

OPAP SPORTS LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

OPAP SPORTS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Kamil Ziegler – Chairman (appointed on 21 October 2013)
Spyridon Fokas (appointed on 21 October 2013)
Michal Houst (appointed on 21 October 2013)
Giorgos Liveras (appointed on 15 March 2013)
Constantinos Louropoulos – Chairman (resigned on 21 October 2013)
Panayiotis Koliopanos (appointed on 15 March 2013 and resigned on 21 October 2013)
Theodoros Mitrakas (appointed on 15 March 2013 and resigned on 21 October 2013)
Theofanis Moustakatos (appointed on 15 March 2013 and resigned on 21 October 2013)
Costas Hadjimichalakis (appointed on 15 March 2013 and resigned on 21 October 2013)
Nicolao Zachariades (resigned on 16 March 2013)
Antonis Oikonomou (resigned on 16 March 2013)
Charalambos Christou (resigned on 16 March 2013)
Christos Stasis (resigned on 16 March 2013)

Company Secretary:

Leandros Zachariades

Independent Auditors:

Deloitte Limited
Certified Public Accountants and Registered Auditors
24 Spyrou Kyprianou Avenue
1075 Nicosia
Cyprus

Legal Advisers:

N. Papageorgiou & Associates

Registered office:

128-130, Limassol Avenue
1st Floor, Cyfield Avenue Centre
2015 Nicosia
Cyprus

Bankers:

Bank of Cyprus Public Company Ltd
Alpha Bank Cyprus Ltd
Hellenic Bank Public Company Ltd
National Bank of Greece (Cyprus) Ltd
Housing Finance Corporation

Registration number:

133603

OPAP SPORTS LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013

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

Incorporation

Opap Sports Limited was incorporated in Cyprus on 16 October 2002 as a limited liability company under the Cyprus Companies Law, Cap. 113, with the name Glory Leisure Holdings Limited. The Company was renamed to OPAP Glory Limited on 10 December 2003 and to OPAP Sports Limited on 26 May 2010. On 1 October 2003, OPAP S.A., a Greek Public Company listed on the Athens Stock exchange, acquired the 90% of the share capital of the Company. On 10 July 2008, OPAP S.A. acquired the remaining 10% of the share capital of the Company.

Principal activity

The principal activity of the Company, prior to the enforcement of the Betting Law of 2012 (106(I)/2012), was the management of Collective Performance and Recipient of the Collective Performance companies, which operate in the Republic of Cyprus.

During 2012, the Betting Law of 2012 (106(I)/2012) (the "Law") was enforced, according to which the National Betting Authority is appointed, with its principal activity being the supervision of betting in Cyprus. The main changes in the law which directly affected the Company is the imposition of a 3% contribution on the Company's net earnings to the National Betting Authority. In addition, the Company pays 10% Betting Tax on its net earnings.

As a result of the enforcement of the above law, the Company is no longer obliged to operate through the Collective Performance and Recipient of the Collective Performance companies. According to the new law, the Company being a holder of the Recipient Class A License, will directly operate through the authorised representatives of Class A recipients.

Based on the above, the Board of Directors of the Company resolved on 7 January 2013 to recommend to the shareholders the dissolution of all the Company's subsidiaries through voluntary liquidation, which was completed on 25 November 2013.

As a result of the liquidation of the above subsidiaries there was a distribution to the Company by its subsidiaries of €579.220 which has been recognised in the income statement for the year.

The total number of the licenced premises from where the Company can carry out its operations on 31 December 2013 is 140 (2012: 119), in accordance with the number of companies which have received relevant licenses from the Minister of Finance.

Review of the development and current position of the Company and description of the major risks and uncertainties

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 19 and 22 of the financial statements.

Results

The Company's results for the year are set out on page 6. The net profit for the year is transferred to reserves.

Expected future developments of the Company

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future.

Existence of branches

The Company does not maintain any branches.

Dividends

On 8 July 2013, the Board of Directors approved the payment of dividends of €856.611 out of the profits of 2012 (2012: €Nil).

OPAP SPORTS LIMITED

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013

Share capital

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

Board of Directors

The members of the Company's Board of Directors as at 31 December 2013 and at the date of this report are presented on page 1. On 21 October 2013, Mr. Constantinos Louropoulos resigned from Chairman of the Company and on the same date Mr. Kamil Ziegler was appointed in his place. Messrs Nicolaos Zachariades, Antonios Economou, Christos Stasis and Charalambos Christou who were members of the board since 2010, resigned on 16 March 2013. On 15 March, Messrs Panayiotis Koliopanos, Theodoros Mitrakas, Theofanis Moustakatos, Costas Hadjimichalakis and Giorgos Liveras were appointed on their place. Messrs Panayiotis Koliopanos, Theodoros Mitrakas, Theofanis Moustakatos and Costas Hadjimichalakis resigned on 21 October 2013 and Messrs Spyridon Fokas and Michal Houst were appointed in their place.

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 assignment of the responsibilities and remuneration of the Board of Directors.

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 19 to the financial statements.

Independent Auditors

The independent auditors, Deloitte Limited, have expressed their willingness to continue in office and a resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,



Leandros Zachariades
Secretary

Nicosia, 13 February 2014

Independent auditor's report

To the Members of Opap Sports Limited

Report on the financial statements

We have audited the accompanying financial statements of Opap Sports Limited (the "Company") on pages 6 to 27 which comprise the statement of financial position as at 31 December 2013, and the statements of 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 Sports 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.

Independent auditor's report (continued)

To the Members of Opap Sports Limited

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws 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.



Eleftherios Philippou
Certified Public Accountant and Registered Auditor
for and on behalf of
Deloitte Limited
Certified Public Accountants and Registered Auditors

Nicosia, 13 February 2014

OPAP SPORTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 €	2012 €
Turnover			
Cost of sales	4	18.540.938	19.294.421
Gross profit		(17.011.675)	(17.301.170)
		1.529.263	1.993.251
Other operating income	5	-	21.441
Dividends from subsidiaries	20	-	190.304
Distribution expenses		(74.426)	(79.978)
Administration expenses		(1.079.900)	(1.244.757)
Other income - net	6	112.570	-
Operating profit	7	487.507	880.261
Finance income	9	162.765	166.973
Finance costs	9	(6.592)	(73.086)
Profit before tax		643.680	974.148
Income tax expense	10	(44.899)	(98.970)
Profit for the year		598.781	875.178
Other comprehensive income		-	-
Total comprehensive income for the year		598.781	875.178

See accompanying notes on pages 10 to 27 to these financial statements.

OPAP SPORTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Note	2013 €	2012 €
ASSETS			
Non-current assets			
Plant and equipment	12	92.481	114.287
Investments in subsidiaries	13	-	2.647.598
Financial assets at fair value through profit or loss	19	47.767	-
Other receivables	14	41.209	-
		<u>181.457</u>	<u>2.761.885</u>
Current assets			
Trade and other receivables	14	529.199	262.450
Short term bank deposits	15	2.672.375	-
Cash and cash equivalents	15	1.613.018	5.454.524
		<u>4.814.592</u>	<u>5.716.974</u>
TOTAL ASSETS		<u>4.996.049</u>	<u>8.478.859</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	16	1.710.000	1.710.000
Retained earnings		2.855.142	3.112.972
Total equity		<u>4.565.142</u>	<u>4.822.972</u>
Current liabilities			
Trade and other payables	17	430.907	3.586.178
Current tax liabilities	18	-	69.709
		<u>430.907</u>	<u>3.655.887</u>
TOTAL EQUITY AND LIABILITIES		<u>4.996.049</u>	<u>8.478.859</u>

On 13 February 2014 the Board of Directors of Opap Sports Limited authorised these financial statements for issue.


Kamil Ziegler
Chairman


Spyridon Fokas
Director

See accompanying notes on pages 10 to 27 to these financial statements.

OPAP SPORTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Share capital €	Retained earnings €	Total €
Balance at 1 January 2012		1.710.000	2.237.794	3.947.794
Net profit for the year		-	875.178	875.178
Balance at 31 December 2012/ 1 January 2013		1.710.000	3.112.972	4.822.972
Net profit for the year		-	598.781	598.781
Dividends	11	-	(856.611)	(856.611)
Balance at 31 December 2013		1.710.000	2.855.142	4.565.142

See accompanying notes on pages 10 to 27 to these financial statements.

OPAP SPORTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 €	2012 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		643.680	974.148
Adjustments for:			
Depreciation and amortisation expense	12	22.877	18.003
Loss from the write-off of plant and equipment		-	244
Distribution on liquidation of subsidiaries		(579.220)	-
Dividend income		-	(190.304)
Interest income	9	(162.765)	(166.973)
Interest expense	9	-	5.668
Cash flows (used in)/from operations before working capital changes		(75.428)	640.786
(Increase)/decrease in trade and other receivables		(266.749)	153.147
Increase in financial assets at fair value through profit or loss		(47.767)	-
Increase in trade and other payables		92.680	648.776
Cash flows (used in)/from operations		(297.264)	1.442.709
Tax paid		(135.741)	(96.563)
Net cash flows (used in)/from operating activities		(433.005)	1.346.146
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	12	(1.071)	(123.269)
Transfer from cash to restricted bank accounts		(41.209)	-
Interest received		162.765	166.973
Dividends received		-	190.304
(Increase) / decrease in short-term bank deposits		(2.672.375)	3.086.356
Net cash flows (used in)/from investing activities		(2.551.890)	3.320.364
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		-	(5.668)
Dividends paid		(856.611)	-
Net cash flows used in financing activities		(856.611)	(5.668)
Net (decrease)/increase in cash and cash equivalents		(3.841.506)	4.660.842
Cash and cash equivalents:			
At beginning of the year		5.454.524	793.682
At end of the year	15	1.613.018	5.454.524

See accompanying notes on pages 10 to 27 to these financial statements.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Incorporation and principal activities

Country of incorporation

The Company Opap Sports Limited (the "Company") was incorporated in Cyprus on 16 October 2002 as a limited liability company under the Cyprus Companies Law, Cap. 113, with the name Glory Leisure Holdings Limited. The Company was renamed to OPAP Glory Limited on 10 December 2003 and to OPAP Sports Limited on 26 May 2010. On 1 October 2003, OPAP S.A., a Greek Public Company listed on the Athens Stock exchange, acquired the 90% of the share capital of the Company. On 10 July 2008, OPAP S.A. acquired the remaining 10% of the share capital of the Company. Its registered office is at 128-130, Limassol Avenue, 1st Floor, Cyfield Avenue Centre, 2015 Nicosia, Cyprus.

Principal activity

The principal activity of the Company, prior to the enforcement of the Betting Law of 2012 (106(I)/2012), was the management of Collective Performance and Recipient of the Collective Performance companies, which operate in the Republic of Cyprus.

During 2012, the Betting Law of 2012 (106(I)/2012) (the "Law") was enforced, according to which the National Betting Authority is appointed, with its principal activity being the supervision of betting in Cyprus. The main changes in the law which directly affected the Company is the imposition of a 3% contribution on the Company's net earnings to the National Betting Authority. In addition, the Company pays 10% Betting Tax on its net earnings.

As a result of the enforcement of the above law, the Company is no longer obliged to operate through the Collective Performance and Recipient of the Collective Performance companies. According to the new law, the Company being a holder of the Recipient Class A License, will directly operate through the authorised representatives of Class A recipients.

2. Significant accounting policies

The principal accounting policies adopted 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 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs 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. It also requires the use of 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 may ultimately differ from those estimates.

Adoption of new and revised IFRSs

In the current year, the Company has adopted all of the new and revised standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual periods beginning on 1 January 2013. The adoption of these Standards did not have a material effect on the financial statements.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. Significant accounting policies (continued)

Investments in subsidiaries

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue recognition

The Company's revenues are generated from activities within the Republic of Cyprus and consist of collective performances. The revenue is recognised at the fair value of the consideration received. Revenues of the Company are recognized on an accrual basis.

Finance income

Finance income includes interest income which is recognised based on an accrual basis in proportion with the amounts which become receivable.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. Significant accounting policies (continued)

Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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

	%
Furniture, fixtures and office equipment	15
Motor vehicles	15
Computer hardware	20

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

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

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are 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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. Significant accounting policies (continued)

Financial instruments (continued)

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs and are classified as follows:

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those that either have been classified as held at fair value through profit or loss, or those that are designated by the Company as at fair value through profit or loss at initial recognition. A financial asset is classified as held at fair value through profit or loss if it was acquired for the purpose of selling or repurchasing it in the near future, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit making. Gains and losses arising from changes in their fair value are included in profit or loss for the period.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are appropriately approved.

Comparatives

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

3. Critical accounting estimates and judgments

Estimates and judgments 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 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:

- **Provision for bad and doubtful debts**

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

3. Critical accounting estimates and judgments (continued)

- **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 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.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment loss**

When the recoverable amount of an asset is lower than its net book value then, the impairment loss is recognised as an expense in the statement of comprehensive income. If the asset is presented in revised value due to revaluation then the reduction is recorded in the revaluation reserve.

4. Turnover

	2013	2012
	€	€
Revenue from acceptance of collective betting	<u>18.540.938</u>	<u>19.294.421</u>
	<u>18.540.938</u>	<u>19.294.421</u>

The Company's turnover comprises of acceptance of collective betting through authorised representatives of Class A recipients who operate in Cyprus.

5. Other operating income

	2013	2012
	€	€
Sundry operating income	<u>-</u>	<u>21.441</u>
	<u>-</u>	<u>21.441</u>

6. Other income -net

	2013	2012
	€	€
Impairment charge of the uninsured bank deposits with Laiki Bank	<u>(466.650)</u>	<u>-</u>
Distribution on liquidation of subsidiaries	<u>579.220</u>	<u>-</u>
	<u>112.570</u>	<u>-</u>

Note 19 provides further details for the impairment charge of the uninsured bank deposits with Laiki Bank.

Note 13 provides further information for the distribution on liquidation of subsidiaries.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

7. Operating profit

	2013 €	2012 €
Operating profit is stated after charging the following items:		
Depreciation of plant and equipment (Note 12)	22.877	18.003
Staff costs including Directors in their executive capacity (Note 8)	681.732	801.696
Auditors' remuneration - current year (including non-audit services)	26.750	27.487
Trade receivables - impairment charge for bad and doubtful debts	-	592
	<u> </u>	<u> </u>

8. Staff costs

	2013 €	2012 €
Wages and salaries	629.402	740.371
Social insurance costs etc	41.129	47.959
Social cohesion fund	11.201	13.366
	<u>681.732</u>	<u>801.696</u>

The remuneration of Directors and other members of key management is presented in note 20.1 of the financial statements.

9. Finance income/cost

	2013 €	2012 €
Interest income	162.765	166.973
Finance income	<u>162.765</u>	<u>166.973</u>
Interest expense	-	(5.668)
Sundry finance expenses	(6.592)	(67.418)
Finance costs	<u>(6.592)</u>	<u>(73.086)</u>
Net finance income	<u>156.173</u>	<u>93.887</u>

10. Tax

	2013 €	2012 €
Corporation tax - current year	-	69.709
Corporation tax - prior years	-	4.589
Defence contribution - current year	44.899	24.672
Charge for the year	<u>44.899</u>	<u>98.970</u>

The total charge for the year can be reconciled to the accounting profit as follows:

	2013 €	2012 €
Profit before tax	643.680	974.148
Tax calculated at the applicable tax rates	80.460	97.415
Tax effect of expenses not deductible for tax purposes	7.549	3.106
Tax effect of allowances and income not subject to tax	(96.993)	(37.149)
Tax effect of tax loss for the year	8.984	-
10% additional charge	-	6.337
Defence contribution current year	44.899	24.672
Prior year tax	-	4.589
Tax charge	<u>44.899</u>	<u>98.970</u>

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. Tax (continued)

The corporation tax rate is 12,5% (2012:10%).

11. Dividends

	2013 €	2012 €
Dividends	856.611	-
	856.611	-

On 8 July 2013 the Board of Directors approved the payment of dividends of €856.611 out of the profits of 2012 (2012: Nil).

12. Plant and equipment

	Motor vehicles €	Furniture, fixtures and office equipment €	Computer Hardware €	Total €
Cost				
Balance at 1 January 2012	64.208	2.200.348	-	2.264.556
Additions	-	104.337	18.932	123.269
Write-offs of fixed assets	(15.348)	(37.361)	-	(52.709)
Balance at 31 December 2012/ 1 January 2013	48.860	2.267.324	18.932	2.335.116
Additions	-	921	150	1.071
Write-offs of fixed assets	-	(382.191)	-	(382.191)
Balance at 31 December 2013	48.860	1.886.054	19.082	1.953.996
Depreciation				
Balance at 1 January 2012	58.720	2.196.572	-	2.255.292
Charge for the year	1.924	13.262	2.817	18.003
Write-offs of fixed assets	(15.105)	(37.361)	-	(52.466)
Balance at 31 December 2012/ 1 January 2013	45.539	2.172.473	2.817	2.220.829
Charge for the year	1.924	17.197	3.756	22.877
Write-offs of fixed assets	-	(382.191)	-	(382.191)
Balance at 31 December 2013	47.463	1.807.479	6.573	1.861.515
Net book amount				
Balance at 31 December 2013	1.397	78.575	12.509	92.481
Balance at 31 December 2012	3.321	94.851	16.115	114.287

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

13. Investments in subsidiaries

	2013 €	2012 €
Balance at 1 January	2.647.598	2.647.598
Liquidation of subsidiaries	(2.647.598)	-
Balance at 31 December	-	2.647.598

The details of the subsidiaries are as follows:

Name	Principal activities	Cost of acquisition	
		2013 €	2012 €
1. GLORY BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	171.000
2. GLORY BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of GLORY BETTING SPORTS (PRINCIPAL CYPRUS) LTD	-	34.200
3. CASHGROVE BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	171.000
4. CASHGROVE BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of CASHGROVE BETTING SPORTS (PRINCIPAL CYPRUS) LTD	-	34.200
5. FORZA BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	171.000
6. FORZA BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of FORZA BETTING SPORTS (PRINCIPAL CYPRUS) LTD	-	8.550
7. ANDROMEDA BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	166.062
8. ANDROMEDA BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of ANDROMEDA BETTING SPORTS (PRINCIPAL CYPRUS) LTD	-	128.576
9. APOLLO BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	171.000
10. APOLLO BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of APOLLO BETTING SPORTS (PRINCIPAL CYPRUS) LTD	-	8.550
11. ATHINA BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	171.000
12. ATHINA BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of ATHINA BETTING SPORTS (PRINCIPAL CYPRUS) LTD	-	34.200
13. THISEAS BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	171.000

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

13. Investments in subsidiaries (continued)

<u>Name</u>	<u>Principal activities</u>	<u>Cost of acquisition</u>	
		2013 €	2012 €
14. THISEAS BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of THISEAS BETTING SPORTS (PRINCIPAL CYPRUS)LTD	-	34.200
15. ARIS BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	171.000
16. ARIS BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of ARIS BETTING SPORTS (PRINCIPAL CYPRUS)LTD	-	8.550
17. HERA BETTING SPORTS (PRINCIPAL) LTD	Company of Collective performance - Dormant	-	171.000
18. HERA BETTING SPORTS LTD	Collective performance recipient of HERA BETTING SPORTS (PRINCIPAL)LTD - Dormant	-	34.200
19. HERMES BETTING SPORTS (PRINCIPAL) LTD	Company of Collective performance - Dormant	-	171.000
20. HERMES BETTING SPORTS LTD	Collective performance recipient of HEPMES BETTING SPORTS (PRINCIPAL)LTD - Dormant	-	34.200
21. HERCULES BETTING SPORTS (PRINCIPAL) LTD	Company of Collective performance - Dormant	-	171.000
22. HERCULES BETTING SPORTS LTD	Collective performance recipient of HERCULES BETTING SPORTS (PRINCIPAL)LTD - Dormant	-	34.200
23. POSEIDON BETTING SPORTS (PRINCIPAL) LTD	Company of Collective performance - Dormant	-	171.000
24. POSEIDON BETTING SPORTS LTD	Collective performance recipient of POSEIDON BETTING SPORTS (PRINCIPAL)LTD - Dormant	-	1.710
25. ARTEMIS BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of Collective performance	-	34.200
26. ARTEMIS BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of ARTEMIS BETTING SPORTS (PRINCIPAL CYPRUS) LTD	-	171.000
		-	2.647.598

Due to the enforcement of the Betting Law of 2012 (106(I)/2012), the Company is no longer obliged to operate through the Collective Performance and Recipient of the Collective Performance companies.

As a result, the above subsidiary companies have been dissolved through voluntary liquidation, which was completed on 25 November 2013.

The liquidation of the above subsidiaries resulted to a distribution to the Company by its subsidiaries of €579.220 which has been recognised in the income statement for the year.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

14. Trade and other receivables

	2013 €	2012 €
Current trade and other receivables		
Trade receivables	109.547	155.727
Deposits and prepayments	272.937	98.473
Other receivables	146.715	8.250
	529.199	262.450
Non current other receivables		
Other receivables (Note 19)	41.209	-
	570.408	262.450

Deposits and prepayments include €243.500 (2012: €45.000) which relate to prepayments of government fees for betting acceptance licences for 2014.

Concentrations of credit risk with respect to amounts due from the authorised representatives are limited due to the large number of agents of the Company. The Company's historical experience in the collection of amounts receivable falls within the forecasts recorded in the books of account. For trade receivables, the policy of the Company is to provide a credit limit of 8 days. Due to these factors, management believes that there is no additional credit risk in the collection of the Company's trade debtors beyond the amounts provided for losses.

In addition, the Company received letters of guarantee and contributions (Note 17) from its authorised representatives which aim to further secure the Company against the recovery of amounts due. The value of guarantees and contributions on 31 December 2013 amounted to €384.708 (2012: €417.624).

The Company has not recognized any loss for the impairment of its trade receivables during the year ended 31 December 2013 (2012: €592).

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 22 of the financial statements.

15. Cash and cash equivalents and short-term bank deposits

Cash balances are analysed as follows:

	2013 €	2012 €
Cash and cash equivalents	1.613.018	5.454.524
Short-term bank deposits	2.672.375	-
	4.285.393	5.454.524

Cash and cash equivalents include an amount of €250.741 (2012: €171.429), which has been received from the authorised representatives of the Company, the aim of which is to secure the Company against the recovery of amounts due from the authorised representatives, in case where an authorised representative does not meet his commitments due to the Company. A corresponding liability is included in trade and other payables (Note 17).

Short term bank deposits include two fixed deposit accounts of €12.542 each, which is the result of the conversion of the Company's deposits in Bank of Cyprus to fixed deposits, on the basis of the decrees of the Central Bank of Cyprus and the final measures for the recapitalization of Bank of Cyprus. The two fixed deposits have maturity dates of 9 months and 12 months and will expire on 30 April 2014 and 31 July 2014 respectively. Bank of Cyprus has the option to renew them once for the same time period.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

15. Cash and cash equivalents and short-term bank deposits (continued)

Note 19 provides further information with regard to the impact on the Company's cash and cash equivalents and short-term bank deposits from the Decrees of the Central Bank of Cyprus, the final measures for the recapitalization of Bank of Cyprus Public Company Ltd and the impairment of the uninsured deposits with Laiki Bank.

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 22 of the financial statements.

16. Share capital

	2013 Number of shares	2013 €	2012 Number of shares	2012 €
Authorised				
Ordinary shares of €1,71 each	<u>1.000.000</u>	<u>1.710.000</u>	<u>1.000.000</u>	<u>1.710.000</u>
Issued and fully paid				
Balance at 1 January	<u>1.000.000</u>	<u>1.710.000</u>	<u>1.000.000</u>	<u>1.710.000</u>
Balance at 31 December	<u>1.000.000</u>	<u>1.710.000</u>	<u>1.000.000</u>	<u>1.710.000</u>

17. Trade and other payables

	2013 €	2012 €
Betting taxes	33.249	59.825
Accruals	143.724	106.973
Other creditors	253.934	171.429
Payables to own subsidiaries (Note 20)	<u>-</u>	<u>3.247.951</u>
	<u>430.907</u>	<u>3.586.178</u>

Other creditors on 31 December 2013 include an amount of €250.741 (2012: €171.429) which relates to contributions from the authorised representatives of the Company, the aim of which is to secure the Company against the recovery of amounts due from the authorised representatives, in case where an authorised representative does not meet his commitments due to the Company. A corresponding amount is included in cash and cash equivalents (Note 15).

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Current tax liabilities

	2013 €	2012 €
Corporation tax	<u>-</u>	<u>69.709</u>
	<u>-</u>	<u>69.709</u>

19. Operating Environment of the Company

The Cyprus economy has been adversely affected over the last few years by the international credit crisis and the instability in the financial markets. During 2012 there was a considerable tightening of financing availability from Cypriot financial institutions, mainly resulting from financial instability in relation to the Greek sovereign debt crisis, including the impairment of Greek Government Bonds, and its impact on the Cyprus economy. In addition, following its credit downgrades, the ability of the Republic of Cyprus to borrow from international markets has been significantly affected. The Cyprus government entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

19. Operating Environment of the Company (continued)

The negotiations resulted in an agreement and decision of the Eurogroup 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. Following the Eurogroup request the Cypriot authorities and the European Commission, in liaison with the European Central Bank, and the International Monetary Fund, finalised the relevant Memorandum of Understanding in April 2013 which was then followed by the formal approval of the Board of Directors of the European Stability Mechanism as well as by the ratification by Eurozone member states through national parliamentary (or equivalent) approval.

On 22 March 2013 legislation was enacted by the House of Representatives of the Republic of Cyprus 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 they were enforced on 28 March 2013. The Company's management is monitoring the developments in relation to these capital controls and is assessing the implications on the Company's operations.

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.

As a result of the Decrees issued by the Central Bank of Cyprus there are certain restrictions on the cash and cash equivalents and the short-term bank deposits of the Company disclosed under note 15 of the financial statements.

On 12 April 2013 the Eurogroup welcomed the agreement that has been reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus, and stated that the necessary elements were in place to launch the relevant national procedures required for the formal approval of the European Stability Mechanism financial assistance facility agreement.

On the basis of the relevant decrees, Laiki Bank was placed into resolution. What remains in Laiki Bank are 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's uninsured deposits with Bank of Cyprus on 26 March 2013 which were affected by the above measures were €100.563. 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 as follows:

- An amount of €15.170 which represents 15% of the affected deposits of Bank of Cyprus has been released.
- An amount of €37.626 or 37,5% of the affected deposit has been converted into 3 equal 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. Note 15 provides further details for the time deposits of nine and twelve months.
- An amount of €47.767 of the affected deposit has been converted into shares of Bank of Cyprus. These shares have been classified as Financial assets at fair value through profit or loss.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

19. Operating Environment of the Company (continued)

The Company's deposits with Laiki bank on 26 March 2013 which were affected by the above measures were €507,859. The uninsured deposits with Laiki Bank have incurred an impairment loss of €466,650 which has been recognised in the income statement for the year (Note 6). The loss event is the Eurogroup decisions for Cyprus on 25 March 2013. According to the relevant Decrees issued by the Central Bank of Cyprus for Laiki Bank, the bank deposit balances that are affected are balances with Laiki Bank as of 26 March 2013. The uninsured deposits with Laiki Bank have been impaired to the recoverable amount based on the present value of the best estimate of the expected recovery which is €41,209 and is presented under note 14 of the financial statements.

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 economic conditions disclosed above together with the impact of the results of the Eurogroup decision of 25 March 2013 for Cyprus may have an adverse impact on the Company's revenue (decreased demand for the Company's services due to decreased purchasing power by consumers).

The Company's management has assessed:

- (1) whether any impairment provisions are deemed necessary for the Company's financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Provisions for trade receivables are determined using the incurred loss model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables that arose from past events and prohibit 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 additional 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 smooth conduct of its business in the current business and economic environment.

20. Related party transactions

The Company is controlled by OPAP S.A., a Public Company incorporated in Greece and listed in the Athens Stock Exchange, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

20.1 Directors' and key management remuneration

The remuneration of Directors and other members of key management was as follows:

	2013	2012
	€	€
Directors' and General Manager's remuneration	229,701	270,984
Social Insurance, etc	11,072	11,926
	<u>240,773</u>	<u>282,910</u>

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

20. Related party transactions (continued)

20.2 Commissions to related parties

Name	2013 €	2012 €
Andromeda Betting Sports (Cyprus) Ltd	-	26.383
Andromeda Betting Sports (Principal Cyprus) Ltd	-	26.383
Apollo Betting Sports (Cyprus) Ltd	-	9.884
Apollo Betting Sports (Principal Cyprus) Ltd	-	9.884
Aris Betting Sports (Cyprus) Ltd	-	5.587
Aris Betting Sports (Principal Cyprus) Ltd	-	5.587
Artemis Betting Sports (Cyprus) Ltd	-	762
Artemis Betting Sports (Principal Cyprus) Ltd	-	762
Athina Betting Sports (Cyprus) Ltd	-	7.621
Athina Betting Sports (Principal Cyprus) Ltd	-	7.621
Cashgrove Betting Sports (Cyprus) Ltd	-	11.071
Cashgrove Betting Sports (Principal Cyprus) Ltd	-	11.071
Forza Betting Sports (Cyprus) Limited	-	10.150
Forza Betting Sports (Principal Cyprus) Ltd	-	10.150
Glory Betting Sports (Cyprus) Ltd	-	14.056
Glory Betting Sports (Principal Cyprus) Ltd	-	14.056
Thiseas Betting Sports (Cyprus) Ltd	-	10.957
Thiseas Betting Sports (Principal Cyprus) Ltd	-	10.957
	-	192.942

As a result of the enforcement of the Betting Law of 2012 (106(I)/2012), the Company is no longer obliged to operate through the Collective Performance and Recipient of the Collective Performance companies.

Based on the above, the above subsidiary companies have been dissolved through voluntary liquidation, which was completed on 25 November 2013.

20.3 Dividends from subsidiaries

Name	2013 €	2012 €
Andromeda Betting Sports (Cyprus) Ltd	-	12.990
Andromeda Betting Sports (Principal Cyprus) Ltd	-	12.990
Apollo Betting Sports (Cyprus) Ltd	-	10.358
Apollo Betting Sports (Principal Cyprus) Ltd	-	10.358
Aris Betting Sports (Cyprus) Ltd	-	6.001
Aris Betting Sports (Principal Cyprus) Ltd	-	6.001
Artemis Betting Sports (Cyprus) Ltd	-	1.009
Artemis Betting Sports (Principal Cyprus) Ltd	-	1.009
Athina Betting Sports (Cyprus) Ltd	-	8.438
Athina Betting Sports (Principal Cyprus) Ltd	-	8.438
Cashgrove Betting Sports (Cyprus) Ltd	-	11.364
Cashgrove Betting Sports (Principal Cyprus) Ltd	-	11.364
Forza Betting Sports (Cyprus) Limited	-	10.393
Forza Betting Sports (Principal Cyprus) Ltd	-	10.393
Glory Betting Sports (Cyprus) Ltd	-	22.956
Glory Betting Sports (Principal Cyprus) Ltd	-	14.082
Thiseas Betting Sports (Cyprus) Ltd	-	16.080
Thiseas Betting Sports (Principal Cyprus) Ltd	-	16.080
	-	190.304

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

20. Related party transactions (continued)

20.4 Payables to subsidiary companies (Note 17)

Name	Nature of transactions	2013 €	2012 €
Andromeda Betting Sports (Cyprus) Ltd	Trade	-	280.117
Andromeda Betting Sports (Principal Cyprus) Ltd	Trade	-	248.173
Forza Betting Sports (Principal Cyprus) Ltd	Trade	-	218.054
Aris Betting Sports (Principal Cyprus) Ltd	Trade	-	183.282
Apollo Betting Sports (Principal Cyprus) Ltd	Trade	-	207.715
Athina Betting Sports (Principal Cyprus) Ltd	Trade	-	184.244
Hera Betting Sports Ltd	Trade	-	34.200
Hera Betting Sports (Principal) Ltd	Trade	-	171.000
Hermes Betting Sports Ltd	Trade	-	34.200
Hermes Betting Sports (Principal) Ltd	Trade	-	171.000
Hercules Betting Sports Ltd	Trade	-	34.200
Hercules Betting Sports (Principal) Ltd	Trade	-	171.000
Poseidon Betting Sports Ltd	Trade	-	34.200
Poseidon Betting Sports (Principal) Ltd	Trade	-	171.000
Artemis Betting Sports (Principal Cyprus) Ltd	Trade	-	172.511
Cashgrove Betting Sports (Principal Cyprus) Ltd	Trade	-	190.243
Glory Betting Sports (Principal Cyprus) Ltd	Trade	-	208.788
Thiseas Betting Sports (Principal Cyprus) Ltd	Trade	-	191.064
Aris Betting Sports (Cyprus) Ltd	Trade	-	20.127
Athina Betting Sports (Cyprus) Ltd	Trade	-	47.444
Forza Betting Sports (Cyprus) Ltd	Trade	-	54.800
Apollo Betting Sports (Cyprus) Ltd	Trade	-	55.423
Glory Betting Sports (Cyprus) Ltd	Trade	-	54.240
Thiseas Betting Sports (Cyprus) Ltd	Trade	-	54.263
Cashgrove Betting Sports (Cyprus) Ltd	Trade	-	53.442
Artemis Betting Sports (Cyprus) Ltd	Trade	-	3.221
		-	3.247.951

The above balances mainly related to payables for the issuance of subsidiaries' share capital. These balances have been repaid during the year.

21. Other transactions

The transactions between the Group's related parties and the Company are as follows:

On 2 April 2003 an agreement was signed between the Company and Glory Technology Limited, in which the ultimate parent company OPAP S.A. holds 20%, for the use of the integrated (on-line) UGS system (Universal Game System INTERGRATED TURN-KEY SOLUTION) for the automation of the operations of the Group's companies regarding collective betting. During 2011 a new agreement was signed between the parties with a duration of six months and has been renewed on a six months basis up to 30 March 2014 and upon expiry is subject to renewal. Based on the agreement the agreed annual fee for granting the right to use the system of Glory Technology Ltd, was 3% plus V.A.T on the Group's total annual turnover. In addition an annual fee equal to 14% plus V.A.T on the annual fee for the use of the system was agreed, for maintenance services which will be provided by Glory Technology Ltd.

The use and maintenance expenses of the integrated (on-line) system UGS (Universal Game System INTERGRATED TURN-KEY SOLUTION) for the year 2013 amounted to €748.238 (2012: €769.722) and these are included in the statement of comprehensive income for the year.

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22. Financial risk management

Financial risk factors

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

22.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments.

22.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. Credit risk arises from the amounts due from betting agents and bank deposits. The Company has policies in place to ensure that rendering of services is made to authorised representatives with appropriate credit history and monitors the ageing profile of its receivables on a continuous basis. In addition, the Company received letters of guarantee and contributions from its authorised representatives amounting to €384.708, which constitutes a guarantee in case where the authorised representative does not meet his commitments due to the Company. The Company has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2013 €	2012 €
Trade and other receivables	256.262	163.977
Cash and cash equivalents	1.613.018	5.454.524
Short-term bank deposits	2.672.375	-
	4.541.655	5.618.501

22.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2013	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Other payables	253.934	253.934	253.934	-	-	-	-
	253.934	253.934	253.934	-	-	-	-
31 December 2012	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Other payables	171.429	171.429	171.429	-	-	-	-
Payables to related parties	3.247.951	3.247.951	3.247.951	-	-	-	-
	3.419.380	3.419.380	3.419.380	-	-	-	-

OPAP SPORTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22. Financial risk management (continued)

22.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

23. Contingent liabilities

The Betting Law of 2012 (106(I)/2012) provides that the Class A recipient license should be accompanied by a bank guarantee of €550.000 to the benefit of the National Betting Authority. The National Betting Authority is entitled to request an increase in the bank guarantee amount up to a level of 10% of the Company's turnover. The guarantees are secured by the parent company OPAP S.A. The Company is charged with the bank guarantee fees and these are included in sundry finance expenses disclosed in note 9 of the financial statements. Up to the statement of financial position date, no claim has arisen in respect of these guarantees.

The Company had no other contingent liabilities as at 31 December 2013.

24. Commitments

Operating lease commitments

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

	2013	2012
	€	€
Within one year	<u>50.162</u>	<u>50.299</u>
	<u>50.162</u>	<u>50.299</u>

The commitments arise from the rental of the Company's offices.

25. Significant events after the end of the financial year

There were no significant events after the end of the financial year, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 4 and 5

OPAP SPORTS LIMITED

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Page	2013 €	2012 €
Turnover			
Revenue from acceptance of collective betting		18.540.938	19.294.421
Cost of sales	29	(17.011.675)	(17.301.170)
Gross profit		1.529.263	1.993.251
Other operating income			
Sundry operating income		-	21.441
Dividend income		-	190.304
		1.529.263	2.204.996
Operating expenses			
Administration expenses	30	(1.079.900)	(1.244.757)
Distribution expenses	30	(74.426)	(79.978)
		374.937	880.261
Other income / (expenses)			
Distribution on liquidation of subsidiaries		579.220	-
Impairment charge of uninsured bank deposits with Laiki Bank		(466.650)	-
Operating profit		487.507	880.261
Finance income	31	162.765	166.973
Finance costs	31	(6.592)	(73.086)
Net profit for the year before tax		643.680	974.148

OPAP SPORTS LIMITED

COST OF SALES FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 €	2012 €
Cost of sales		
Direct costs		
Machinery repairs and maintenance	3.227	3.565
Commissions payable	1.835.946	2.064.820
Licenses and taxes	915.097	817.988
Winnings paid	13.346.930	13.580.605
UGS fees	748.238	769.722
Agents' other benefits	133.600	28.482
Printing and stationery	14.139	15.762
General expenses	9.926	16.684
Depreciation	4.572	3.542
	17.011.675	17.301.170

OPAP SPORTS LIMITED

OPERATING EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 €	2012 €
Administration expenses		
Directors' remuneration	229.701	270.984
Staff salaries	399.701	469.387
Social insurance etc.	41.129	47.959
Social cohesion fund	11.201	13.366
Rent	134.749	155.230
Licenses and taxes	7.437	4.264
Electricity	22.323	24.891
Water supply and cleaning	4.935	4.770
Insurance	1.797	3.926
Sundry expenses	8.996	19.502
Telephone and postage	19.125	27.638
Stationery and printing	3.729	2.348
Subscriptions and contributions	5.491	3.657
Non charitable donations	2.658	1.663
Computer supplies and maintenance	3.450	951
Auditors' remuneration - current year (including non-audit services)	26.750	27.487
Legal fees	10.469	5.131
Other professional fees	73.717	83.568
Inland travelling and accommodation	33.251	24.492
Entertaining	410	3.550
Management fees	680	1.162
Utility recharge	-	29.644
Liquidation expenses of subsidiaries	21.470	-
Annual government levy	350	6.650
Depreciation	16.381	12.537
	1.079.900	1.244.757

	2013 €	2012 €
Distribution expenses		
Motor vehicle insurances	1.428	1.474
Overseas travelling	736	3.950
Advertising	2.237	3.516
Inland travelling	6.142	4.360
Bad debts written off	-	592
Contributions to employees medical scheme	16.995	21.262
Machinery repairs and maintenance	21.219	11.000
Loyalty card expenses	1.745	10.700
Teletext expenses	22.000	21.200
Depreciation	1.924	1.924
	74.426	79.978

OPAP SPORTS LIMITED

FINANCE INCOME/COST FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 €	2012 €
Finance income		
Bank interest	<u>162.765</u>	166.973
	<u>162.765</u>	<u>166.973</u>
 Finance costs		
Interest expense		
Interest on taxes	-	5.668
 Sundry finance expenses		
Bank charges	<u>6.592</u>	67.418
	<u>6.592</u>	<u>73.086</u>