(2,640)
Subsidiary sold	-	-	(10,755)	(80,0)	-	(90,758)	-
At 31 December	<u>37,193</u>	<u>114,8</u>	<u>158,271</u>	<u>125,0</u>	<u>45,2</u>	<u>481,504</u>	<u>418,121</u>
Net book amount							
At 31 December	<u>2,536,575</u>	<u>154,1</u>	<u>306,607</u>	<u>208,0</u>	<u>8,2</u>	<u>3,214,430</u>	<u>2,918,650</u>

The Group's land and buildings were last revalued in 2000 by independent valuers on the basis of open market value. The revaluation surplus net of applicable deferred taxation was credited to the revaluation reserve in shareholders' equity (Note 18).

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

	2001 C£	2000 C£
Cost	1,153,952	939,618
Accumulated depreciation	(18,237)	(135,447)
Net book amount	<u>1,135,715</u>	<u>804,171</u>

Bank borrowings are secured on land and buildings of the Group to the value of C£515,000 (2000: C£420,000) (Note 19).

G.A.P. Vassilopoulos Limited

11 Fixed assets (continued)

The company

	Land buildings C£	Equipment C£	Furniture & fittings C£	Motor vehicles C£	Cutlery, & linen C£	Total 2001 C£	Total 2000 C£
Cost or valuation							
At 1 January	2.278.253	116.992	193.937	-	43.	2.633.048	2.394.008
Additions	275.122	6.289	186.346	58.	9.	535.900	104.040
Adjustment on revaluation (Note 18)	-	-	-	-	-	-	135.000
At 31 December	<u>2.553.375</u>	<u>123.281</u>	<u>380.283</u>	<u>58.</u>	<u>53.</u>	<u>3.168.948</u>	<u>2.633.048</u>
Depreciation							
At 1 January	16.599	48.062	85.549	-	40.	190.605	136.549
Charge for year	19.478	11.530	31.558	2.	5.	69.684	54.056
Disposals	-	-	-	-	-	-	-
At 31 December	<u>36.077</u>	<u>59.592</u>	<u>117.107</u>	<u>2.</u>	<u>45.</u>	<u>260.289</u>	<u>190.605</u>
Net book amount							
At 31 December	<u>2.517.298</u>	<u>63.689</u>	<u>263.176</u>	<u>56.</u>	<u>8.</u>	<u>2.908.659</u>	<u>2.442.443</u>

The Company's land and buildings were last revalued in 2000 by independent valuers on the basis of open market value. The revaluation surplus net of applicable deferred taxation was credited to the revaluation reserve in shareholders' equity (Note 18)

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

	2001 C£	2000 C£
Cost	1.153.952	939.618
Accumulated depreciation	(18.237)	(135.447)
Net book amount	<u>1.135.715</u>	<u>804.171</u>

Bank borrowings are secured on land and buildings of the Company to the value of C£515.000 (2000: C£420.000) (Note 19).

G.A.P. Vassilopoulos Limited

12 Intangible assets

The Company and its subsidiaries

	Motor Vehicle Licenses "A"	Parking Licenses	Goodwill on acquisitions	Total 2001	Total 2000
	C£	C£	C£	C£	C£
Opening net book amount	85.000	-	276.291	361.291	294.852
Addition (Note 25)	-	12.000	226.095	238.095	77.940
Amortisation charge (Note 6)	-	-	(17.128)	(17.128)	(11.501)
Subsidiary sold	(85.000)	-	(84.092)	(169.092)	
Closing net book amount	-	12.000	401.166	413.166	361.291

The Company

	Parking Licenses C£	Total 2001 C£	Total 2000 C£
Opening net book amount	-	-	-
Addition	12.000	12.000	-
Net book amount	12.000	12.000	-

13 Investments in subsidiary companies

The Company

	2001 C£	2000 C£
Cost		
At beginning of year	394.807	394.807
Acquisition (b)	1.000	-
Transfer (a)	36.014	-
At end of year	431.821	394.807

- (a) The transfer above represents the net liabilities of G.A.P. Mega Express Company Limited on the date of its acquisition, transferred to investments in associated undertakings following the disposal of the Company on 30 June 2001 in exchange for shares in G.A.P. Akis Express Limited (Note 5).
- (b) On 1 August 2001, the Company acquired G.AP. Vassilopoulos Clearing & Bonded Limited (Note 25).

G.A.P. Vassilopoulos Limited

13 Investments in subsidiary companies (continued)

(c) Details of the wholly subsidiary companies which are all incorporated in Cyprus are as follows:

Name	Principal activities
G.A.P. Vassilopoulos Express Limited	International courier services
G.A.P. Vassilopoulos Aviation Limited	Travel agency
G.A.P. Vassilopoulos Insurance Agencies Limited	Insurance services
G.A.P. Vassilopoulos Finance Limited	International Money transfers
G.A.P. Vassilopoulos Airfreight Limited	Airfreight forwarding
G.A.P. Vassilopoulos Shipping Limited	Shipping agency
G.A.P. Vassilopoulos Seafreight Limited	Seafreight forwarding
G.A.P. Vassilopoulos Clearing and Bonded Limited	Clearing and bonded services

14 Investments in associated undertakings

The Company and its subsidiary	2001 C£	2000 C£
At beginning of year	-	-
Additions	679.607	-
Share of result before tax	(129.657)	-
Share of tax (Note 9)	15.698	-
At end of year	<u>565.648</u>	<u>-</u>

The share of result before tax includes C£6.918 representing the amortisation charge of goodwill in respect of the acquisition of associated undertakings. Investments in associated undertakings include goodwill, the movement of which is as follows:

	2001 C£	2000 C£
Opening net book amount	276.718	-
Amortisation charge	(6.918)	-
Closing net book amount	<u>269.800</u>	<u>-</u>

The principal associated undertakings, all of which are unlisted, are:

	Country of incorporation	% Interest held
G.A.P. Vassilopoulos & James Louisides Limited	Cyprus	50
G.A.P. Akis Express Limited	Cyprus	40
G.A.P. Vassilopoulos Representative Hellas S.A.	Greece	50

G.A.P. Vassilopoulos Limited

14 Investments in associated undertakings (continued)

The Company	2001 C£	2000 C£
At beginning of year	-	-
Additions	616.225	-
Share of result before tax	(129.657)	-
Share of tax (Note 9)	15.698	-
At end of year	<u>502.266</u>	<u>-</u>

The share of result before tax includes C£6.918 representing the amortisation charge of goodwill in respect of the acquisition of the associated undertakings. Investments in associated undertakings include goodwill, the movement of which is as follows:

	2001 C£	2000 C£
Opening net book amount	276.718	-
Amortisation charge	(6.918)	-
Closing net book amount	<u>269.800</u>	<u>-</u>

The principal associated undertakings, all of which are unlisted, are:

	Country of incorporation	% Interest held
G.A.P. Vassilopoulos & James Louisides Limited	Cyprus	50
G.A.P. Akis Express Limited	Cyprus	40
G.A.P. Vassilopoulos Representative Hellas S.A.	Greece	50

15 Available-for-sale investments

The Company and its subsidiaries	2001 C£	2000 C£
Opening net book amount	20.992	-
Effect of adopting IAS 39	3.136	-
Additions	5.000	20.992
Disposals	(14.181)	-
Revaluation deficit (Note 18)	(6.342)	-
Closing net book amount	<u>8.605</u>	<u>20.992</u>

The Company	2001 C£	2000 C£
Opening net book amount	20.992	-
Effect of adopting IAS 39	3.136	-
Additions	-	20.992
Disposals	(14.181)	-
Revaluation deficit (Note 18)	(6.342)	-
Closing net book amount	<u>3.605</u>	<u>20.992</u>

G.A.P. Vassilopoulos Limited

15 Available-for-sale investments (continued)

Available-for-sale investments, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets.

Available-for-sale investments are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date or unless they will need to be sold to raise operating capital.

16 Debtors and prepayments

The company and its subsidiaries

	2001 C£	2000 C£
Trade debtors	3,408,335	1,502,656
Amounts due from related companies (Note 26)	341,042	525,758
Amounts due from associated companies (Note 26)	204,896	-
Loans to Directors (Note 26)	-	1,165,490
Other debtors and prepayments	319,494	258,116
	<u>4,273,767</u>	<u>3,452,020</u>

The company

	2001 C£	2000 C£
Trade debtors	150,313	122,515
Amounts due from related companies (Note 26)	895,783	39,758
Amounts due from associated companies (Note 26)	167,867	633
Other debtors and prepayment	62,290	215,682
	<u>1,276,253</u>	<u>378,588</u>

Other debtors and prepayments in year 2000 include an amount of C£212,742 relating to flotation expenses which were written-off to the fair value reserves and retained earnings when the Company's shares were listed on the Cyprus Stock Exchange.

G.A.P. Vassilopoulos Limited

17 Share capital

	2001		2000	
	Number of shares	C£	Number of shares	C£
Authorised				
Shares of C£0,10 each	75 000 000	7.5	75 000 000	7.500.000
Issued and fully paid				
At 1 January	13 850 000	1.3	6 150 070	615.007
Issue of shares (a)	6 175 001	617.5	-	-
Bonus issue of shares (b) (Note 18)	18 605 091	1.8	7 699 930	769.993
At 31 December	38 630 092	3.8	13 850 000	1.385.000

- (a) On 27 February 2001, the Company issued 4 988 438 shares of nominal value of C£0,10 at the price of C£0.40 each by private placement.

On 6 April 2001, the Company issued 1 186 563 shares of nominal value C£0,10 at the price of C£0.40 each by Initial Public Offering as follows:

- (i) 306 250 shares were issued as consideration for the completion of acquisitions by the Company
 - (ii) 880 313 shares to the public
- (b) On 6 April 2001, the Company made a bonus issue of 18 605 091 shares of C£0,10 each, fully paid by capitalization of the share premium account, created by the private placement, public offering and the fair value reserves.
- (c) On 6 April 2001, the Company also issued 2 575 339 warrants at a ratio 1 warrant to 15 shares. The warrants can be exercised in the period 1 to 15 September 2002 and 2003. The exercise price will be the 50% of the average closing prices of the Company's share in the period between 20 to 30 July inclusive of the relevant year (2002 and 2003), but not lower than the nominal value of the share price.

G.A.P. Vassilopoulos Limited

18 Fair value reserves

The company and its subsidiaries

	Land and buildings C£	Marketable securities C£	Total C£
At 1 January 2000	839.863	-	839.863
Revaluations (Notes 11)	135.000	-	135.000
Deferred tax on revaluation (Note 20)	(40.587)	-	(40.587)
Depreciation transfer – gross	(8.245)	-	(8.245)
Depreciation transfer – tax	1.567	-	1.567
Deferred tax adjustment due to inflation (Note 20)	920	-	920
Bonus issue of shares (Note 17)	(769.993)	-	(769.993)
At 31 December 2000	<u>158.525</u>	<u>-</u>	<u>158.525</u>
At 1 January 2001	158.525	-	158.525
Effect of adopting IAS39	-	3.136	3.136
Bonus issue of shares (Note 17)	(8.009)	-	(8.009)
Flotation expenses	(150.516)	-	(150.516)
Revaluation deficit (Note 15)	-	(6.342)	(6.342)
At 31 December 2001	<u>-</u>	<u>(3.206)</u>	<u>(3.206)</u>

The Company

	Land and buildings C£	Marketable securities C£	Total C£
At 1 January 2000	839.863	-	839.863
Revaluations (Notes 11)	135.000	-	135.000
Deferred tax on revaluation (Note 20)	(40.587)	-	(40.587)
Depreciation transfer – gross	(8.245)	-	(8.245)
Depreciation transfer – tax	1.567	-	1.567
Deferred tax adjustment due to inflation (Note 20)	920	-	920
Bonus issue of shares (Note 17)	(769.993)	-	(769.993)
At 31 December 2000	<u>158.525</u>	<u>-</u>	<u>158.525</u>
At 1 January 2001	158.525	-	158.525
Effect of adopting IAS39	-	3.136	3.136
Bonus issue of shares (Note 17)	(8.009)	-	(8.009)
Flotation expenses	(150.516)	-	(150.516)
Revaluation deficit (Note 15)	-	(6.342)	(6.342)
At 31 December 2001	<u>-</u>	<u>(3.206)</u>	<u>(3.206)</u>

G.A.P. Vassilopoulos Limited

19 Borrowings

The company and its subsidiaries

	2001 C£	2000 C£
Current		
Bank overdrafts	965.102	1.068.822
Bank loans	54.721	154.748
	<u>1.019.823</u>	<u>1.223.570</u>
Non-current		
Bank loans	411.590	879.508
Total borrowings	<u>1.431.413</u>	<u>2.103.078</u>
Maturity of non-current borrowings:		
Between 1 and 2 years	53.793	93.195
Between 2 and 5 years	298.735	462.917
Over 5 years	59.062	323.396
	<u>411.590</u>	<u>879.508</u>

The company

	2001 C£	2000 C£
Current		
Bank overdrafts	98.627	75.708
Bank loans	43.811	38.364
	<u>142.438</u>	<u>114.072</u>
Non-current		
Bank loans	392.499	435.642
Total borrowings	<u>534.937</u>	<u>549.714</u>
Maturity of non-current borrowings:		
Between 1 and 2 years	50.374	41.476
Between 2 and 5 years	293.383	202.357
Over 5 years	48.742	191.809
	<u>392.499</u>	<u>435.642</u>

The bank loans are repayable by monthly installments by December 2009. The bank loans and bank overdrafts are secured at follows:

- (a) By floating charge on the Company's assets for an unlimited amount.
- (b) By mortgage on the Company's land and buildings for C£515.000 (Note 11)

G.A.P. Vassilopoulos Limited

19 Borrowings (continued)

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

	2001	2000
Bank loan	8,0%	8,5%
Bank overdrafts	8,0%	8,5%

20 Deferred tax liabilities

Deferred taxation is calculated on all temporary differences under the liability method using the applicable tax rates (Note 9). In the case of tax losses, the applicable corporation tax rates are 10% on the first C£40.000 and 15% on the balance.

Deferred tax assets and liabilities are offset when the income taxes relate to the same fiscal authority.

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

The company and its subsidiaries

	Deference between depreciation and wear and tear allowance C£	Revaluation of land and buildings C£	Tax Losses C£	Total C£
At 1 January 2000	17	269.068	(23.622)	262.641
Charged/(credited):				
Profit and loss account (Note 9)	13	(17.679)	17.580	12.997
Revaluation reserve (Note 18)	-	39.667	-	39.667
At 31 December 2000	30	291.056	(6.042)	315.305
Charged/(credited):				
Profit and loss account (Note 9)	30	(10.681)	6.042	26.184
Disposal of subsidiary	(2)	-	-	(2.758)
At 31 December 2001	58	280.375	-	338.731

G.A.P. Vassilopoulos Limited

20 Deferred tax liabilities (continued)

The company

	Deference between depreciation and wear and tear allowance C£	Revaluation of land and buildings C£	Tax Losses C£	Total C£
At 1 January 2000	14.6	269.069	(23.622)	260.103
Charge/(credited):				
Profit and loss account	16.5	(17.679)	17.580	16.471
Revaluation reserve	-	39.666	-	39.666
At 31 December 2000	<u>31.2</u>	<u>291.056</u>	<u>(6.042)</u>	<u>316.240</u>
Charge/(credited):				
Profit and loss account	25.3	(10.681)	6.042	20.747
At 31 December 2001	<u><u>56.6</u></u>	<u><u>280.375</u></u>	<u><u>-</u></u>	<u><u>336.987</u></u>

21 Creditors and accruals

The company and its subsidiaries

	2001 C£	2000 C£
Trade creditors	2.273.601	1.825.353
Amounts due to related companies (Note 26)	-	261.811
Amounts due to associated companies (Note 26)	11.560	-
Other creditors and accrued expenses	104.940	277.008
	<u><u>2.390.101</u></u>	<u><u>2.364.172</u></u>

The Company

	2001 C£	2000 C£
Trade creditors	242.197	207.538
Amounts due to related companies (Note 26)	430.281	438.083
Amounts due to associated companies (Note 26)	5.203	-
Loans to Directors (Note 26)	-	57.516
Other creditors and accrued expenses	24.576	25.560
	<u><u>702.257</u></u>	<u><u>728.697</u></u>

22 Cash and cash equivalents

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

	2001 C£	2000 C£
Cash at bank	1.674.607	793.049
Bank overdrafts	(965.102)	(1.068.822)
	<u><u>709.505</u></u>	<u><u>(275.773)</u></u>

G.A.P. Vassilopoulos Limited

23 Commitments

Except for the rental commitment (Note 24) the Group had the following commitments:

Operating lease commitments – where the Company is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2001 C£	2000 C£
Not later than 1 year	14.708	103.714
Between 1 and 2 years	19.091	64.443
	<u>33.799</u>	<u>168.157</u>

24 Contracts with directors and connected persons

(a) Rental commitment

The Group was committed to rent offices for C£66.000 per annum from G.A.P. Vassilopoulos Offices Limited, owned by Directors of the Group.

(b) Employment contracts

The Company has retained employment contracts with the Directors Messrs George Vassilopoulos, Aris Vassilopoulos, Petros Vassilopoulos and Savvas Garibaldinos. These contracts expire on 31 December 2005. The monthly salaries of Messrs George Vassilopoulos, Aris Vassilopoulos and Petros Vassilopoulos will be C£3.300 each and that of Mr Savvas Garibaldinos will be C£1.550.

25 Acquisitions

- (a) On 1 August 2001, the Company acquired 100% of the share capital of G.A.P. Vassilopoulos Clearing & Bonded Limited. The acquired business contributed revenues of C£564.118 and operating profit of C£394 to the Group for the period from 1 August 2001 to 31 December 2001, and its assets and liabilities at 31 December 2001 were respectively C£1.549.831 and C£1.767.032.
- (b) During the year, the Company acquired parking licenses relating to its hotel operations for the amount of C£12.000.
- (c) The Group acquired the insurance business portfolio of a third party for C£7.500.

G.A.P. Vassilopoulos Limited

25 Acquisition (continued)

Details of net liabilities acquired and goodwill are as follows:

	G.A.P Vassilopoulos Clearing & Bonded Limited C£	Parking licenses C£	Acquisition of C£	Total C£
Purchase consideration:				
Cash paid	1.000	12.000	7	20.500
Total purchase consideration	<u>1.000</u>	<u>12.000</u>	<u>7</u>	<u>20.500</u>
Fair value of net liabilities acquired	217.595	-	-	217.595
Goodwill (Note 12)	<u>218.595</u>	<u>12.000</u>	<u>7</u>	<u>238.095</u>

The fair value of the net liabilities acquired are approximately equal to their book values.

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

	G.A.P Vassilopoulos Clearing & Bonded Limited C£	Parking licenses C£	Acquisition of C£	Total C£
Cash and cash equivalents	(117.692)	-	-	(117.692)
Fixed assets	15.277	-	-	15.277
Debtors and prepayments	404.605	-	-	404.605
Creditors and accruals	(519.785)	-	-	(519.785)
	<u>(217.595)</u>	<u>-</u>	<u>-</u>	<u>(217.595)</u>
Goodwill	218.595	12.000	7	238.095
Total purchase consideration	<u>1.000</u>	<u>12.000</u>	<u>7</u>	<u>20.500</u>
Less:				
Cash and cash equivalents in subsidiary acquired	117.692	-	-	117.692
Cash outflow on acquisition	<u>118.692</u>	<u>12.000</u>	<u>7</u>	<u>138.192</u>

G.A.P. Vassilopoulos Limited

26 Related party transactions

The Company is controlled by Messrs George Vassilopoulos, Aris Vassilopoulos and Petros Vassilopoulos who each own 23,32% of the Company's share capital at 31 December 2001. The remaining 30,04% of the shares are widely held.

(a) Acquisitions

On 1 August 2001, the Company acquired G.A.P. Vassilopoulos Clearing & Bonded Limited for C£1.000. The results of G.A.P. Vassilopoulos Clearing & Bonded Limited were consolidated in the results of G.A.P. Vassilopoulos Limited as from 1 August 2001. (Note 25).

(b) Year-end balances with related parties

All the transactions during the year with related companies (companies which are controlled by the same shareholders) are of financing nature and bear interest at the rate of 9 percent per annum.

(c) Amounts due from related\associated companies

The Company and its subsidiaries

Related companies

	2001 C£	2000 C£
G.A.P. Vassilopoulos Travel Limited	341.035	219.139
G.A.P. Vassilopoulos Offices Limited	7	237.094
G.A.P. Vassilopoulos Restaurants Limited	-	33.207
G.A.P. Vassilopoulos Navigation Co. Limited	-	4.190
G.A.P. Vassilopoulos Communications Limited	-	4.678
G.A.P. Vassilopoulos Clearing and Bonded Limited	-	27.450
	<u>341.042</u>	<u>525.758</u>

Associated companies

	2001 C£	2000 C£
G.A.P. Akis Express Limited	6.740	-
G.A.P. Mega Express Limited	99.983	-
G.A.P. Vassilopoulos Representative Hellas S.A	98.173	-
	<u>204.896</u>	<u>-</u>

G.A.P. Vassilopoulos Limited

26 Related party transactions (continued)

The Company

Related companies

	2001 C£	2000 C£
G.A.P. Vassilopoulos Travel Limited	85.955	38.803
G.A.P. Vassilopoulos Aviation Limited	177	176
G.A.P. Vassilopoulos Offices Limited	-	779
G.A.P. Vassilopoulos Clearing and Bonded Limited	546.655	-
G.A.P. Vassilopoulos Seafreight Limited	133.569	-
G.A.P. Vassilopoulos Insurance Agencies Limited	129.427	-
	<u>895.783</u>	<u>39.758</u>

Associated companies

	2001 C£	2000 C£
G.A.P. Mega Express Company Limited	99.983	633
G.A.P. Vassilopoulos Representative Hellas S.A	67.884	-
	<u>167.867</u>	<u>633</u>

(d) Amounts due to related\associated companies

The Company and its subsidiaries

Related companies

	2001 C£	2000 C£
Sambrosa Holdings Limited	-	19.344
G.A.P. Vassilopoulos Insurance Limited	-	242.467
	<u>-</u>	<u>261.811</u>

Associated companies

	2001 C£	2000 C£
G.A.P. Vassilopoulos & James Louisides Limited	<u>11.560</u>	<u>-</u>

G.A.P. Vassilopoulos Limited

26 Related party transactions (continued)

The Company

Related companies	2001 C£	2000 C£
G.A.P. Vassilopoulos Airfreight Limited	282.008	88.775
G.A.P. Vassilopoulos Express Limited	33.821	22.350
G.A.P. Vassilopoulos Finance Limited	87.277	33.368
G.A.P. Vassilopoulos Shipping Limited	27.175	24.579
Sambrosa Holdings Limited	-	183.559
G.A.P. Vassilopoulos Insurance Agencies Limited	-	65.235
G.A.P. Vassilopoulos Seafreight Limited	-	16.241
G.A.P. Navigation Company Limited	-	2.459
G.A.P. Vassilopoulos Restaurants Limited	-	1.517
	<u>430.281</u>	<u>438.083</u>

Associated companies

	2001 C£	2000 C£
G.A.P. Vassilopoulos & James Louisides Limited	<u>5.203</u>	<u>-</u>

(e) Loans from/(to) Directors

The Company and its subsidiaries

	2001 C£	2000 C£
At beginning of year	1.165.490	421.459
Loans advanced during year	-	744.031
Loan repayments received	(1.165.490)	-
	<u>-</u>	<u>1.165.490</u>
At end of year (Note 16)	<u>-</u>	<u>1.165.490</u>

The Company

	2001 C£	2000 C£
At beginning of year	(57.516)	(82.806)
Loans advanced during year	(1.000)	-
Loan repayments made	58.516	25.290
	<u>-</u>	<u>(57.516)</u>
At end of year (Note 21)	<u>-</u>	<u>(57.516)</u>

The balances owed to the Directors are of financing nature.

G.A.P. Vassilopoulos Limited

26 Related party transactions (continued)

(f) Directors' remuneration

The total remuneration of the Directors was as follows:

	2001 C£	2000 C£
Emoluments in their executive capacity	<u>78.650</u>	<u>59.330</u>

27 Post balance sheet events

On 22 January 2002, the Board of Directors of G.A.P. Vassilopoulos Limited, announced to the Cyprus Stock Exchange its decision to proceed with the transfer of the operations and assets and liabilities of all its subsidiary companies to the group's holding company, G.A.P. Vassilopoulos Limited with effect as from 1 January 2002.

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