“MIRKAT” OOD
Corporate financial statements
31 December 2007

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Balance sheet

	Notes	2007 BGN'000s	2006 BGN'000s
Assets			
Non-current			
Property, plant and equipment	6	1649	1627
Intangible assets	7	110	70
Long - term receivables	8	37663	31650
		39422	**33347**
Current			
Inventories	10	10633	8810
Trade receivables	11	8451	6184
Tax receivables	12	113	249
Other receivables	13	1453	1085
Cash and cash equivalents	14	1761	3925
Prepaid expenses	15	104	72
		22515	**20325**
Total assets		**61937**	**53672**

Prepared by: Fincomex Auditing OOD
Date: 22.02.2008

Manager: E. Anganakis

Audited by: Lilia Nikolova

Balance sheet

	Notes	2007 BGN'000s	2006 BGN'000s
Equity			
Share capital	16.1	165	165
Revaluation reserve	16.2	207	186
Other reserves		95	95
Retained earnings		13799	10293
Total equity		**14266**	**10739**
Liabilities			
Non-current			
Long-term financial liabilities	17	1228	1965
Deferred tax liabilities	9	4	9
Other non-current liabilities	18	4	4
		1236	**1978**
Current			
Short-term financial liabilities	19	36340	10261
Trade payables	20	1223	8162
Related parties payables	28	7456	21412
Tax liabilities	21	211	432
Payables to employees and social security institutions	0	104	65
Other payables	23	1101	623
		46435	**40955**
Total liabilities		**47671**	**42933**
Total equity and liabilities		**61937**	**53672**

Prepared by: Fincomex Auditing OOD **Manager: E. Anganakis**
Date: 22.02.2008

Audited by: Lilia Nikolova

Income statement

	Notes	2007 BGN'000s	2006 BGN'000s
Sales revenue:		**45566**	**38814**
Goods for resale		44792	38139
Services		621	496
Other		153	179
Cost of materials		(303)	(214)
Hired services expenses		(3892)	(2209)
Employee benefit expenses	22.1	(906)	(675)
Depreciation, amortization and impairment of non-financial assets		(460)	(362)
Other expenses		(106)	(97)
Cost of sold goods and other assets		(36745)	(31350)
Operating result		**3154**	**3907**
Interest income	24	2245	1858
Foreign exchange rate gains		15	3
Interest expenses	24	(1340)	(772)
Foreign exchange rate losses	0	(19)	(9)
Other financial expenses		(132)	(56)
Financial result		**769**	**1024**
Profit (loss) for the year before tax		**3923**	**4931**
Tax expenses, net	26	(417)	(750)
Net profit (loss) for the year		**3506**	**4181**

Prepared by: Fincomex Auditing OOD **Manager: E. Anganakis**
Date: 22.02.2008

Audited by: Lilia Nikolova

Statement of cash flows (indirect) method

	Notes	2007 BGN'000s	2006 BGN'000s
Operating activities			
Result for the year before tax		3923	4931
Adjustments	0	(309)	(662)
Increase/ decrease in inventories		(1823)	(3990)
Increase/ decrease in trade and other receivables		(7805)	(16965)
Increase/ decrease in trade and other payables		(20599)	19781
Taxes paid		(906)	(324)
Net cash flows from operating activities		**(27519)**	**2771**
Investing activities			
Purchase of property, plant and equipment		(527)	(565)
Proceeds from sale of property, plant and equipment		189	176
Purchase of intangible assets		(65)	(20)
Loan repayments received		-	60
Interest received		1793	1731
Net cash flows from investing activities		**1390**	**1382**
Financing activities			
Proceeds from bank loans		47935	12068
Repayment of bank loans		(22593)	(12410)
Payment of bank charges		(132)	(52)
Interest paid		(1241)	(772)
Net cash flows from financing activities		**23969**	**(1166)**
Cash and cash equivalents, beginning of year		3925	944
Exchange gains/(losses) on cash and cash equivalents		(4)	(6)
Net increase/(decrease) in cash and cash equivalents		(2164)	2981
Cash and cash equivalents, end of year	14	**1761**	**3925**

Prepared by: Fincomex Auditing OOD **Manager: E. Anganakis**
Date: 22.02.2008

Audited by: Lilia Nikolova

Statement of changes in equity

All amounts presented in BGN'000's	Share Capital	Premium reserve	Revaluation reserve	Retained earnings	Total Equity
Balance 1 January 2006	**165**	**95**	**171**	**6112**	**6548**
Other changes in equity			10	-	10
Net result for the period				4181	4181
Balance 31 December 2006	**165**	**95**	**186**	**10293**	**10739**
Balance 1 January 2007	**165**	**95**	**186**	**10293**	**10739**
Other changes in equity			21		21
Net result for the period				3506	3506
Balance 31 December 2007	**165**	**95**	**207**	**13799**	**14266**

Prepared by: Fincomex Auditing OOD **Manager: E. Anganakis**
Date: 22.02.2008

Audited by: Lilia Nikolova

Notes to the financial statements

1 General information

"MIRKAT" OOD is registered as a limited liability company at the Sofia City Court under company case file No. 13448/1993, with a domicile and a registered office located at: No.22 Petrohan street, City of Sofia, Republic of Bulgaria. The Company is managed and represented by Elefterios Anganakis.

The principal activity of the Company consists of:
- sales and leasing of cars and motorcycles of the SUZUKI trade mark
- sales and leasing of trucks of the FORD trade mark
- sales and leasing of tractors of the Mc Cormick trade mark
- sales of electricity generators, propeller engines for motorboats of the SUZUKI trade mark etc.

The financial report as of 31 December 2007 (including the comparative information as of 31 December 2006) was approved and endorsed by the Managing Director of the Company on 22 February 2008.

2 Basis for the preparation of the financial statements

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB).

3 Change in accounting policies

For the preparation of the financial statement for the year 2007, the Company has been implemented for a first time the International Financial Reporting Standards. The requirements of the new standards have been applied retrospectively, i. e. with amendments to the 2006 accounts and their presentation in accordance with IFRS 1 Implementing of the International Financial Reporting Standards (IFRS) and IAS 8 Accounting Policies, changes in the accounting estimates and mistakes.

Due to the change in accounting policies, the 2006 comparatives contained in these financial statements differ from those published in the financial statements for the year ended 31 December 2006.

Significant effects on current, prior or future periods arising from the first-time application of the standards listed above in respect to presentation, recognition and measurement of accounts are described in the following notes.

4 Summary of accounting policies

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and certain financial assets and liabilities. The measurement bases are more fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

4.2 Foreign currency translation

The separate elements of the financial statements of the Company are in the currency of the main economic environment in which it carries out its activities ("functional currency"). Company's financial statements are presented in Bulgarian Leva (BGN), which is also is the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate as published by the Bulgarian National Bank). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognized in the income statement.

The Currency Board was introduced in Bulgaria on 01 July 1997 following the recommendations by the International Monetary Fund (IMF) and fixed the value of the BGN against the DEM in ration 1:1. Following the introduction of the EURO, the BGN was fixed to the EURO at rate 1 EURO = 1.95583 BGN. On 31 December 2007 the closing exchange rate of the BGN in relation to the Japanese Yen was 100 JPY = BGN 1.177, in relation to the US Dollar – 1USD = BGN 1.33122, and in relation to the pound sterling – 1GBP = BGN 2.66172.

4.3 Income and expense recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates, allowed by the Company. In case of similar assets with similar values are exchanged, the transaction is not recognized as generating income.

Revenue from sale of goods is recognized, provided all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- The Company retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- The value of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the enterprise;
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services is recognized, when the outcome of the transaction can be measured reliably.

Operating expenses are recognized in the income statement upon utilization of the service or at the date of their origin. Expenditure for warranties is recognized and charged against the associated provision when the related revenue is recognized. Interest income and expenses are reported on an accrual basis. Dividends received, other than those from investments in associates, are recognized at the time of their distribution.

4.4 Borrowing costs

All borrowing costs are expensed as incurred. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

4.5 Intangible assets

Intangible fixed assets are measured initially at cost. If an intangible asset is acquired separately, the cost comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. If an intangible asset is acquired in a business combination, the cost of that intangible asset is based on its fair value at the date of acquisition.

After initial recognition, according to the benchmark treatment, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment losses. Impairment losses are recognized in the current period income statement.

Subsequent expenditure on an intangible asset after its purchase or its completion is recognized as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance; and this expenditure can be measured and attributed to the asset reliably. If these two conditions are met, the subsequent expenditure is added to the cost of the intangible asset.
Amortization is calculated using the straight-line method over the estimated useful life of individual assets as follows:

- software 2 years
- others 4-7 years

Careful judgment by Company’s management is applied when deciding whether the recognition requirements for development costs have been met. Judgments are based on the best information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by Company’s management.
The recognition threshold, selected by the Company for intangible fixed assets amounts to BGN 500.

4.6 Property, plant and equipment

With the IFRS implement for a first time, the company has chose to execute the model of revaluation of the position “Buildings” from the entry “Estate, machinery and equipment”, as an accepted value.

An item of property, plant and equipment is initially measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Subsequent to initial recognition as an asset, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses according to benchmark treatment. Impairment losses are recognized in the current period income statement.

Subsequent expenditure relating to an item of property, plant and equipment that has already been recognized in the financial statements is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as an expense in the period in which it is incurred.

Property, plant and equipment acquired under finance lease agreement, are depreciated based on their expected useful life, determined by reference to comparable assets or based on the period of the lease contract in shorter.

Depreciation is calculated using the straight-line method over the estimated useful life of individual assets as follows:

- Buildings 4 years
- Machines 3-4 years
- Vehicles 3-4 years
- Fixtures & Fittings 6-7 years
- IT equipment 2 years
- Others 6-7 years

The recognition threshold, selected by the Company for tangible fixed assets amounts to BGN 500.

4.7 Leases

In the Lessee's Statements

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset.

The related asset is recognized at the time of inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. A corresponding amount is recognized as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs.

Assets acquired under the terms of finance lease are depreciated in accordance with IAS 16 Property, plant and equipment or IAS 38 Intangible assets.

All other leases are treated as operating lease agreements. Operate lease payments are recognized as an expense on a straight-line basis. Affiliated costs, such as maintenance and insurance, are expensed as incurred.

In the Lessor's Statements

Assets subject to operating lease agreements are presented in the balance sheet and are depreciated in accordance with the lessor's normal depreciation policy for similar assets. The depreciation charge are calculated on the basis set out in IAS 16, Property, plant and equipment and IAS 38 Intangible assets. Lease income is recognized on a straight line basis in the Income statement for the period of the lease agreement.

Assets held under a finance lease agreement are presented in the balance sheet as a receivable at amount equal to the net investment in the lease. The sales revenue from assets is recognized in the current year Income statement. The spreading of the financial income, trough the whole term of the leasing contract has been performed on the systemic and rational base. The recognition of the financial income has been based on such model that is affecting a constant percent of returnability over the net investment.

4.8 Impairment testing of goodwill, other intangible assets and property, plant and equipment

The Company's assets are subject to impairment testing at every balance sheet date, other intangible assets and property, plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation.

Impairment losses recognized for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

4.9 Financial assets

Company's financial assets include cash and financial instruments other than hedging instruments. They can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are initially recognized at cost plus related transaction costs.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables.
Loans and receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment. Any change in their value is recognized in the Income statement.

Trade receivables are provisioned when objective evidence is received that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the carrying amount of the asset and the present value of estimated future cash flows.

4.10 Inventories

Inventories comprise raw materials and supplies, purchased goods. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Financing costs are not taken into consideration. At the balance sheet date, inventories are carried at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. In case inventories have already been impaired to their net realizable value and in the following period the impairment conditions are no longer present, than a new net realizable value is determined up to the initial value prior impairment. The inventory recovery amount is accounted for as decrease in inventory expenses for the period in which the recovery takes place.

The costs of inventories are assigned by using the concrete identification of the value of inventories.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

4.11 Accounting for income taxes

Current income tax assets and/or liabilities comprise those obligations to, or claim from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax basis. However, in accordance with the rules set out in AS 12, no deferred taxes are recognized in conjunction with goodwill. This applies also to temporary differences associated with shares in subsidiaries and joint ventures if the Company can control reversal of these temporary differences and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets. Deferred tax asset in relation to carried forward losses is recognized to the extent that the realization of the related tax benefits through the future taxable profits is probable.

Deferred tax liabilities are always recognized in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that are charged directly to equity (such as the re-evaluation of land are debited or credited directly to equity.

4.12 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as current bank accounts, short term or highly liquid investments which can easily be turned into money and contain insignificant risk of change in value.

4.13 Equity

The company capital of "Mirkat" OOD reflects the nominal value of the shares.

The revaluation reserve consists of profits and losses related to the revaluation of certain categories of buildings.

Retained earnings include all current and prior period results as determined in the income statement.

4.14 Pension obligations and short term employee benefits

The Company has not elaborated and does not apply plans for employee benefits after leaving, nor other long term income and plans for income after leave or ones in the form compensations with shares of the share capital or interest.

The Company reports short-term payables relating to unutilized paid leaves, which shall be compensated in case it is expected the leaves to occur within 12 months after the end of the accounting period during which the employees have performed the work related to those leaves. The short term payables to personnel include wages, salaries and related social security payments.

4.15 Financial liabilities

The Company's financial liabilities include bank loans and overdrafts, trade and other payables and financial lease liabilities.

Financial liabilities are recognized when the Company becomes a party to the contractual agreements of the instrument. All interest related charges are recognized as an expense in the Income statement.

Bank loans are raised for support of long - term funding of the Company's operations. They are recognized at proceeds received, net of direct issue costs. Financial charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are recognized initially at their nominal value and subsequently measured at amortized cost less settlement payments.

Dividend distributions to shareholders are included when the dividends are approved by the shareholders' meeting.

4.16 Other provisions, contingent liabilities and contingent assets

Provisions, representing current obligations of the Company arising from past events, the settlement of which is expected to result in an outflow of resources, are recognized as liabilities. A provision is recognized only when the following conditions are present:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- A reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. In reaching the best estimate of the provision, the Company takes into account the risks and uncertainties that inevitably surround many events and circumstances as well as the effect of the time value of the money, when it is material.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

The Company does not recognize contingent assets in the financial statements as possible obligations arise, whose existence is not yet confirmed or this may result in the recognition of income that may never be realized.

5 Effect of change in accounting policy

The effect from the changes in the accounting policy is based entirely on the IAS 17 Leasing executing and on the requirement for the lessors to recognize the assets, which have been holed on the grounds on the financial leases, in their balance and to submit them as a receivable at the amount, equal to the net investment in the leasing agreements.

Balance sheet

	Notes	2006 BGN'000s	Adjustments	2006 BGN'000s
Assets				
Non-current				
Property, plant and equipment		1627	-	1627
Intangible assets		70	-	70
Long - term receivables		38201	(6551)	31650
		39898	**(6551)**	**33347**
Current				
Inventories		8810	-	8810
Trade and other receivables		6184	-	6184
Tax receivables		249	-	249
Other receivables		1085	-	1085
Cash and cash equivalents		3925	-	3925
Prepaid expenses		72	-	72
		20325	**-**	**20325**
Total assets		**60223**	**(6551)**	**53672**

Balance sheet

	Notes	2006 BGN'000s	Adjustments	2006 BGN'000s
Equity				
Share capital		165	-	165
Revaluation reserve		186	-	186
Other reserves		95	-	95
Retained earnings		10293	-	10293
Total equity		**10739**	**-**	**10739**
Liabilities				
Non-current				
Long-term financial liabilities		3572	(1607)	1965
Deferred tax liabilities		9	-	9
Other non-current liabilities		4	-	4
Prepaid income		6551	(6551)	-
		10739	**(8158)**	**1978**
Current				
Short-term financial liabilities		8654	1607	10261
Trade payables		8162	-	8162
Related parties payables		21412	-	21412
Tax liabilities		432	-	432
Payables to employees and social security institutions		65		65
Other payables		623	-	623
		39348	**1607**	**40955**
Total liabilities		**49484**	**(6551)**	**42933**
Total equity and liabilities		**60223**	**(6551)**	**53672**

6 Property, plant and equipment

	Land	Buildings	Machines Equipment	Vehicles	Other	Total
	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s	BGN'000s
At 1 January 2006						
Cost or valuation	213	669	27	914	77	1900
Accumulated depreciation	-	(203)	(16)	(154)	(22)	(395)
Net book amount	**213**	**466**	**11**	**760**	**55**	**1505**
Year ended 31 December 2006						
Opening net book amount	213	466	11	760	55	1505
Additions	-	-	48	455	62	565
Disposals (at net book value)	-	-	-	(171)	(5)	(176)
Depreciation charge	-	(27)	(18)	(218)	(4)	(267)
Closing net book amount	**213**	**439**	**41**	**826**	**108**	**1627**
At 31 December 2006						
Cost or valuation	213	669	75	1198	134	2289
Accumulated depreciation	-	(230)	(34)	(372)	(26)	(662)
Net book amount	**213**	**439**	**41**	**826**	**108**	**1627**
Year ended 31 December 2007						
Opening net book amount	213	439	41	826	10855	1627
Additions	-	-	11	466	50	527
Disposals (at net book value)	-	-	(13)	(170)	(6)	(189)
Depreciation charge	-	(27)	(10)	(266)	(13)	(316)
Closing net book amount	**213**	**412**	**29**	**856**	**139**	**1649**
At 31 December 2007						
Cost or valuation	213	669	73	1494	178	2627
Accumulated depreciation	-	(257)	(44)	(638)	(39)	(978)
Net book amount	**213**	**412**	**29**	**856**	**139**	**1649**

With the IFRS implement for a first time, the company performs the revalued amount model, according to the previous Generally Accepted Accounting Principles, as an accepted value of the position "Buildings" on the date of the first IFRS implementing.
The value of the building before the revaluation was performed was in the amount of 462 thousand BGN. The revalued value of the building includes a revaluation reserve in the amount of 207 thousand BGN, which is not intended to be distributed among the shareholders of the Company

7 Intangible assets

	Acquired software licenses	Right of use	Other	Total
	BGN'000s	BGN'000s	BGN'000s	BGN'000s
At 1 January 2006				
Cost	2	71	17	90
Accumulated amortization and impairment	(1)	(11)	(10)	(22)
Net book amount	**1**	**60**	**7**	**68**
Year ended 31 December 2006				
Opening net book amount	1	60	7	68
Additions	3	-	17	20
Amortization	(1)	(14)	(3)	(18)
Closing net book amount	**3**	**46**	**21**	**70**
At 31 December 2005				
Cost	5	71	34	110
Accumulated amortization and impairment	(2)	(25)	(13)	(40)
Net book amount	**3**	**46**	**21**	**70**
Year ended 31 December 2006				
Opening net book amount	3	60	7	68
Additions	3	-	17	20
Disposals (at net book value)	(1)	-	-	(1)
Amortization	(2)	(14)	(8)	(24)
Closing net book amount	**3**	**32**	**75**	**110**
At 31 December 2006				
Cost	7	71	96	174
Accumulated amortization and impairment	(4)	(39)	(21)	(64)
Net book amount	**3**	**32**	**75**	**110**

8 Long-term receivables

	2007 BGN'000s	2006 BGN'000s
Long-term trade receivables	6148	6606
Finance lease receivables	31515	25044
	37663	**31650**

Fair values of these long-term trade receivables are as follows:

	2007 BGN'000s	2006 BGN'000s
Omega Trans Taxi OOD	5907	6422
Viltaxi OOD	161	184
Ronida Stroi OOD	80	-
	6148	**6606**

As of 31 December 2007, the Company has receivables in connection with assets made available to be used under financial lease contracts concluded. The lease contracts envisage fixed lease payments and an option for acquisition of the asset at the end of the term of the lease. The lease contracts are irrevocable but they contain no other limitations.

Future minimum lease receivables as per 31 December 2007 are as follows:

	Up to 1 year BGN'000s	1 to 5 years BGN'000s	More than 5 years BGN'000s	Total BGN'000s
Lease payments	10004	28598	793	39395
Discounts	2001	5720	159	7880
Net present value	**8003**	**22878**	**634**	**31515**

9 Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses under the liability method, using a principal tax rate of 2007 10%, (2006 15%) (2008 10%), can be summarized as follows:

	2007 Deferred tax asset BGN'000s	2007 Deferred tax liability BGN'000s	2006 Deferred tax asset BGN'000s	2006 Deferred tax liability BGN'000s
Non current assets				
Property, plant and equipment	-	13	5	-
Revaluation reserve				
Building		-		21
Current liabilities				
Pension and other employee obligations	9		7	
Unused tax losses				
	9	**13**	**12**	**21**

Please also refer to note 26 for information on the Company's tax expense.

10 Inventories

	2007 BGN'000s	2006 BGN'000s
Goods	8046	4820
Goods in transit	764	-
	8810	**4821**

No reversal of previous write-downs was recognized as a reduction of expense in 2007.

Under a contract for a foreign currency bank loan concluded with UniCredit Bulbank AD, the Company has made a special pledge of 22 automobiles in favour of the Lender.

11 Trade receivables

	2007 BGN'000s	2006 BGN'000s
Trade receivables	8438	6179
Advance payments	13	5
	8451	**6184**

Most significant trade receivables as to 31 December 2007 are:

	2007 BGN'000s	2006 BGN'000s
Loyalty Leasing AD	1946	1433
Alfa Romeo OOD	715	406
Brothers Kulevi Princess OOD	568	342
Nikolai Moskoianev Niki – ET	141	139
Bulavia OOD	129	127
Tip-top OOD	510	112
Tempo Stroi Engineering	776	-
Other	3653	3620
	8438	**6179**

Trade receivables are usually due within 30 days and do not bear any effective interest rate. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognized resemble a large number of receivables from various customers.

12 Tax receivables

	2007 BGN'000s	2006 BGN'000s
VAT	36	249
Corporate tax	77	-
	113	**249**

13 Other receivables

	2007 BGN'000s	2006 BGN'000s
Customs receivables	14	56
Other debtors	1397	968
Other	42	61
	1453	**1085**

The receivables from other debtors are receivables for insurance policies, taxes, fees etc. for automobiles made available under financial lease contracts.

14 Cash and cash equivalents

	2007 BGN'000s	2006 BGN'000s
Cash at bank	1543	3791
Cash in hand	218	134
	1761	**3925**

15 Prepaid expenses

	2007 BGN'000s	2006 BGN'000s
Insurance	94	68
Other	10	4
	104	**72**

Prepaid property insurance of Company assets.

16 Equity

16.1 Share capital

The capital of the Company consists of 3 303 shares with a par value of BGN 50 each.

The list of the main partners with shares in the Company was presented as follows:

	2007 number of shares	2007 %	2006 Number of shares	2006 %
Sfakianakis A.E.B.E	3300	99.91	3300	99.91
Stavros Taki	3	0.09	3	0.09
	3303	**100**	**3303**	**100**

16.2 Revaluation reserve

As a result of the performed revaluation until 2001 of the book value of the building, the Company formed a revaluation reserve in the amount of BGN 207 thousand.

17 Long-term financial liabilities

	2007 BGN'000s	2006 BGN'000s
Long-term bank loans	1228	1965
	1228	**1965**

Fair values of these long term financial liabilities are as follows:

	2007 BGN'000s	2006 BGN'000s
Long-term bank loans:		
-UniCredit Bulbank AD	1228	1965
	1228	**1965**

Contract No.2 for a foreign currency bank loan with HVB Bank "Biochim" AD was signed on 21 October 2005 for the amount of EUR 1 853 thousand or BGN 3 624 thousand. The loan must be repaid by 30 August 2010. The interest rate is equal to the three-month

EURIBOR plus a mark-up of 1.9%. The collateral for this contract are the lease contracts financed by the bank and a special pledge of 22 automobiles.

18 Other non-current liabilities

	2007 BGN'000s	2006 BGN'000s
Other loans	4	4
	4	**4**

19 Short-term financial liabilities

	2007 BGN'000s	2006 BGN'000s
Short-term bank loans:		
-Alfa Bank AD	16012	3820
-Societe Generale Express Bank AD	10637	4834
-UniCredit Bulbank AD	8954	-
-UniCredit Bulbank AD - short-term part	737	1122
-Bank Piraeus AD	-	485
	36340	**10261**

The contract for a revolving line of credit with Alpha Bank AD was signed on 13 December 2001 for the amount of EUR 6 000 thousand or BGN 11 735 thousand. The interest rate is specified as the sum of: the one-month EURIBOR plus a mark-up of 2%. The Company has made a special pledge in favour of the bank of its future receivables under lease contracts. A corporate guarantee has been provided by Sfakianakis A.E.B.E.-Greece.

The contract for a revolving line of credit with Alpha Bank AD was signed on 13 February 2007 for the amount of EUR 6 000 /six thousand/ or BGN 11 735 /thousand/. The interest rate is specified as the sum of: the one- month EURIBOR plus a mark- up of 1, 5 %. A corporate guarantee has been provided by "Sfakianakis A.E.B.E", Greece.

The contract for a revolving line of credit for turnover means with Societe Generale Expresbank" AD, was signed on 22 May 2007 for the amount of EURO 3 000 /three thousand/ or BGN 5 867. The interest rate is equal to the one-month EURIBOR plus a mark- up of 1, 5%. The collateral for the contract is a special pledge of the combination of goods and chattels, purchased with funds from the present credit.

The contract for a revolving line of credit with UniCredit Bulbank AD was signed on 7 August 2007 for the amount of EUR 5 000 /five thousand/ or BGN 9 779 /thousand/. The interest rate is specified as the sum of: the one- month EUROBOR plus a mark- up of 1, 5 %. The collateral for the contract is an issued bank guarantee from Bayerische Hypo- und Vereinsbank AG, Athens.

20 Trade payables

	2007 BGN'000s	2006 BGN'000s
Trade payables	1028	7925
Advances from customers	195	237
	1223	**8162**

Most significant trade receivables as to 31 December 2007 are:

	2007 BGN'000s	2006 BGN'000s
Ford Otomotiv San A.S.	-	7357
Cadillac Hellas S.A.	-	380
Taxiarchou S.A.	-	49
Mc Cormick	828	
Other	200	139
	1028	**7925**

The fair values of trade and other payables have not been disclosed as, due to their short duration, management considers the carrying amounts recognized in the balance sheet to be a reasonable approximation of their fair value.

21 Tax Liabilities

	2007 BGN'000s	2006 BGN'000s
VAT	187	-
Corporate tax	-	428
Other taxes	24	5
	211	**432**

22 Employee compensation

22.1 Employee benefit expenses

Expense recognized for employee benefits is analyzed below:

	2007 BGN'000s	2006 BGN'000s
Wages and salaries	788	583
Social security	118	92
	906	**675**

22.2 Pensions and other employee obligations

	2007 BGN'000s	2006 BGN'000s
Wages and salaries payables	-	-
Unused paid holiday	84	64
Social security payables	20	1
	104	**65**

23 Other payables

	2007 BGN'000s	2006 BGN'000s
Insurances	532	341
Other creditors	470	255
Guarantees	-	27
Interest payables	99	-
	1101	**623**

24 Interest income and expenses

Interest-related income and expenses do not include those arising from financial assets at fair value through profit or loss. The following amounts have been included in the income statement line for the reporting periods presented:

	2007 BGN'000s	2006 BGN'000s
Interest income resulting from:		
- interest under financial lease contracts	2241	1856
- bank deposits	4	28
Interest income	**2245**	**1858**
Interest expenses resulting from:		
- bank loans	1340	772
Finance cost	**1340**	**772**

25 Other financial income and expenses

The other financial revenues are prepaid unearned financial revenues under financial lease contracts that are recognized as earned current-period revenues on their respective maturity dates. The following amounts are included in the Income Statement for the period:

	2007 BGN'000s	2006 BGN'000s
Other financial expenses associated with:		
- other financial expenses	132	56
Other financial expenses	**132**	**56**

26 Income tax expense

The relationship between the expected tax expense based on the effective tax rate of The Company at 10 % (2006: 15 %) and the tax expense actually recognized in the income statement can be reconciled as follows:

		2007 BGN'000s		2006 BGN'000s
Profit/(loss) for the year before tax		3923		4930
Tax rate		10 %		15 %
Expected tax expense		**392**		**740**
	Base amount	Tax effect at 10 %	Base amount	Tax effect at 15 %
Adjustment for tax exempt income				
- tax deductible depreciation	(500)	(50)	(325)	(49)
-unrecognized amounts for accumulated unused vacation time	(19)	(2)	(12)	(2)
-other	(104)	(15)	(104)	(15)
Adjustment for non-deductible expenses				
-depreciation expenses	530	53	362	54
-recognized amounts for accumulated unused vacation time	40	4	29	4
-other	35	4	130	20
Current tax expense		**401**		**752**
Deferred tax income/(expense), resulting from				
- origination and reversal of temporary differences		16		(2)
Actual tax expense, net		**417**		**750**

Please refer to note 9 for information on the entity's deferred tax assets and liabilities.

27 Cash flow statement (indirect method)

The following non-cash flow adjustments have been made to the pre-tax result for the year to arrive at operating cash flow:

	Notes	2007 BGN'000s	2006 BGN'000s
Adjustments		(309)	(662)
Depreciation, amortization and impairment charges for fixed and intangible assets	12	460	362
Interest income	29	(2245)	(1858)
Interest expenses	29	1340	772
Other financial expenses	30	132	56
Other		46	6

28 Related parties transactions

None of the transactions incorporate special terms and conditions and no guarantee was given or received.

28.1 Transactions with owners

	2007 BGN'000s	2006 BGN'000s
Purchases of goods and services		
- purchases of goods from SFAKIANAKIS S.A	24907	23391

28.2 Balances at the end of the year

	2007 BGN'000s	2006 BGN'000s
Payables to:		
- owners	7456	21412

29 Contingent assets and contingent liabilities

Various guarantees and legal claims were filed by and against the Company during the year. There are as yet no final rulings on the claims filed by the Company against third parties. The management of the Company is of the opinion that the claims files against the Company are unwarranted and ungrounded and that the probability that they will result in a settlement request is very low. This assessment by the management is supported by the opinion of an independent legal consultant.

30 Risk management objectives and policies

The Company is exposed to a variety of financial risks, which result from both its operating and investing activities. The Company does not use financial instruments to decrease the level of financial risks.

30.1 Foreign currency risk

The Company has received loans in foreign currency from financial institutions. As a result, the Company is imposed to a risk, related to the possible change in the exchange rates. The exchange rate changes for the last year were in favour of the Company.

30.2 Credit risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the balance sheet (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Company's trade and other receivables are actively monitored to avoid significant concentrations of credit risk.

The credit risk arises, because the clients or the partners may do not want or they are maybe not able to execute the agreed obligations. The company is performing credit capacity analysis over an each client and requires insurance for its receivables as set forth in the financial leases with financial risk policy of the leading market insurance companies. In the case of an insured event, the insurance company covers all the losses or buys the receivable at the market prices.

30.3 Cash flow and fair value interest rate risks

The interest risk is the risk that the value of the Company's interest – bearing loans might vary as a consequence of the changes in the market interest rates.
The interest's margins may increase from these changes, but they also may be reduced or to perform losses if an unexpected movements have arise, in accordance from the level of inaccuracy in the revaluation of the interests. In this case the Management has limited the allowed level for the inaccuracy in the revaluation of the interests percents.

30.4 Risk from the activity

The risk from the activity, resident in all economic companies, brings the potential for financial losses and economical instability, consequence of a bad internal control, process activities or their supporting systems. The aim of the management of the activity risk is to balance the costs and the risk in the frames of the limits, till the potential benefits

31 Post Balance sheet events

The management of the Company declares that for the period after the balance sheet date until the date of the preparation of the financial statements no significant and/or material non-adjusting events took place concerning the activities of the Company, the non-disclosure of which could influence the truthful and fair presentation in the financial statements.

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