

# **OPAP (CYPRUS) LIMITED**

## **Report and financial statements 31 December 2013**

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# **OPAP (CYPRUS) LIMITED**

## **Board of Directors and other officers**

### **Board of Directors**

Kamil Ziegler (Chairman) (appointed 17 October 2013)  
Michal Houst (appointed 17 October 2013)  
Isidoros Makrides  
Michalis Chimonas  
Charalambos Christou  
Demetrios Aletraris (appointed 17 October 2013)  
Spiridon Fokas (appointed 17 October 2013)  
Demetrios Agraphiotis (appointed 15 March 2013, resigned 17 October 2013)  
Eleftherios Demetriou (appointed 15 March 2013, resigned 17 October 2013)  
Gregorios Phelonis (appointed 15 March 2013, resigned 17 October 2013)  
Efthymia Chalatsi (appointed 15 March 2013, resigned 17 October 2013)  
Constantinos Louropoulos (resigned 17 October 2013)  
Andreas Efstathiades (resigned 2 March 2013)  
Asterios Lachanas (resigned 2 March 2013)  
Nikolaos Zachariades (resigned 2 March 2013)  
Ilias Myrianthous (resigned 2 March 2013)

### **Company Secretary**

**Elena Pantziarou**  
28 Efestou Street, Athienou  
7600 Larnaca, Cyprus

### **Registered office**

128-130 Limassol Avenue  
Strovolos  
2015 Nicosia  
Cyprus

### **Auditors**

PricewaterhouseCoopers Limited  
Julia House  
3 Themistocles Dervis Street  
CY-1066 Nicosia  
P O Box 21612  
CY-1591 Nicosia, Cyprus  
Telephone: + 357 - 22555000  
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# **OPAP (CYPRUS) LIMITED**

## **Report of the Board of Directors**

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2013.

### **Principal activities**

2 The principal activities of the Company, which are unchanged from last year, is the organization, operation, conduct and promotion - publicity of all the games of OPAP S.A. held in Cyprus.

### **Review of developments, position and performance of the Company's business**

3 The profit of the Company for the year ended 31 December 2013 was €3.918.849 (2012: profit of €4.364.826) and the total comprehensive income was €4.986.760 (2012: total comprehensive income of €4.378.576). On 31 December 2013 the total assets of the Company were €22.705.339 (2012: €32.544.601) and the net assets were €6.700.509 (2012: net assets €6.078.584). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

### **Principal risks and uncertainties**

4 The principal risks and uncertainties faced by the Company are disclosed in Notes 1, 3, 4, 24 and 25 of the financial statements.

### **Future developments of the Company**

5 The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

### **Results**

6 The Company's results for the year are set out on pages 6 and 7. The Board of Directors does not recommend the payment of a dividend and the profit for the year is retained.

### **Dividends**

7 On 30 May 2013 a dividend of €2,568 per share, amounting to €4.364.835 was paid in relation to the profit of the years ended 31 December 2011 and 2012.

### **Share capital**

8 There were no changes in the share capital of the Company.

# **OPAP (CYPRUS) LIMITED**

## **Report of the Board of Directors (continued)**

### **Board of Directors**

9 The members of the Board of Directors at 31 December 2012 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2013, except Mr Kamil Ziegler, who was appointed as Chairman on 17 October 2013 and Mr Michal Houst, Mr Demetrios Aletraris, Mr Spyridon Fokas, who were appointed as Directors on 17 October 2013. Mr Constantinos Louropoulos, who was Chairman at 1 January 2013, resigned on 17 October 2013. Mr Demetrios Agraphiotis, Mr Eleftherios Demetriou, Mr Gregorios Phelonis and Mrs Efthymia Chalatsi, who were appointed as Directors on 15 March 2013, were resigned on 17 October 2013. Mr Nikolaos Zachariades, Mr Andreas Efstathiades, Mr Asterios Lachanas and Mr Ilias Myrianthous who were Directors at 1 January 2013, resigned on 2 March 2013.

10 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

11 According to the Company's Articles of Association, the Board of Directors has the authority to appoint any person as its Member, provided that the total number of the members does not exceed the predetermined number as per the existing regulation. All members of the Board continue in office until the next Annual General Meeting, where they are eligible to offer themselves for re-election.

### **Events after the balance sheet date**

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

### **Branches**

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

### **Independent Auditors**

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

### **By Order of the Board**

**Kamil Ziegler**  
**Chairman**

Nicosia,  
28 March 2014



## **Independent auditor's report**

To the Members of OPAP (CYPRUS) LIMITED

### **Report on the financial statements**

We have audited the accompanying financial statements of OPAP (CYPRUS) LIMITED (the "Company"), which comprise the balance sheet as at 31 December 2013, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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 about whether the financial statements are free from material misstatement.

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 judgment, 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 of financial statements that give a true and fair view 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) LIMITED as at 31 December 2013, 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 European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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### **Report on other legal requirements**

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and 2013, 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, so far as appears from our examination of these books.
- 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 Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 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.

Loizos A. Markides  
Certified Public Accountant and Registered Auditor  
for and on behalf of

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

Nicosia, 28 March 2014



# OPAP (CYPRUS) LIMITED

## Income statement for the year ended 31 December 2013

	Note	2013 €	2012 €
Revenue	5	188.224.785	177.082.566
Cost of sales		<u>(175.116.278)</u>	<u>(164.627.757)</u>
<b>Gross profit</b>		<b>13.108.507</b>	12.454.809
Selling and marketing costs		(5.589.552)	(5.818.738)
Administrative expenses		(2.318.243)	(2.661.647)
Other income	6	710.649	877.061
Other (losses)/gains - net	7	<u>(1.484.895)</u>	<u>7.885</u>
<b>Operating profit</b>		<b>4.426.466</b>	4.859.370
Finance costs	10	<u>(495)</u>	<u>(150)</u>
<b>Profit before income tax</b>		<b>4.425.971</b>	4.859.220
Income tax expense	11	<u>(507.122)</u>	<u>(494.394)</u>
<b>Profit for the year</b>		<b><u>3.918.849</u></b>	<b><u>4.364.826</u></b>

The notes on pages 11 to 39 are an integral part of these financial statements.

# OPAP (CYPRUS) LIMITED

## Statement of comprehensive income for the year ended 31 December 2013

	Note	2013 €	2012 €
<b>Profit for the year</b>		<b><u>3.918.849</u></b>	<b><u>4.364.826</u></b>
<b>Other comprehensive income:</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Change in value of available-for-sale financial assets, net of tax	21	<u>1.067.911</u>	<u>13.750</u>
		<b><u>1.067.911</u></b>	<b><u>13.750</u></b>
<b>Other comprehensive income for the year, net of tax</b>		<b><u>1.067.911</u></b>	<b><u>13.750</u></b>
<b>Total comprehensive income for the year</b>		<b><u>4.986.760</u></b>	<b><u>4.378.576</u></b>

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 11.

The notes on pages 11 to 39 are an integral part of these financial statements.

# OPAP (CYPRUS) LIMITED

## Balance sheet at 31 December 2013

	Note	2013 €	2012 €
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	<b>185.098</b>	269.822
Intangible assets	16	<b>3.898</b>	5.416
Available-for-sale financial assets	17	<b><u>1.328.306</u></b>	<u>190.207</u>
		<b><u>1.517.302</u></b>	<u>465.445</u>
<b>Current assets</b>			
Trade and other receivables	18	<b>2.043.767</b>	2.043.522
Tax refundable		<b>534.793</b>	281.842
Cash in hand and at bank	19	<b><u>18.609.477</u></b>	<u>29.753.792</u>
		<b><u>21.188.037</u></b>	<u>32.079.156</u>
<b>Total assets</b>		<b><u>22.705.339</u></b>	<u>32.544.601</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	20	<b>1.700.000</b>	1.700.000
Other reserves	21	<b>1.081.661</b>	13.750
Retained earnings		<b><u>3.918.848</u></b>	<u>4.364.834</u>
<b>Total equity</b>		<b><u>6.700.509</u></b>	<u>6.078.584</u>
<b>Current liabilities</b>			
Trade and other payables	23	<b>15.820.263</b>	26.272.043
Guarantee deposits from agents	22	<b><u>184.567</u></b>	<u>193.974</u>
		<b><u>16.004.830</u></b>	<u>26.466.017</u>
<b>Total equity and liabilities</b>		<b><u>22.705.339</u></b>	<u>32.544.601</u>

On 28 March 2014 the Board of Directors of OPAP (CYPRUS) LIMITED authorised these financial statements for issue.

Kamil Ziegler, Chairman

Michalis Chimonas, Director

The notes on pages 11 to 39 are an integral part of these financial statements.

# OPAP (CYPRUS) LIMITED

## Statement of changes in equity for the year ended 31 December 2013

	Note	Share capital €	Other reserves €	Retained earnings <sup>(1)</sup> €	Total €
<b>Balance at 1 January 2012</b>		<u>1.700.000</u>	<u>-</u>	<u>9.694.939</u>	<u>11.394.939</u>
<b>Comprehensive income</b>					
Profit for the year		<u>-</u>	<u>-</u>	<u>4.364.826</u>	<u>4.364.826</u>
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Fair value gains	21	<u>-</u>	<u>13.750</u>	<u>-</u>	<u>13.750</u>
Total other comprehensive income		<u>-</u>	<u>13.750</u>	<u>-</u>	<u>13.750</u>
Total comprehensive income for the year		<u>-</u>	<u>13.750</u>	<u>4.364.826</u>	<u>4.378.576</u>
<b>Transactions with owners</b>					
Dividends relating to 2008-2009	12	<u>-</u>	<u>-</u>	<u>(4.081.254)</u>	<u>(4.081.254)</u>
Dividends relating to 2010-2011	12	<u>-</u>	<u>-</u>	<u>(5.613.677)</u>	<u>(5.613.677)</u>
Total transactions with owners		<u>-</u>	<u>-</u>	<u>(9.694.931)</u>	<u>(9.694.931)</u>
<b>Balance at 31 December 2012 / 1 January 2013</b>		<u>1.700.000</u>	<u>13.750</u>	<u>4.364.834</u>	<u>6.078.584</u>
<b>Comprehensive income</b>					
Profit for the year		<u>-</u>	<u>-</u>	<u>3.918.849</u>	<u>3.918.849</u>
<b>Other comprehensive income</b>					
Available-for-sale financial assets:					
Fair value gains	21	<u>-</u>	<u>1.067.911</u>	<u>-</u>	<u>1.067.911</u>
Total other comprehensive income		<u>-</u>	<u>1.067.911</u>	<u>-</u>	<u>1.067.911</u>
Total comprehensive income for the year		<u>-</u>	<u>1.067.911</u>	<u>3.918.849</u>	<u>4.986.760</u>
<b>Transactions with owners</b>					
Dividend relating to 2011 and 2012	12	<u>-</u>	<u>-</u>	<u>(4.364.835)</u>	<u>(4.364.835)</u>
Total transactions with owners		<u>-</u>	<u>-</u>	<u>(4.364.835)</u>	<u>(4.364.835)</u>
<b>Balance at 31 December 2013</b>		<u>1.700.000</u>	<u>1.081.661</u>	<u>3.918.848</u>	<u>6.700.509</u>

- (1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of 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 for deemed dividend distribution purposes 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 special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009, and to 20% in respect of profits of years of assessment 2010 and 2011. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 11 to 39 are an integral part of these financial statements.

# OPAP (CYPRUS) LIMITED

## Statement of cash flows for the year ended 31 December 2013

	Note	2013 €	2012 €
<b>Cash flows from operating activities</b>			
Profit before income tax		4.425.971	4.859.220
Adjustments for:			
Depreciation of property, plant and equipment	15	98.714	95.209
Amortisation of intangible assets	16	3.500	5.459
Profit on sale of property, plant and equipment	15	(622)	(7.885)
Interest income	6	(710.649)	(877.061)
Interest expense	10	495	150
		<u>3.817.409</u>	<u>4.075.092</u>
Changes in working capital:			
Trade and other receivables		(245)	347.101
Trade and other payables		(10.451.780)	8.741.767
Guarantee deposits from agents		<u>(9.407)</u>	<u>17.148</u>
<b>Cash (used in)/generated from operations</b>		<b>(6.644.023)</b>	<b>13.181.108</b>
Income tax paid		<u>(760.073)</u>	<u>(576.771)</u>
<b>Net cash (used in)/generated from operating activities</b>		<b><u>(7.404.096)</u></b>	<b><u>12.604.337</u></b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	15	(13.990)	(212.581)
Proceeds from sale of property, plant and equipment	15	622	15.435
Purchases of intangibles	16	(1.982)	(3.526)
Purchases of available-for-sale financial assets	17	(70.188)	-
Loan repayments received from related parties	26(iv)	-	5.866.424
Interest received		710.649	877.061
Bank deposits with original maturity over 3 months		<u>(368.845)</u>	<u>-</u>
<b>Net cash from investing activities</b>		<b><u>256.266</u></b>	<b><u>6.542.813</u></b>
<b>Cash flows from financing activities</b>			
Interest paid		(495)	(150)
Dividends paid to Company's shareholders	12	<u>(4.364.835)</u>	<u>(9.694.931)</u>
<b>Net cash used in financing activities</b>		<b><u>(4.365.330)</u></b>	<b><u>(9.695.081)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(11.513.160)</b>	<b>9.452.069</b>
<b>Cash and cash equivalents at beginning of year</b>		<b><u>29.753.792</u></b>	<b><u>20.301.723</u></b>
<b>Cash and cash equivalents at end of year</b>	19	<b><u>18.240.632</u></b>	<b><u>29.753.792</u></b>

The notes on pages 11 to 39 are an integral part of these financial statements.

# OPAP (CYPRUS) LIMITED

## Notes to the financial statements

### 1 General information

#### Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 128-130 Limassol Avenue, Strovolos, 2015 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, is the organization, operation, conduct and promotion - publicity of all the games of OPAP S.A. held in Cyprus.

OPAP (Cyprus) Limited is governed by Law 34 (III)/2003 that ratifies the agreement between the Greek Republic and the Government of the Republic of Cyprus, for the terms of organization, operation, conduct and management of games conducted by OPAP S.A. as well as the "Taxation of profits from games of OPAP S.A. and by the State Lottery Act of 2012".

#### Operating environment of Cyprus

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2013 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through "bail in" for Laiki Bank and Bank of Cyprus, and the imposition of capital controls together with the current situation of the banking system and the continuing overall economic recession, have affected (1) the ability of the Company's trade and other debtors to repay the amounts due to the Company (2) the ability of the company to generate sufficient turnover, to offer its services to customers, and (3) the cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets.

# OPAP (CYPRUS) LIMITED

## 1 General information (continued)

The Company's management has assessed:

- 1 Whether any impairment allowances are deemed necessary for the Company's financial assets carried at amortized cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, no matter how likely those future events are.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

### Disclosure of general events

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100.000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations.

On 12 April 2013 the Eurogroup welcomed the agreement that was reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus. Subsequently all the necessary procedures for the formal approval of the Board of Directors of the European Stability Mechanism were completed, as well as the ratification by Eurozone member states. Following the completion of the above procedures, the first tranche of the financing of the Republic of Cyprus was released in line with the provisions of the Memorandum.

# OPAP (CYPRUS) LIMITED

## 1 General information (continued)

On 22 March 2013 legislation was enacted by the House of Representatives concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013. The temporary restrictive measures, with respect to banking and cash transactions include restrictions on cash withdrawals, the cashing of cheques and transfers of funds to other credit institutions in Cyprus and abroad. They also provide for the compulsory partial renewal of certain maturing deposits.

On 29 March 2013 the Central Bank of Cyprus issued decrees relating to Laiki Bank and Bank of Cyprus, implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

On the basis of the relevant decrees, Laiki Bank was placed into resolution. What remained in Laiki Bank were mainly the uninsured deposits and assets outside Cyprus. The assets of Laiki Bank in Cyprus, the insured deposits and the Eurosystem financing have been transferred to Bank of Cyprus, with compensation for the value of the net assets transferred, the issue of shares by Bank of Cyprus to Laiki Bank.

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through "bail-in", that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses.

The Company held bank deposits, as at 26 March 2013, in Laiki Bank amounting to €1.187.786. The management's assessment is that the Company has suffered a loss of €1.087.786, and as a result an impairment loss has been recognised in the income statement within "other losses/gains".

The Company also held bank deposits, as at 26 March 2013, in Bank of Cyprus amounting to €1.083.116. On the basis of the decrees of the Central Bank of Cyprus and the final measures for the recapitalization of Bank of Cyprus, the amount of an affected bank deposit with Bank of Cyprus has been converted and recognised as follows:

- (a) 37,5% of the affected deposit, amounted to €368.845 has been converted into time deposits of six, nine and twelve months with an option for the Bank of Cyprus to renew the time deposits once for the same duration. The management has recognised these deposits as current short-term bank deposits on the Balance Sheet
- (b) 47,5% of the affected deposit, amounted to €467.919, has been converted into shares of Bank of Cyprus. The management's preliminary assessment is that the Company's equity instrument held in this Bank has suffered an impairment of €397.731.
- (c) the remaining 15% of the affected deposit has been released.

On 18 April 2013 legislation was enacted by the House of Representatives to increase the corporate tax from 10% to 12.5% with effect from 1 January 2013. Furthermore, legislation was enacted to increase the rate of special defense contribution from 15% to 30% on interest which does not arise from the ordinary course of business or is closely linked to it with effect from 29 April 2013.



# OPAP (CYPRUS) LIMITED

## 1 General information (continued)

Following the positive outcome of the first and second quarterly reviews of the Cyprus economic programme by the European Commission, the European Central Bank and the International Monetary Fund, during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

### Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2013 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Company, with the exception of the following:

- Amendment to IAS 1 "Financial Statements Presentation on Presentation of Items of Other Comprehensive Income". As a result of the adoption of this amendment, the Company groups items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

# OPAP (CYPRUS) LIMITED

## 2 Summary of significant accounting policies (continued)

### Adoption of new and revised IFRSs (continued)

- IFRS 13, “Fair Value Measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

- IFRS 9, ‘Financial instruments’. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9’s full impact. The Company will consider the impact of the remaining phases of IFRS9 when completed by the Board. The standard is effective for annual periods beginning on or after 1 January 2015 and has not yet been endorsed by the European Union.

### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of goods and services in the ordinary course of the Company's activities, net of value added taxes, returns and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenues earned by the Company are recognised on the following bases:

# OPAP (CYPRUS) LIMITED

## 2 Summary of significant accounting policies (continued)

### Revenue recognition (continued)

#### (i) Revenue from games

Revenue from games are recognised when the end user of the coupon submits the coupon to any authorised agent of the Company and the draw relating to this coupon is completed.

#### (ii) Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

### 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. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Foreign currency translation

#### (i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

# OPAP (CYPRUS) LIMITED

## 2 Summary of significant accounting policies (continued)

### Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

# OPAP (CYPRUS) LIMITED

## 2 Summary of significant accounting policies (continued)

### Property, plant and equipment

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Plant and machinery	20
Motor vehicles	15,4
Furniture, fixtures and office equipment	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other gains/(losses) – net" in profit or loss.

### Leases

Leases in which 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 (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

# OPAP (CYPRUS) LIMITED

## 2 Summary of significant accounting policies (continued)

### 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 capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are charged to the profit or loss of the year in which they were incurred. Computer software costs are amortised using the straight line method over their estimated useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

### Guarantee deposits from agents

Guarantee deposits from agents consist of guarantees provided by agents according to the rules that govern the relationship of the Company with them. These guarantees are used to offset any doubtful receivables from agents and are returned to them upon the termination of their cooperation with the Company.

### Financial assets

#### (i) Classification

The Company classifies its financial assets in the following categories: loans and receivables and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- **Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets. The Company's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

- **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless the investment matures or management intends to dispose of the investment within twelve months of the balance sheet date.

# OPAP (CYPRUS) LIMITED

## 2 Summary of significant accounting policies (continued)

### Financial assets (continued)

#### (ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available for sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on "available-for-sale financial assets".

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss as part of other income. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Company's right to receive payments is established.

#### (iii) Impairment of financial assets

The Company assesses at the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

# OPAP (CYPRUS) LIMITED

## 2 Summary of significant accounting policies (continued)

### Financial assets (continued)

#### (iii) Impairment of financial assets (continued)

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the profit or loss on equity instruments are not reversed through the profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

### Transactions with equity owners/subsidiaries

The Company enters into transactions with shareholders and subsidiaries. When consistent with the nature of the transaction, the Company's accounting policy is to recognise (a) any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends; and (b) any losses with subsidiaries as cost of investment in subsidiaries. Similar transactions with non-equity holders or subsidiaries, are recognised through the profit or loss in accordance with IAS 39, 'Financial Instruments Recognition and Measurement'.

### Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. 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 carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within "selling and marketing costs". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "selling and marketing costs" in profit or loss.



# **OPAP (CYPRUS) LIMITED**

## **2 Summary of significant accounting policies (continued)**

### **Share capital**

Ordinary shares are classified as equity.

### **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 the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

### **Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents include deposits held at call with banks with original maturity of three months or less.

### **Comparatives**

Where necessary, corresponding figures have been adjusted to conform to the presentation of the current year amounts.

# OPAP (CYPRUS) LIMITED

## 3 Financial risk management

### (i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk), credit risk and liquidity risk.

The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company to financial risks such as credit risk and liquidity risk is monitored as part of its daily management of the business.

- **Market risk**

- Price risk**

- The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as available-for-sale. The Company is not exposed to commodity price risk.

- The Company's equity investments that are publicly traded are included in the Milan Stock Exchange General Index.

- The table below summarises the impact of increases/decreases of the Milan Stock Exchange General Index on the Company's post-tax profit for the year and on other components of equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 10% (2012:10%) with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on other components of equity in €	
	2013	2012
Milan Stock Exchange General Index	125.812	19.021
Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.		

- The Company does not manage its market price risk.

- **Credit risk**

- Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

- Management assesses the credit quality of the customers, taking into account their financial position, past experience and performance and other factors. See Note 14 for further disclosure on credit risk.

# OPAP (CYPRUS) LIMITED

## 3 Financial risk management (continued)

### (i) Financial risk factors (continued)

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months, with the exception of borrowings, equal their carrying balances as the impact of discounting is not significant.

	Until 1 year €
<b>At 31 December 2012</b>	
Guarantee deposits from agents	193.974
Trade and other payables	<u>26.272.043</u>
	<u>26.466.017</u>
	<b>Until 1 year €</b>
<b>At 31 December 2013</b>	
Guarantee deposits from agents	184.567
Trade and other payables	<u>15.820.263</u>
	<u>16.004.830</u>

Management does not have a formal policy for managing liquidity risk.

### (ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital as defined by management at 31 December 2013 and 2012 consists of equity as shown on the face of the balance sheet.

The Company has no borrowings and is financed solely by equity.

### (iii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

# OPAP (CYPRUS) LIMITED

## 3 Financial risk management (continued)

### (iii) Fair value estimation (continued)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2012.

	Level 1 €
<b>31 December 2012</b>	
<b>Assets</b>	
Available-for-sale financial assets:	
- Equity securities	<u>190.207</u>
<b>Total assets measured at fair value</b>	<u><b>190.207</b></u>

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2013.

	Level 1 €	Level 3 €	Total €
<b>31 December 2013</b>			
<b>Assets</b>			
Available-for-sale financial assets:			
- Equity securities	<u>1.258.118</u>	<u>70.188</u>	<u>1.328.306</u>
<b>Total assets measured at fair value</b>	<u><b>1.258.118</b></u>	<u><b>70.188</b></u>	<u><b>1.328.306</b></u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily Milan Stock Exchange equity investments classified as available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

For the specific valuation techniques used to value financial instruments in Level 3 refer to Note 4.

The following table presents the changes in Level 3 investments for the year ended 31 December 2013:

	Equity securities €	Total €
At 1 January 2013	-	-
Additions	<u>70.188</u>	<u>70.188</u>
<b>At 31 December 2013</b>	<u><b>70.188</b></u>	<u><b>70.188</b></u>

# OPAP (CYPRUS) LIMITED

## 3 Financial risk management (continued)

### (iii) Fair value estimation (continued)

During 2013, following the March Eurogroup decisions, the Company obtained 467.919 shares in Bank of Cyprus which are valued using a level 3 valuation. The sensitivity of the valuation of Bank of Cyprus shares to the significant unobservable inputs involved is shown in the table below:

Capital adequacy and liquidity +/- 20%	Higher / lower impact: €18.478
Credit rating +/- 20%	Higher / lower impact: €55.434
Impact of bail-in adjustment +/- 20%	Higher / lower impact: €70.188

## 4 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.

### (i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

Were the actual final outcome (on the judgement areas) to differ from management's estimates then the Company would need to decrease the income tax asset by €350.260.

# OPAP (CYPRUS) LIMITED

## 4 Critical accounting estimates and judgements (continued)

### (i) Critical accounting estimates and assumptions (continued)

- **Impairment loss on bank deposits**

As of 26 March 2013, the Company held deposits of €1.083.116 in Bank of Cyprus and €1.187.786 in Laiki Bank. Following the Eurogroup decision on 25 March 2013, the Company's uninsured bank deposit balances with Laiki and Bank of Cyprus have suffered an impairment loss. In estimating the impairment loss suffered, the Company has assessed that in view of the resolution of Laiki Bank, it will not be able to recover any amounts in excess of the insured balance and as a result has recognised an impairment loss for the entire uninsured balance of €1.087.786. In estimating the impairment loss on the uninsured bank balances with Bank of Cyprus held as of 26 March 2013, the Company has considered that there was no impairment loss on the bank deposits which had not been converted into shares, but an impairment loss has been suffered as a result of the conversion of 47,5% of the uninsured bank deposits into ordinary shares of Bank of Cyprus. The impairment loss has been estimated at €397.731, being the difference between the deposit balance of €467.919 which was converted into 467.919 ordinary shares of Bank of Cyprus and the fair value of these shares which has been estimated at €0.15 per share.

In the absence of a listed market price for the Bank of Cyprus shares, and in view of the drastic changes in the activities, operations and structure of Bank of Cyprus as a result of the Eurogroup decisions in March 2013, the Company has estimated the fair value of the shares both for the purposes of initial recognition of the shares and as of 31 December 2013, using a level 3 valuation. The approach followed in this valuation entailed consideration of comparable price-to-book value multiples on which adjustments have made to take into consideration differences in liquidity, capital adequacy, credit rating and also impact of bail-in relating specifically to Bank of Cyprus. Such adjustments entail significant degree of estimation uncertainty and judgment. The sensitivity of the significant estimates involved is disclosed in Note 3.

# OPAP (CYPRUS) LIMITED

## 4 Critical accounting estimates and judgements (continued)

### (ii) Critical judgements in applying the Company's accounting policies

- **Impairment of available-for-sale financial assets**

The Company follows the guidance of IAS 39 to determine when an available to sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the assumptions made regarding the duration that, and the extent to which, the fair value is less than cost, do not materialise in 2013, the Company would suffer an additional €1.081.661 loss in its 2013 financial statements, being the transfer of the total fair value reserve to profit or loss.

## 5 Revenue

	2013 €	2012 €
Sales JOKER	24.653.895	24.731.396
Sales PROTO	5.425.970	4.656.510
Sales EXTRA 5	853.816	1.044.645
Sales SUPER 3	4.830.221	5.606.519
Sales LOTTO	6.067.922	6.350.848
Sales KINO	146.132.559	134.385.506
Sales PROPO	221.068	267.409
Sales PROPOGOAL	39.334	39.733
	<u>188.224.785</u>	<u>177.082.566</u>

## 6 Other income

	2013 €	2012 €
Interest income:		
Bank balances	709.708	838.953
Loans to related parties (Note 26(iv))	-	37.877
Other interest income	941	231
Total interest income	<u>710.649</u>	<u>877.061</u>

# OPAP (CYPRUS) LIMITED

## 7 Other (losses)/gains - net

	2013 €	2012 €
Property, plant and equipment: Profit on sale (Note 15)	<u>622</u>	<u>7.885</u>
Impairment loss on bank balances (Note 3)	<u>(1.485.517)</u>	<u>-</u>
<b>Total other losses - net</b>	<b><u>(1.484.895)</u></b>	<b><u>7.885</u></b>

## 8 Expenses by nature

	2013 €	2012 €
Depreciation and amortisation (Notes 15 and 16)	102.214	100.668
Repairs and maintenance	47.118	162.258
Operating lease payments	128.235	166.255
Insurance	66.048	54.594
Auditors' remuneration	20.576	17.400
Trade receivables - provision for impairment of receivables (Note 18)	-	44.769
Staff costs (Note 9)	1.341.725	1.419.753
Advertising and promotion	1.743.531	1.876.824
Other expenses	1.389.088	1.783.913
Sponsorships	3.764.496	3.541.651
Legal fees	56.486	14.000
Agents' commission	16.548.463	15.650.227
Theoretical winnings	123.641.239	115.767.950
Fees to Cyprus Government	12.272.372	12.018.700
Fees to OPAP S.A.	18.822.478	17.708.256
Compensation to agents for V.A.T.	2.948.685	2.620.469
Agents' bonuses	94.146	138.558
Trade receivables - impairment charge for bad debts	-	21.897
Security Expenses	81.942	-
Bad debt recovered	<u>(44.769)</u>	<u>-</u>
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b><u>183.024.073</u></b>	<b><u>173.108.142</u></b>

The professional fees stated above include fees of €300 (2012: €3.800) for tax consultancy services, €Nil (2012: €750) for other non-assurance services charged by the Company's statutory audit firm.

## 9 Staff costs

	2013 €	2012 €
Wages and salaries	1.209.874	1.216.756
Termination benefits	-	80.000
Social insurance costs and other funds	66.747	60.042
Provident fund contributions	<u>65.104</u>	<u>62.955</u>
	<b><u>1.341.725</u></b>	<b><u>1.419.753</u></b>

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.



# OPAP (CYPRUS) LIMITED

## 10 Finance costs

	2013 €	2012 €
Interest expense:		
Overdue taxation	<u>495</u>	<u>150</u>

## 11 Income tax expense

	2013 €	2012 €
<b>Current tax:</b>		
Corporation tax	507.122	488.452
Prior year tax:		
Corporation tax	-	5.014
Defence contribution	<u>-</u>	<u>928</u>
Income tax expense	<u>507.122</u>	<u>494.394</u>

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

	2013 €	2012 €
Profit before tax	<u>4.425.971</u>	<u>4.859.220</u>
Tax calculated at the applicable corporation tax rate of 12,5% (2012:10%)	553.247	485.922
Tax effect of expenses not deductible for tax purposes	5.566	4.587
Tax effect of allowances and income not subject to tax	(51.691)	(2.057)
Prior year taxes	<u>-</u>	<u>5.942</u>
Income tax charge	<u>507.122</u>	<u>494.394</u>

The Company is subject to income tax on taxable profits at the rate of 10% up to 31 December 2012, and at the rate of 12,5% as from 1 January 2013.

As from tax year 2012 brought forward losses of only five years may be utilised.

Up to 31 December 2008, under certain conditions interest may be subject to special contribution for defence at the rate of 10%. In such cases 50% of the same interest will be exempt from income tax thus having an effective tax rate burden of approximately 15%.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% as from 1 January 2012; reduced to 17% as from 1 January 2014. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon, etc) are exempt from Cyprus income tax.

Possible tax exposures not adjusted in the financial statements, include:

1) Disallowance of impairment of uninsured bank current accounts in Laiki Bank and Bank of Cyprus, of €1.485.517.

# OPAP (CYPRUS) LIMITED

## 11 Income tax expense (continued)

2) Disallowance of bank interest income of €709.708, on which special defence contribution of €199.434 was deducted at source, on the grounds that such interest income is of a passive nature.

The tax (charge)/credit relating to components of other comprehensive income is as follows:

### Tax effects of components of other comprehensive income

	Year ended 31 December					
	2013			2012		
	Before tax €	Tax (charge)/ credit €	After tax €	Before tax €	Tax (charge)/ credit €	After tax €
<b>Available-for-sale financial assets:</b>						
Fair value gains	<u>1.067.911</u>	-	<u>1.067.911</u>	<u>13.750</u>	-	<u>13.750</u>
Other comprehensive income	<u>1.067.911</u>	-	<u>1.067.911</u>	<u>13.750</u>	-	<u>13.750</u>

## 12 Dividends per share

At the Annual General Meeting on 15 March 2013, a dividend in respect of the profit for the years ended 31 December 2011 and 2012 of €2,568 per share amounting to a total dividend of €4.364.835 was declared. The dividend was paid in full on 30 May 2013.

## 13 Financial instruments by category

	Loans and receivables €	Available-for- sale €	Total €
<b>31 December 2012</b>			
<b>Assets as per balance sheet</b>			
Available-for-sale financial assets	-	190.207	190.207
Trade and other receivables (excluding prepayments)	1.934.751	-	1.934.751
Cash and cash equivalents	<u>29.753.792</u>	-	<u>29.753.792</u>
<b>Total</b>	<u>31.688.543</u>	<u>190.207</u>	<u>31.878.750</u>
		Other financial liabilities €	Total €
<b>Liabilities as per balance sheet</b>			
Trade and other payables (excluding statutory liabilities)		25.298.564	25.298.564
Guarantee deposits from agents		<u>193.974</u>	<u>193.974</u>
<b>Total</b>		<u>25.492.538</u>	<u>25.492.538</u>
	Loans and receivables €	Available-for- sale €	Total €
<b>31 December 2013</b>			
<b>Assets as per balance sheet</b>			
Available-for-sale financial assets	-	1.328.306	1.328.306
Trade and other receivables (excluding prepayments)	2.017.995	-	2.017.995
Cash and cash equivalents	<u>18.609.477</u>	-	<u>18.609.477</u>
<b>Total</b>	<u>20.627.472</u>	<u>1.328.306</u>	<u>21.955.778</u>

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## 13 Financial instruments by category (continued)

	Other financial liabilities €	Total €
<b>Liabilities as per balance sheet</b>		
Trade and other payables (excluding statutory liabilities)	14.765.605	14.765.605
Guarantee deposits from agents	<u>184.567</u>	<u>184.567</u>
<b>Total</b>	<u><b>14.950.172</b></u>	<u><b>14.950.172</b></u>

## 14 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2013 €	2012 €
<b>Trade receivables</b>		
Counterparties without external credit rating		
Group 1	-	111.609
Group 2	<u><b>1.852.678</b></u>	<u>1.682.567</u>
	<u><b>1.852.678</b></u>	<u>1.794.176</u>
<b>Fully performing other receivables</b>		
Group 3	<u><b>4.953</b></u>	<u>8.210</u>
	<b>2013 €</b>	<b>2012 €</b>
<b>Cash at bank and short-term bank deposits (external credit ratings as per Moody's report issued on 2 January 2014)<sup>(1)</sup></b>		
Ca	<b>7.546.755</b>	2.606.654
Caa1	<u><b>11.062.722</b></u>	<u>27.147.114</u>
	<u><b>18.609.477</b></u>	<u>29.753.768</u>

<sup>(1)</sup> The rest of the balance sheet item 'cash and cash equivalents' is cash in hand.

Group 1 – new agents (less than 6 months).

Group 2 – existing agents (more than 6 months) with no defaults in the past.

Group 3 – other receivables with no defaults in the past.

None of the financial assets that are fully performing has been renegotiated in the last year.

None of the loans and receivables from related parties is past due or impaired.

# OPAP (CYPRUS) LIMITED

## 15 Property, plant and equipment

	Plant and machinery €	Furniture, fixtures and office equipment €	Motor vehicles €	Total €
<b>At 1 January 2012</b>				
Cost	756.230	207.654	111.655	1.075.539
Accumulated depreciation	<u>(691.535)</u>	<u>(166.956)</u>	<u>(57.048)</u>	<u>(915.539)</u>
Net book amount	<u>64.695</u>	<u>40.698</u>	<u>54.607</u>	<u>160.000</u>
<b>Year ended 31 December 2012</b>				
Opening net book amount	64.695	40.698	54.607	160.000
Additions	-	212.581	-	212.581
Disposals	-	(7.550)	-	(7.550)
Depreciation charge (Note 8)	<u>(31.940)</u>	<u>(46.417)</u>	<u>(16.852)</u>	<u>(95.209)</u>
Closing net book amount	<u>32.755</u>	<u>199.312</u>	<u>37.755</u>	<u>269.822</u>
<b>At 31 December 2012</b>				
Cost	756.230	292.861	109.478	1.158.569
Accumulated depreciation	<u>(723.475)</u>	<u>(93.549)</u>	<u>(71.723)</u>	<u>(888.747)</u>
Net book amount	<u>32.755</u>	<u>199.312</u>	<u>37.755</u>	<u>269.822</u>
<b>Year ended 31 December 2013</b>				
Opening net book amount	32.755	199.312	37.755	269.822
Additions	-	13.990	-	13.990
Depreciation charge (Note 8)	<u>(28.191)</u>	<u>(53.679)</u>	<u>(16.844)</u>	<u>(98.714)</u>
Closing net book amount	<u>4.564</u>	<u>159.623</u>	<u>20.911</u>	<u>185.098</u>
<b>At 31 December 2013</b>				
Cost	166.609	305.160	109.478	581.247
Accumulated depreciation	<u>(162.045)</u>	<u>(145.537)</u>	<u>(88.567)</u>	<u>(396.149)</u>
Net book amount	<u>4.564</u>	<u>159.623</u>	<u>20.911</u>	<u>185.098</u>

In the cash flow statement, proceeds from sale of property, plant and equipment comprise:

	2013 €	2012 €
Net book amount	-	7.550
Profit on sale of property, plant and equipment (Note 7)	<u>622</u>	<u>7.885</u>
Proceeds from sale of property, plant and equipment	<u>622</u>	<u>15.435</u>

Operating lease rentals amounting to €128.325 (2012: €166.255) relating to the lease of property are included in the profit or loss (Note 8).

Depreciation expense of €28.191 (2012: €31.940) has been charged in "cost of goods sold" and €70.523 (2012: €63.269) in "administrative expenses".

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## 16 Intangible assets

	Computer software €
<b>At 1 January 2012</b>	
Cost	174.647
Accumulated amortisation	<u>(167.298)</u>
Net book amount	<u>7.349</u>
<b>Year ended 31 December 2012</b>	
Opening net book amount	7.349
Additions	3.526
Amortisation charge (Note 8)	<u>(5.459)</u>
Closing net book amount	<u>5.416</u>
<b>At 31 December 2012</b>	
Cost	178.173
Accumulated amortisation	<u>(172.757)</u>
Net book amount	<u>5.416</u>
<b>Year ended 31 December 2013</b>	
Opening net book amount	5.416
Additions	1.982
Amortisation charge (Note 8)	<u>(3.500)</u>
Closing net book amount	<u>3.898</u>
<b>At 31 December 2013</b>	
Cost	21.662
Accumulated amortisation	<u>(17.764)</u>
Net book amount	<u>3.898</u>

## 17 Available-for-sale financial assets

	2013 €	2012 €
At beginning of year	190.207	176.457
Additions	70.188	-
Net gains transferred to other comprehensive income (Note 21)	<u>1.067.911</u>	<u>13.750</u>
<b>At end of year</b>	<b><u>1.328.306</u></b>	<b><u>190.207</u></b>

Available-for-sale financial assets are analysed as follows:

	2013 €	2012 €
Listed equity securities:		
Milan Stock Exchange	1.258.118	190.207
Unlisted securities	<u>70.188</u>	<u>-</u>
	<b><u>1.328.306</u></b>	<b><u>190.207</u></b>

Available-for-sale financial assets are denominated in the following currencies:

	2013 €	2012 €
Euro - functional and presentation currency	<u>1.328.306</u>	<u>190.207</u>
	<b><u>1.328.306</u></b>	<b><u>190.207</u></b>

None of the financial assets is either past due or impaired.

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## 18 Trade and other receivables

	2013 €	2012 €
Trade receivables	<b>2.013.042</b>	1.971.310
Less: Provision for impairment of receivables	<u>-</u>	<u>(44.769)</u>
Trade receivables - net	<b>2.013.042</b>	1.926.541
Prepayments	<b>25.772</b>	108.771
Other receivables	<b>4.953</b>	8.210
	<b><u>2.043.767</u></b>	<b><u>2.043.522</u></b>

The fair values of trade and other receivables approximate their carrying amounts.

As of 31 December 2013, trade receivables of €1.852.678 (2012: €1.794.176) were fully performing.

Trade receivables that are less than ten days past due are not considered impaired. As of 31 December 2013, trade receivables of €160.364 (2012: €132.365) were past due but not impaired. The Company has not made a provision for impairment losses as there has not been a significant change in the credit quality of these receivables and their balances are still recoverable. The Company does not hold any collateral in relation to these balances beyond guarantee deposits as disclosed in Note 22. The ageing analysis of these trade receivables is as follows:

	2013 €	2012 €
up to 30 days	<b>42.353</b>	1.078
31-60 days	<b>16.924</b>	54.156
61-90 days	<b>2.595</b>	10.181
over 91 days	<b>98.492</b>	66.950
	<b><u>160.364</u></b>	<b><u>132.365</u></b>

The amount of the provision was nil as of 31 December 2013 (2012: €44.769). The ageing of these receivables is as follows:

	2013 €	2012 €
over 60 days	<u>-</u>	<u>44.769</u>
	<b><u>-</u></b>	<b><u>44.769</u></b>

Movements on the Company's provision for impairment of trade receivables are as follows:

	2013 €	2012 €
At 1 January	<b>44.769</b>	-
Provision for receivables impairment (Note 8)	-	44.769
Bad debt recovered	<b>(44.769)</b>	-
At 31 December	<b><u>-</u></b>	<b><u>44.769</u></b>

The creation and release of provision for impaired receivables have been included in 'selling and marketing costs' in profit or loss (Note 8).

The other classes within trade and other receivables do not contain impaired nor past due assets.

# OPAP (CYPRUS) LIMITED

## 18 Trade and other receivables (continued)

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2013 €	2012 €
Euro - functional and presentation currency	<u>2.043.767</u>	<u>2.043.522</u>

## 19 Cash in hand and at bank

	2013 €	2012 €
Cash at bank and in hand	15.347.126	29.753.184
Short-term bank deposits	<u>3.262.351</u>	<u>608</u>
	<u>18.609.477</u>	<u>29.753.792</u>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2013 €	2012 €
Bank balances	18.609.477	29.753.792
Less:		
Bank deposits with original maturity over 3 months	<u>(368.845)</u>	<u>-</u>
Cash and cash equivalents	<u>18.240.632</u>	<u>29.753.792</u>

Bank deposits with original maturity over 3 months include time deposits with Bank of Cyprus amounting to €368.845 with maturities of six, nine and twelve months for which Bank of Cyprus has the option to renew them for an additional period of the same duration. The Company has classified these balances as current as the Company expects that Bank of Cyprus will not exercise its option to renew these for a further term and the balances will be available for use within the next 12 months from the balance sheet date. In January 2014 the six month deposit was released.

Cash and cash equivalents are denominated in the following currencies:

	2013 €	2012 €
Euro - functional and presentation currency	<u>18.609.477</u>	<u>29.753.792</u>

## 20 Share capital

	2013		2012	
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Shares of €1 each	<u>1 700 000</u>	<u>1.700.000</u>	<u>1 700 000</u>	<u>1.700.000</u>
<b>Issued and fully paid</b>				
Shares of €1 each	<u>1 700 000</u>	<u>1.700.000</u>	<u>1 700 000</u>	<u>1.700.000</u>

# OPAP (CYPRUS) LIMITED

## 21 Other reserves

	Available-for-sale financial assets €
<b>At 1 January 2012</b>	
Available-for-sale financial assets:	
Fair value gains (Note 17)	<u>13.750</u>
<b>At 31 December 2012/1 January 2013</b>	<u>13.750</u>
<b>At 31 December 2013</b>	
Available-for-sale financial assets:	
Fair value gains (Note 17)	<u>1.067.911</u>
<b>At 31 December 2013</b>	<u><u>1.081.661</u></u>

## 22 Guarantee deposits from agents

Guarantee deposits from agents consist of guarantees provided by agents according to the rules that govern the relationship of the Company with them. These guarantees are used to offset any doubtful receivables from agents and are returned to them upon the termination of their cooperation with the Company.

The fair value of the guarantee deposits is not significantly different from their carrying value at the balance sheet date.

## 23 Trade and other payables

	2013 €	2012 €
Trade payables	<b>578.091</b>	612.097
Payables to parent entity (Note 26(iii))	<b>5.412.898</b>	14.402.463
Other payables	<b>1.130.153</b>	1.105.539
Amounts due to the Republic of Cyprus	<b>352.430</b>	3.236.165
Unclaimed winnings	<b>2.507.538</b>	2.686.337
Deferred income	<b>262.685</b>	167.607
Accrued sponsorships	<b>5.576.468</b>	4.061.835
	<u><b>15.820.263</b></u>	<u>26.272.043</u>

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

The carrying amounts of the Company's trade and other payables are denominated in the following currencies:

	2013 €	2012 €
Euro - functional and presentation currency	<u><b>15.820.263</b></u>	<u>26.272.043</u>

## 24 Contingencies

- (i) As at 31 December 2013 there was a pending claim against the Company in relation to its activities. Based on legal advice, the Company's Board of Directors believes that there is sufficient defence against these claims and no loss is expected to arise for the Company. Therefore no provision has been recognised in these financial statements in relation to these claims.



# OPAP (CYPRUS) LIMITED

## 25 Commitments

### (i) Operating lease commitments – where the Company is the lessee

During the year the Company moved to a new office that rents under operating leases.

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

	2013 €	2012 €
No later than 1 year	131.472	126.416
Later than 1 year and no later than 5 years	580.624	558.292
Later than 5 years	499.319	653.123
	<u>1.211.415</u>	<u>1.337.831</u>

## 26 Related party transactions

The Company is controlled by OPAP S.A., registered in Greece, which owns 100% of the Company's shares. The shares of OPAP S.A. are traded in Athens Stock Exchange. The Company's ultimate controlling party is Emma Capital Ltd.

The following transactions were carried out with related parties:

### (i) Fees to OPAP S.A.

	2013 €	2012 €
Fees:		
OPAP S.A. (parent entity)	<u>18.822.478</u>	<u>17.709.147</u>

The above transactions relate to trading activities.

### (ii) Directors' and Key management personnel's remuneration

The total remuneration of the Directors, who are the key management personnel were as follows:

	2013 €	2012 €
Emoluments in their executive capacity	<u>322.476</u>	<u>311.080</u>

### (iii) Year-end balances arising from sales/purchases of services

	2013 €	2012 €
Payables to related parties (Note 23):		
OPAP S.A. (parent entity)	<u>5.412.898</u>	<u>14.402.463</u>

The above balances bear no interest and are repayable on demand.

The above balances relate to trading activities.

# OPAP (CYPRUS) LIMITED

## 26 Related party transactions (continued)

### (iv) Loans to related parties

	2013 €	2012 €
Loans to OPAP International Limited:		
At beginning of year	-	5.866.424
Loans repaid during year	-	(5.904.301)
Interest charged (Note 6)	-	37.877
At end of year	<u>-</u>	<u>-</u>

The loan borne an interest of Euribor plus 0,5% and was fully settled in 2012.

The above balance relates to financing activities.

## 27 Events after the balance sheet date

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

Independent auditor's report on pages 4 to 5.

# OPAP (CYPRUS) LIMITED

## Additional information to the income statement

### Cost of goods sold for the year ended 31 December 2013

	2013 €	2012 €
<b>Cost of Sales</b>		
Agents' commissions	<b>16.548.463</b>	15.650.227
Depreciation of plant and machinery	<b>28.191</b>	31.940
Amortisation of intangibles	<b>3.500</b>	5.459
Theoretical winnings	<b>123.641.239</b>	115.767.950
Coupons	<b>125.922</b>	95.574
Thermal Paper	<b>249.766</b>	211.225
Compensation to agents for V.A.T.	<b>2.948.685</b>	2.620.469
Fees to OPAP S.A.	<b>18.822.478</b>	17.708.256
Fees to Cyprus Government	<b>12.272.372</b>	12.018.700
Third party services	<b>381.516</b>	379.399
Agents' bonuses	<b>94.146</b>	138.558
	<b><u>175.116.278</u></b>	<b><u>164.627.757</u></b>

# OPAP (CYPRUS) LIMITED

## Additional information to the income statement

### Analysis of expenses for the year ended 31 December 2013

	2013 €	2012 €
<b>Selling and marketing costs</b>		
Sponsorships	3.764.496	3.541.651
Advertising	1.743.531	1.876.824
Impairment charge for receivables	-	21.897
Provision for impairment of receivables	-	44.769
Travelling local expenses	16.600	10.752
Expenses for the uniformity of agencies' corporate image	103.506	319.455
Expenses for other events	6.188	3.390
Bad debts recovered	(44.769)	-
	<u>5.589.552</u>	<u>5.818.738</u>

	2013 €	2012 €
<b>Administrative expenses</b>		
Directors' remuneration	322.476	311.080
Salaries and related costs	1.019.249	1.108.672
Depreciation of furniture, fixtures, office equipment and motor vehicles	70.523	63.269
Auditors' remuneration	20.576	17.400
Legal fees	56.486	14.000
Agencies' repairs	31.241	297.303
Operating lease rentals	128.235	166.255
Repairs and maintenance	47.118	162.258
Telephone, telexes and facsimiles	259.204	230.888
Printing and stationery	6.102	7.952
Postages and courier	5.712	7.959
Cleaning expenses	3.323	5.810
Water and sewerage expenses	1.133	1.505
Insurance	66.048	54.594
Electricity	15.558	29.549
Trainings	21.848	20.228
Travelling local expenses	354	374
Motor vehicle expenses	28.259	20.056
Taxes and licences	11.676	18.524
Sundry expenses	121.180	123.971
Security expenses	81.942	-
	<u>2.318.243</u>	<u>2.661.647</u>