OPAP (CYPRUS) LTD

REPORT AND FINANCIAL STATEMENTS

31 December 2006

OPAP (CYPRUS) LTD

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COMPANY INFORMATION

Directors	Glafkos Harmantas (Chairman and Managing Director) Constantinos Hadjikakou Andreas Panteli Isidoros Makrides Constantinos Kollias Panayiotis Markou Vasos Stavrou Efthimios Alexandris Zacharias Kyriakou
Company Secretary	Maria Kanari
Registered office	58 Lykavitos Str. Engomi 2401 Nicosia Cyprus
Company legal form	Limited liability by shares
Country of incorporation	Cyprus
Company registration number	140568
Auditors	Grant Thornton Certified Public Accountants (Cy)

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2006

Principal activities
The Company's principal activities are the organization, operation, management and administration and promotion and advertising of all sports betting and lottery games of OPAP S.A. taking place in Cyprus. There were no changes in the Company's principal activities from last year.

Review of developments, position and performance of the Company's business
The Company's revenue for the year was CYP 57.099.768, an increase of 6,94%, compared to 2005. The factors that caused the increase in sales were the significant subsidies in JOKER and the application of promotional measures.

Principal risks and uncertainties
The principal risk that the Company faces is still considered to be that of illegal betting. The delay in the introduction of legislation to regulate betting, the non-abolition of taxation for players and the lack of satisfactory oversight, favour illegal betting, leading to large amounts lost from public funds. Another impending threat is that of betting through the Internet, as well as the casinos in the occuppied part of Cyprus.

Future developments
The Directors, expect an increase in the Company's revenues and maintainance of the positive image in the sensitive market of sport, betting and lottery games, with the execution of specific actions such as: improvement - expansion of the agents' network, introduction of a uniform image for the agents' locations, advertising support and promotion of all the games, continual education and support for the agents and the sponsoring of sport, cultural and social events.

Results
The Company's results for the year are set out on page 6. The Directors propose the payment of a dividend as detailed below and the remaining net profit for the year is retained.

Dividends
The Directors propose a dividend of 0,88 cent per share for the year ended 31 December 2006 amounting to C£1.489.413 (2005: C£3.171.516), which will be submited for approval at the Annual General Meeting. During the year, the Company paid a dividend for 2003, 2004 and 2005 of C£ 3.171.516 (2005: C£ -) that was approved by the shareholders at the Annual General Meeting on 8 March 2006.

Share capital
There were no changes in the share capital of the Company during the year.

Directors
The Directors of the Company as at the date of this report are shown on page 1. All of them were members of the Board throughout the year ended 31 December 2006.

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

There were no significant changes in the distribution of responsibilities or compensation of the Board of Directors.

Post balance sheet events
There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Branches
The Company did not operate through any branches during the year.

Auditors
The auditors, Grant Thornton, have expressed their willingness to continue in office and a resolution that the Directors be authorised to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Maria Kanari
Secretary

Nicosia,
15 February 2007

REPORT OF THE AUDITORS TO THE MEMBERS OF OPAP (CYPRUS) LTD

Report on the financial statements

We have audited the financial statements of Opap (Cyprus) Ltd 6 to 20, which comprise the balance sheet as at 31 December 2006 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Cyprus Companies Law, Cap 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.
We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

REPORT OF THE AUDITORS TO THE MEMBERS OF
OPAP (CYPRUS) LTD (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Opap (Cyprus) Ltd as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the IASB and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the financial statements.

Grant Thornton
Certified Public Accountants (Cy)

Nicosia,
15 February 2007

INCOME STATEMENT

for the year ended 31 December 2006

	Note	2006 C£	2005 C£
Revenue		**57.099.768**	53.393.631
Cost of sales		**(52.965.805)**	(49.489.661)
Gross profit		**4.133.963**	3.903.970
Other income	6	**7.860**	6.873
Administrative expenses		**(944.709)**	(894.435)
Distribution costs		**(1.849.866)**	(1.890.228)
Other expenses	7	**-**	(283)
Profit from operations	8	**1.347.248**	1.125.897
Finance income - net	10	**332.489**	438.683
Profit before taxation		**1.679.737**	1.564.580
Taxation	11	**(190.324)**	(183.807)
Net profit		**1.489.413**	1.380.773

The notes on pages 10 to 20 form part of these financial statements.

OPAP (CYPRUS) LTD

BALANCE SHEET

at 31 December 2006

	Note	2006 C£	2005 C£
ASSETS			
Non-current assets			
Property, plant and equipment	13	**225.607**	305.136
Intangible assets	14	**26.344**	32.504
		251.951	337.640
Current assets			
Trade and other receivables	15	**2.883.493**	1.095.440
Refundable taxes	19	**51.384**	74.095
Cash at bank and in hand		**10.580.994**	13.208.456
		13.515.871	14.377.991
Total assets		**13.767.822**	14.715.631
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	**996.541**	996.541
Accumulated profits		**1.489.413**	3.171.516
		2.485.954	4.168.057
Non-current liabilities			
Agents' deposits	17	**69.856**	67.968
		69.856	67.968
Current liabilities			
Trade and other payables	18	**11.212.012**	10.479.606
		11.212.012	10.479.606
Total liabilities		**11.281.868**	10.547.574
Total equity and liabilities		**13.767.822**	14.715.631

These financial statements were approved by the Board of Directors on 15 February 2007 and were signed on its behalf by:

....	....
Glafkos Harmantas	Constantinos Hadjikakou
Chairman and Managing Director	Director

The notes on pages 10 to 20 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2006

	Share capital C£	Accumulated profits C£	Total C£
At 1 January 2005	996.541	1.790.743	2.787.284
Net profit	-	1.380.773	1.380.773
At 1 January 2006	996.541	3.171.516	4.168.057
Net profit	-	1.489.413	1.489.413
Dividends	-	(3.171.516)	(3.171.516)
At 31 December 2006	**996.541**	**1.489.413**	**2.485.954**

As from 1 January 2003, companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders.

The notes on pages 10 to 20 form part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 December 2006

		2006	2005
		C£	C£
Cash flows from operating activities			
Profit before taxation		**1.679.737**	1.564.580
Adjustments for:			
Depreciation of property, plant and equipment	13	**85.052**	87.328
Amortisation of computer software	14	**19.922**	18.540
Loss from the sale of property, plant and equipment		**-**	10
Interest income		**(333.680)**	(439.791)
Interest expense		**362**	937
Profit from operations before working capital changes		**1.451.393**	1.231.604
Changes in working capital:			
Trade and other receivables		**(1.788.053)**	(766.766)
Trade and other payables		**734.294**	3.892.997
Cash generated from operations		**397.634**	4.357.835
Tax paid		**(167.613)**	(219.421)
Net cash from operating activities		**230.021**	4.138.414
Cash flows from investing activities			
Purchase of intangible assets	14	**(13.762)**	-
Purchase of property, plant and equipment	13	**(5.523)**	(10.240)
Proceeds from sale of property, plant and equipment		**-**	1.273
Interest received		**333.680**	439.791
Net cash from investing activities		**314.395**	430.824
Cash flows from financing activities			
Interest paid		**(362)**	(937)
Dividends paid		**(3.171.516)**	-
Net cash used in financing activities		**(3.171.878)**	(937)
Net (decrease)/increase in cash and cash equivalents		**(2.627.462)**	4.568.301
Cash and cash equivalents at beginning of the year		**13.208.456**	8.640.155
Cash and cash equivalents at end of the year		**10.580.994**	13.208.456

The notes on pages 10 to 20 form part of these financial statements.

1. General

The Company was incorporated in Cyprus on 14 August 2003 as a private company with limited liability by shares and in accordance with the Companies Law, Cap. 113. Its registered office is 58 Likavitos Str., Engomi, 2401 Nicosia.

OPAP (Cyprus) Limited is governed by Law 34 (III)/2003, which validates the agreement between the Hellenic Republic and the Republic of Cyprus, for the terms of the organisation, operation, management and administration of all sports betting and lottery games of OPAP S.A.

The Company's principal activities are the organisation, operation, management and administration and promotion and advertising of all sports betting and lottery games of OPAP S.A. taking place in Cyprus.

2. Adoption of new and revised International Financial Reporting Standards ('IFRS')

In the current year the Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC') that are relevant to its operations and effective for accounting periods beginning on 1 January 2006.

This adoption did not result in substantial changes to the Company's accounting policies.

At the date of authorization of these financial statements the following standards and interpretations were in issue but not yet effective:

(i) Adopted by the European Union (EU):

- IFRS7, Financial Instruments and a complementary amendment to IAS1, Presentation of Financial Statements - Capital Disclosures (effective from 1 January 2007)
- IFRIC7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006)
- IFRIC8, Scope of IFRS2 (effective from 1 May 2006)
- IFRIC9, Reassessment of Embedded Derivatives (effective from 1 June 2006)

(ii) Not adopted by the EU:

- IFRS8, Operating Segments (effective from 1 January 2009)
- IFRIC10, Interim Financial Reporting and Impairment (effective from 1 November 2006)
- IFRIC11, IFRS 2-Group and Treasury Share Transactions (effective from 1 March 2007)
- IFRIC12, Service Concession Arrangements (effective from 1 January 2008)

The Directors anticipate that the adoption of theses standards and interpretations in future periods will have no material impact on the financial statements of the Company.

3. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with IFRSs as adopted by the European Union ('EU') and IFRSs as issued by the IASB. The financial statements comply with both these reporting frameworks because at the time of their preparation all applicable IFRSs issued by the IASB have been adopted by the EU through the endorsement procedure established by the European Commission. In addition, the financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap.113.

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

The financial statements of the Company are presented in Cyprus pounds (C£), which is the currency of the primary economic environment in which the Company operates (its functional currency).

The principal accounting policies adopted are set out below:

Revenue recognition
Revenue comprises of the total receipts from sports betting and lottery game competitions, before agents' commissions.

Revenue from sports betting and lottery games is recognised upon the completion of competitions.

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

- Rental income - on an accrual basis in accordance with the substance of the rental agreement.
- Interest income - on a time-proportion basis using the effective interest method.

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.

Foreign currencies
Transactions in foreign currencies are translated into Cyprus pounds at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Cyprus pounds at the rates of exchange ruling at the balance sheet date. Gains and losses arising on exchange are charged to the income statement.

3. Principal accounting policies (continued)

Foreign currencies (continued)
Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates of exchange prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised in equity.

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

Dividends
Dividends are recorded in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated on the straight-line method to write off the cost of each asset over its estimated useful life. The annual depreciation rates used are as follows:

	%
Computer equipment	20
Motor vehicles	15,4
Furniture, fixtures and office equipment	20
Equipment at agencies	20

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 property, plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations is included in 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. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing selling price with carrying amount and are included in operating profit.

Computer software
Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a

3. Principal accounting policies (continued)

capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of 3 years. Amortisation commences when the computer software is available for use and is included within cost of sales.

Impairment
Property, plant and equipment and other non-current assets, including goodwill and other intangible assets are reviewed for impairment at each balance sheet date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Impairment loss is recognised as an expense immediately in the income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Long-term liabilities
Long-term liabilities represent amounts that are due more than twelve months from the balance sheet date.

Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

3. Principal accounting policies (continued)

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

4. Financial risk management

(i) Financial risk factors
The Company is exposed to credit risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage risk are discussed below:

- **Credit risk**

The Company has policies in place to ensure that agents undertaking its operations have an appropriate credit history.

- **Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from transactions in foreign currencies. The Company's policy is not to enter into any currency hedging transactions.

(ii) Fair values
The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, is assumed to approximate their fair value.

5. Critical accounting estimates and judgements

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

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

- **Taxation**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. Other income

	2006	2005
	C£	C£
Profit from sale of property, plant and equipment	-	273
Rental income	7.860	6.600
	7.860	6.873

7. Other expenses

	2006	2005
	C£	C£
Loss on disposal of property, plant and equipment	-	283
	-	283

8. Profit from operations

Profit from operations is stated after (crediting)/charging the following:

	2006	2005
	C£	C£
Rental income	(7.860)	(6.600)
Profit from sale of property, plant and equipment	-	(273)
Depreciation of property, plant and equipment	104.974	105.868
Staff costs (Note 9)	668.272	608.671
Auditors' remuneration	8.050	6.900
Loss on disposal of property, plant and equipment	-	283

9. Staff costs

	2006	2005
	C£	C£
Directors' remuneration	247.550	240.900
Staff salaries	382.578	332.799
Contribution to social insurance and other funds	18.811	17.601
Contribution to special cohesion fund	7.093	6.452
Provident fund contributions	12.240	10.919
	668.272	608.671
Number of employees at the end of the year	12	11

The Company has a defined contribution scheme, the OPAP (CYPRUS) Limited Employees' Provident Fund, 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.

10. Finance income - net

	2006	2005
	C£	C£
Interest income	**333.680**	439.791
Interest expense	**(362)**	(937)
Sundry finance expenses	**(829)**	(171)
	332.489	438.683

11. Taxation

	2006	2005
	C£	C£
Current taxation:		
Corporation tax - current year	**155.311**	139.692
Defence contribution - current year	**35.013**	44.115
	190.324	183.807

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

	2006	2005
	C£	C£
Profit before taxation	**1.679.737**	1.564.580
Tax calculated at the applicable tax rates	**167.974**	156.458
Tax effect of expenses not deductible for tax purposes	**414**	11.498
Tax effect of allowances and income not subject to tax	**(13.077)**	(28.264)
Defence on interest receivable	**34.836**	43.966
Defence on rent receivable	**177**	149
Taxation charge	**190.324**	183.807

The Company is subject to corporation tax on its taxable profits at the rate of 10%.

Interest receivable from investment activities is subject to Special Contribution for Defence Fund at the rate of 10%. In such a case 50% of this interest is not subject to corporation tax. In addition, in some cases, dividends from abroad are subject to Special Contribution for Defence Fund at the rate of 15%.

No provision for deferred tax has been made since the temporary differences between the tax base of assets and liabilities and the corresponding carrying amounts in the financial statements are not material.

12. Dividends

	2006	2005
	C£	C£
Final dividend paid	**3.171.516**	-
	3.171.516	-

The Directors propose the payment of a dividend of C£ 1.489.413 (0,88 cent per share) in 2007. As the distribution of dividends by the Company requires approval of the Annual General Meeting, no liability in this respect is recognised in the financial statements for the year ended 31 December 2006.

Dividends are subject to a deduction of special contribution for defence at the rate of 15% for individual shareholders that are resident in Cyprus. Dividends paid to individuals or companies that are not resident in Cyprus are not subject to any deductions of special contribution for defence. Consequently, the dividends proposed in respect of the year 2006 will not be subject to defence contribution.

13. Property, plant and equipment

	Plant and machinery	Motor vehicles	Furniture, fixtures and office equipment	Total
	C£	**C£**	**C£**	**C£**
Cost				
At 1 January 2006	345.090	51.786	54.032	450.908
Additions	-	-	5.523	5.523
At 31 December 2006	345.090	51.786	59.555	456.431
Depreciation				
At 1 January 2006	94.771	17.616	33.385	145.772
Charge for the year	69.016	7.976	8.060	85.052
At 31 December 2006	163.787	25.592	41.445	230.824
Net book value				
At 31 December 2006	**181.303**	**26.194**	**18.110**	**225.607**
At 31 December 2005	250.319	34.170	20.647	305.136

14. Intangible assets

	Computer software C£
Cost	
At 1 January 2006	55.679
Additions	13.762
At 31 December 2006	69.441
Amortisation and impairment	
At 1 January 2006	23.175
Charge for the year	19.922
At 31 December 2006	43.097
Net book value	
At 31 December 2006	**26.344**
At 31 December 2005	32.504

15. Trade and other receivables

	2006 C£	2005 C£
Trade receivables	**2.869.317**	935.100
Due from related company (Note 20)	**1.009**	1.764
Deposits, prepayments and accrued income	**8.697**	148.881
Loans receivable	**4.470**	9.695
	2.883.493	1.095.440

Concentrations of credit risk with respect to amounts due from agents are limited due to the connection of the agents' network with the Company's central system. The Company's past experience in collection of accounts receivable falls within the recorded allowances.

16. Share capital

	2006		2005	
	Number of shares	**C£**	Number of shares	C£
Authorised, issued and fully paid				
Shares of 1 Euro each	**1.700.000**	**996.541**	1.700.000	996.541
	1.700.000	**996.541**	1.700.000	996.541

17. Deposits by agents

	2006	2005
	C£	C£
Agents' deposits	**69.856**	67.968
	69.856	67.968

18. Trade and other payables

	2006	2005
	C£	C£
Other accrued expenses	**1.860.922**	1.382.107
Other creditors	**639.471**	1.019.703
Winnings payable	**2.727.546**	818.305
Amounts payable to the Cyprus Government	**1.971.969**	1.295.025
Deferred income	**15.456**	3.575
Due to parent company (Note 20)	**3.996.648**	5.960.891
	11.212.012	10.479.606

19. Refundable taxes

	2006	2005
	C£	C£
Corporation tax	**(51.741)**	(74.256)
Special contribution for defence	**357**	161
	(51.384)	(74.095)

20. Related party transactions

The parent and ultimate parent of the Company is OPAP S.A., incorporated in Greece, which owns 100% of the share capital of the Company. During the year ended 31 December 2006, the Company paid fees of C£5.709.977 (2005: C£ 5.339.363) to OPAP S.A.

The following transactions were carried out with related parties:

Recoverable expenses

Name	Nature of balance	2006 **C£**	2005 C£
OPAP INTERNATIONAL LIMITED	Rent	**7.860**	6.600
OPAP INTERNATIONAL LIMITED	Electricity and telephone	**3.236**	3.597
		11.096	10.197

20. Related party transactions (continued)

Purchases of stationery

	2006	2005
	C£	C£
OPAP S.A.	23.918	98.221
	23.918	98.221

Debit balances

Name	Nature of balance	2006 C£	2005 C£
OPAP INTERNATIONAL LIMITED	Current account	1.009	1.764
		1.009	1.764

Credit balances

Name	Nature of balance	2006 C£	2005 C£
OPAP S.A.	Winnings	2.105.536	4.610.592
OPAP S.A.	Fees	1.891.112	1.350.299
		3.996.648	5.960.891

21. Commitments

The Company has no capital or other commitments as at 31 December 2006.

22. Post balance sheet events

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.