OPAP GLORY LIMITED

ANNUAL REPORT AND
CONSOLIDATED FINANCIAL
STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2009

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charis Stamatopoulos- Chairman, Appointed on 3 February 2010. George Kyriakos- Appointed on 3 February 2010 Antonis Oikonomou- Appointed on 3 February 2010 Charalambos Christou- Appointed on 3 February 2010 Christos Stasis- Appointed on 3 February 2010
Company Secretary:	Leandros Zachariades
Independent Auditors:	Deloitte Limited Certified Public Accountants (Cyprus) Corner Th. Dervis & Florinis Street STADYL Building 1065 Nicosia
Legal Advisers:	A.N Papageorgiou & Associates Dimitris Hadjinestoros Georgiades & Pelides
Registered office:	Glory Building Corner Philippou and Cavalas CY-2363 Agios Dometios, Nicosia, Cyprus P.O. BOX 22493, CY-1522 Nicosia, Cyprus
Banker:	Marfin Popular Bank Public Co Ltd

REPORT OF THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2009

The Board of Directors presents its report and the audited consolidated financial statements of OPAP Glory Limited and its subsidiaries (the Group) for the year ended 31 December 2009.

Incorporation
OPAP Glory Limited (the “Company” was incorporated in Cyprus on 16 October 2002, as a private company with limited liability, in accordance with the provisions of the Companies Law, Cap.113, under the name Glory Leisure Holdings Limited. The Company, which was renamed to OPAP Glory Limited on 29 September 2003, is the holding company of the Group OPAP Glory Limited (the “Group”). On 1 October 2003, OPAP S.A., a Greek Public Company listed in 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 Group continues to be the management of Collective Performance and Recipient of the Collective Performance companies, which operate in the Republic of Cyprus.

Review of the development and current position of the Group and description of the major risks and uncertainties
The Group’s development to date, its financial results and financial position as presented in the financial statements are considered satisfactory.

The main risks and uncertainties faced by the Group and the steps taken to manage these risks, are described in note 3.

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

Significant events after the end of the financial year
Any significant events that occurred after the end of the year are described in note 23 to the financial statements.

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

Existence of branches
The Company does not maintain any branches.

Dividends
The Board of Directors does not recommend the payment of a dividend for the year ended 31 December 2009.

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

Board of Directors
The members of the Board of Directors of the Company at the date of this report are shown on page 1. On 26 March 2009 Mr. Athanasios Ktoridis resigned from director of the Group. On 1 April 2009 Messrs Loukis Avgoustidis and Chrysanthos Lazaridis were appointed as directors of the Group. On 3 February 2010 Messrs Charis Stamatopoulos (Chairman), George Kyriakos, Antonis Oikonomou, Charalambos Christou and Chirstos Stasis were appointed as directors of the Group. On the same date Messrs Christos Hadjiemmanuil, Georgios Vamvourellis, Panayiotis Skylakakis, Eleftherios Demetriou, Ioannis Galanopoulos, Loukis Avgoustidis and Chrysanthos Lazaridis resigned from directors of the Group.

In accordance with the Company’s Articles of Association, at every annual general meeting one third of the members of the Board of Directors retire but they have the right for re-election.

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

Independent Auditors
The independent auditors, Deloitte Limited, have expressed their willingness to continue in office and a resolution authorising to 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, 18 February 2010

Independent Auditor's Report

To the Members of OPAP Glory Limited

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of OPAP Glory Limited (the "Company") and its subsidiaries ('the Group') on pages 6 to 22, which comprise the consolidated statement of financial position as at 31 December 2009 and the consolidated statement of comprehensive income, statement of changes in equity and the consolidated statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Independent Auditor's Report (continued)

To the Members of OPAP Glory Limited

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of OPAP Glory Limited and its subsidiaries as at 31 December 2009, and of its financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal and Regulatory Requirements

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

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's consolidated 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 consolidated financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the consolidated 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 156 of the Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report may be divulged.

Deloitte Limited
Certified Public Accountants (Cyprus)

Nicosia, 18 February 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	**2009** €	2008 €
Turnover	5	**21.389.083**	29.109.403
Cost of sales		**(19.181.386)**	(27.112.718)
Gross profit		**2.207.697**	1.996.685
Other operating income	6	**91.015**	86.156
Distribution expenses		**(76.802)**	(61.309)
Administration expenses		**(1.222.567)**	(1.090.339)
Operating profit	7	**999.343**	931.193
Net finance costs	9	**(69.750)**	(18.365)
Profit before tax		**929.593**	912.828
Income tax expense	10	**(83.492)**	(33.903)
Profit for the year		**846.101**	878.925
		-	-
Other comprehensive income			
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**846.101**	878.925

See accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2009

	Note	2009 €	2008 €
ASSETS			
Non-current assets			
Plant and equipment	11	**21.111**	44.671
Intangible assets	12	**-**	-
		21.111	44.671
Current assets			
Trade and other receivables	14	**361.086**	556.919
Short-term bank deposits	15	**1.017.951**	368.868
Cash at hand and in bank	15	**1.727.225**	1.315.646
		3.106.262	2.241.433
TOTAL ASSETS		**3.127.373**	2.286.104
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	**1.710.000**	1.710.000
Retained earnings		**1.230.237**	384.136
Total equity		**2.940.237**	2.094.136
Current liabilities			
Trade and other payables	17	**87.403**	152.973
Current tax liabilities	18	**99.733**	38.995
		187.136	191.968
TOTAL EQUITY AND LIABILITIES		**3.127.373**	2.286.104

On 18 February 2010 the Board of Directors of OPAP Glory Limited authorised these financial statements for issue.

…………………………	………………………
Charis Stamatopoulos	George Kyriakos
Chairman	Director

See accompanying notes to these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2008	**1.708.601**	**(494.789)**	**1.213.812**
Increase of share capital arising from the conversion to euro	1.399	-	1.399
Net profit for the year	-	878.925	878.925
Balance at 31 December 2008/ 1 January 2009	**1.710.000**	**384.136**	**2.094.136**
Net profit for the year	-	846.101	846.101
Balance at 31 December 2009	**1.710.000**	**1.230.237**	**2.940.237**

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 15% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 €	2008 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**929.593**	912.828
Adjustments for:			
Depreciation expense	11	**26.780**	44.695
Gain from the sale of plant and equipment		**(14.950)**	(13.063)
Interest income	6	**(39.478)**	(18.728)
Interest and finance expenses payable	9	**69.750**	18.365
Cash flows from operations before working capital changes		**971.695**	944.097
Decrease / (increase) in trade and other receivables		**195.833**	(213.629)
Decrease in trade and other payables		**(65.570)**	(185.826)
Cash flows from operations		**1.101.958**	544.642
Tax paid		**(22.754)**	-
Net cash flows from operating activities		**1.079.204**	544.642
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of plant and equipment	11	**(3.220)**	(18.594)
Proceeds from disposal of plant and equipment		**14.950**	13.567
Interest received		**39.478**	16.856
Increase in short-term bank deposits		**(649.083)**	(13.933)
Net cash flows used in investing activities		**(597.875)**	(2.104)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest and finance expenses		**(69.750)**	(18.365)
Increase of share capital arising from conversion to euro		**-**	1.399
Net cash flows used in financing activities		**(69.750)**	(16.966)
Net increase in cash and cash equivalents		**411.579**	525.572
Cash and cash equivalents:			
At beginning of the year		**1.315.646**	790.074
At end of the year	15	**1.727.225**	1.315.646

See accompanying notes to these consolidated financial statements.

1. Incorporation and principal activities

Country of incorporation

OPAP Glory Limited (the "Company") was incorporated in Cyprus on 16 October 2002, as a private company with limited liability, in accordance with the provisions of the Companies Law, Cap.113, under the name Glory Leisure Holdings Limited. Its registered office is at Glory Building, Corner Philippou and Cavalas, Cy-2363 Agios Dometios, Nicosia, Cyprus. The Company, which was renamed to OPAP Glory Limited on 29 September 2003, is the holding company of the Group OPAP Glory Limited (the "Group"). On 1 October 2003, OPAP S.A., the Greek Public Company listed in 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 Group continues to be the management of Collective Performance and Recipient of the Collective Performance companies, which operate in the Republic of Cyprus.

2. Significant accounting policies

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

Basis of preparation

The consolidated 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 consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group'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 Group 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 2009. The adoption of these Standards did not have a material effect on the financial statements except for the application of International Accounting Standard 1 (Revised) "Presentation of Financial Statements" which has a material effect on the presentation of the financial statements

At the date of authorisation of these financial statements a number of Standards and Interpretations were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards and Interpretations in future periods will not have a material effect on the consolidated financial statements of the Group.

Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the parent company OPAP Glory Limited and its subsidiaries as these are presented in the note 13 of the consolidated financial statements.

Where it was necessary, the financial statements of the subsidiaries were reformed so as their accounting policies to align with those used by the Group.

All significant intra-group transactions, balances, income and expenses between the companies of the Group are eliminated on consolidation.

2. Significant accounting policies (continued)

Revenue recognition

The Group's revenue derives from operations in the Republic of Cyprus and comprise from collective performance. Revenue is measured at the fair value of the consideration received. Revenue is recognised on an accrual basis.

Finance income

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

Finance costs

Interest expense and other borrowing costs are charged to the consolidated statement of comprehensive income 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 the consolidated statement of comprehensive income 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position 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 consolidated 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 Group 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 consolidated statement of financial position 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 Group intends to settle its current tax assets and liabilities on a net basis.

2. Significant accounting policies (continued)

Plant and equipment

Plant and equipment are presented in the purchase price after deducting the accumulated depreciation as at the date of the statement of financial position.

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:

	%
Motor vehicles	15
Furniture, fixtures and office equipment	15
Computers	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each consolidated statement of financial position 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 plant and equipment is charged to the consolidated statement of comprehensive income 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 Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are included in the consolidated statement of comprehensive income.

Operating leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Impairment of tangible and intangible assets excluding goodwill

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group 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.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

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 is derecognised when:
- the rights to receive cash flows from the asset have expired; or
- the Group 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 Group 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.

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 consolidated 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 consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity.

2. Significant accounting policies (continued)

Dividends

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

Comparatives

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

3. Financial risk management

Financial risk factors
The Group is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management is conducted by the Board of Directors of the Group, which detects, evaluates and compensates the financial risks. The risk management policies employed by the Group to manage these risks are discussed below:

3.1 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 Group has no significant concentration of credit risk, since balances are maintained with a large number of agents. The Group has policies in place to ensure that the rendering of services are made to agents with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. In addition the Group receives bank guarantees from the collective betting assistant recipients, which aim to further secure the Group against the recoverability of the amounts which are owed. Bank balances are held with high credit quality financial institutions and the Group has policies to limit the amount of exposure to credit risk in relation to any financial institution.

3.2 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 Group 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 Group'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 Group can be required to pay.

31 December 2009	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Trade and other payables	16.994	16.994	16.994	-	-	-	-
Payables to related companies	7.733	7.733	7.733	-	-	-	-
	24.727	24.727	24.727	-	-	-	-

31 December 2008	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Trade and other payables	18.651	18.651	18.651	-	-	-	-
Payables to related companies	31.550	31.550	31.550	-	-	-	-
	50.201	50.201	50.201	-	-	-	-

3.3 Capital risk management
The Group 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 Group's overall strategy remains unchanged from last year.

3. Financial risk management (continued)

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the consolidated statement of financial position date.

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.

- **Income taxes**

  Significant judgement 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 Group 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 loss**

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

5. Turnover

	2009	2008
	€	€
Revenue from acceptance of collective betting	21.389.083	29.109.403
	21.389.083	29.109.403

The Group’s turnover comprises of acceptances of collective betting from betting agents of the Group who operate in Cyprus.

6. Other income

	2009	2008
	€	€
Interest from short-term deposits and cash at bank	39.478	18.728
Gain from sale of property, plant and equipment	14.950	13.063
Sundry operating income	36.587	54.365
	91.015	86.156

7. Operating profit

	2009	2008
	€	€
Operating profit is stated after charging the following items:		
Depreciation of plant and equipment (Note 11)	26.780	44.695
Staff costs including Directors in their executive capacity (Note 8)	725.895	693.999
Auditors' remuneration	20.500	20.503
Juridical compensation	123.854	-

Juridical compensations of €123.854 (2008: Nil) relate mainly to compensations paid for lawsuits that were pending against the Group for betting profits.

8. Staff costs

	2009	2008
	€	€
Wages and salaries	**678.088**	650.172
Social insurance costs etc	**37.093**	33.863
Social cohesion fund	**10.714**	9.964
	725.895	693.999

9. Finance costs

	2009	2008
	€	€
Other finance expenses	**69.750**	18.365
Finance costs	**69.750**	18.365
Net finance costs	**(69.750)**	(18.365)

Other finance expenses include bank guarantee expenses of €68.116 (2008: €17.204).

10. Tax

	2009	2008
	€	€
Corporation tax - current year	**67.700**	32.031
Corporation tax - prior years	**12.104**	-
Defence contribution - current year	**3.688**	1.872
Charge for the year	**83.492**	33.903

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

	2009	2008
	€	€
Profit before tax	**929.593**	912.828
Tax calculated at the applicable tax rates	**92.959**	91.283
Tax effect of expenses not deductible for tax purposes	**8.369**	10.589
Tax effect of allowances and income not subject to tax	**(23.199)**	(27.411)
Tax effect of tax losses brought forward	**(16.584)**	(51.690)
10% additional charge	**6.155**	9.260
Defence contribution current year	**3.688**	1.872
Prior year tax	**12.104**	-
Tax charge	**83.492**	33.903

The corporation tax rate is 10%.

11. Plant and equipment

	Motor vehicles	Furniture, fixtures and office equipment	Total
	€	€	€
Cost			
Balance at 1 January 2008	73.923	2.341.174	2.415.097
Additions	13.411	5.183	18.594
Disposals	(23.126)	(59.477)	(82.603)
Balance at 31 December 2008/ 1 January 2009	**64.208**	**2.286.880**	**2.351.088**
Additions	-	3.220	3.220
Disposals	-	(52.942)	(52.942)
Balance at 31 December 2009	**64.208**	**2.237.158**	**2.301.366**
Depreciation			
Balance at 1 January 2008	69.098	2.274.723	2.324.859
Charge for the year	4.518	40.177	63.657
On disposals	(22.622)	(59.477)	(82.099)
Balance at 31 December 2008/ 1 January 2009	**50.994**	**2.255.423**	**2.306.417**
Charge for the year	3.706	23.074	26.780
On disposals	-	(52.942)	(52.942)
Balance at 31 December 2009	**54.700**	**2.225.555**	**2.280.255**
Net book amount			
Balance at 31 December 2009	**9.508**	**11.603**	**21.111**
Balance at 31 December 2008	**13.214**	**31.457**	**44.671**

Depreciation for motor vehicles is included in the distribution expenses while depreciation for furniture and equipment of €13.797 (2008: €18.722) and €9.277 (2008: €21.455) are included in the cost of sales and administration expenses respectively.

12. Intangible assets

	Goodwill
	€
Cost	
Balance at 1 January 2008	1.379.407
Balance at 31 December 2008/ 1 January 2009	**1.379.407**
Balance at 31 December 2009	**1.379.407**
Amortisation	
Balance at 1 January 2008	1.379.407
Balance at 31 December 2008/ 1 January 2009	**1.379.407**
Balance at 31 December 2009	**1.379.407**
Net book amount	
Balance at 31 December 2009	**-**

13. Investments in subsidiaries

The wholly owned subsidiaries of the Group as at 31 December 2009, their principal activities and their cost of acquisition are as follows:

Name	Principal Activities	Issued and Paid Share Capital
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	171.000
8.ANDROMEDA BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of ANDROMEDA BETTING SPORTS (PRINCIPAL CYPRUS)LTD	34.200
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
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

13. Investments in subsidiaries (continued)

16. ARIS BETTING SPORTS (CYPRUS) LTD	Collective performance recipient of ARIS BETTING SPORTS (PRINCIPAL CYPRUS)LTD	8.550
17. HERA BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of collective performance - Dormant	171.000
18. HERA BETTING SPORTS (CYPRUS) LTD	Company of collective performance of HERA BETTING SPORTS (PRINCIPAL CYPRUS)LTD - Dormant	34.200
19. HERMES BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of collective performance - Dormant	171.000
20. HERMES BETTING SPORTS (CYPRUS) LTD	Company of collective performance of HEPMES BETTING SPORTS (PRINCIPAL CYPRUS)LTD - Dormant	34.200
21. HERCULES BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of collective performance - Dormant	171.000
22. HERCULES BETTING SPORTS (CYPRUS) LTD	Company of collective performance of HERCULES BETTING SPORTS (PRINCIPAL CYPRUS)LTD - Dormant	34.200
23.POSEIDON BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of collective performance - Dormant	171.000
24. POSEIDON BETTING SPORTS (CYPRUS) LTD	Company of collective performance of POSEIDON BETTING SPORTS (PRINCIPAL CYPRUS)LTD - Dormant	34.200
25. ARTEMIS BETTING SPORTS (PRINCIPAL CYPRUS) LTD	Company of collective performance	171.000
26. ARTEMIS BETTING SPORTS (CYPRUS) LTD	Company of collective performance of ARTEMIS BETTING SPORTS (PRINCIPAL CYPRUS) LTD	1.710

All of the above companies are incorporated in Cyprus under the Companies Law, Cap 113.

The total number of licensed premises from where the Group can carry out its operations on 31 December 2009 is 111 (2008: 120), in accordance with the number of companies which have received relevant licenses from the Minister of Finance.

The total number of licenses of the recipient and collective betting assistant recipients for each company of collective betting is limited to 15.

14. Trade and other receivables

	2009	2008
	€	€
Trade receivables	**120.818**	186.479
Deposits and prepayments	**240.268**	259.647
Other receivables	**-**	110.793
	361.086	556.919

Deposits and prepayments include €200.590 (2008: €246.394) which relate to prepayments of government fees for 2010 betting acceptance licences.

Concentrations of credit risk with respect to amounts due from agents of collective betting are limited due to the large number of agents of the Group. The Group's historical experience in the collection of amounts receivable falls within the forecasts recorded in the books of account. Due to these factors, management believes that there is no additional credit risk in the collection of the Group's trade debtors beyond the amounts provided for losses.

Additionally, the Group receives letters of guarantee from collective recipients which aim to further secure the Group against the recovery of amounts due. The value of guarantees on 31 December 2009 amounted to €985.760 (2008: €1.125.581).

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

The Group recognised loss of €4.584 (2008: Nil) for the impairment of trade and other receivables for the year ended 31 December 2009.

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

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

	2009	2008
	€	€
Cash at bank and in hand	**1.727.225**	1.315.646
Short-term bank deposits	**1.017.951**	368.868
	2.745.176	1.684.514

The effective interest rate for short-term bank deposits was 4,75% (2008: 5,20%) and these deposits have a maturity date the 10 October 2009.

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is disclosed in note 3.

16. Share capital

	2009 Number of shares	**2009 €**	2008 Number of shares	2008 €
Authorised				
Ordinary shares of €1,71 each	**1.000.000**	**1.710.000**	1.000.000	1.710.000
Issued and fully paid				
Balance at 1 January	**1.000.000**	**1.710.000**	1.000.000	1.708.601
Increase of share capital arising from the conversion to euro	**-**	**-**	-	1.399
Balance at 31 December	**1.000.000**	**1.710.000**	1.000.000	1.710.000

17. Trade and other payables

	2009	2008
	€	€
Trade payables	**16.994**	18.651
Betting taxes	**30.169**	55.781
Accruals	**32.507**	46.991
Payables to related companies (Note 19)	**7.733**	31.550
	87.403	152.973

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

18. Current tax liabilities

	2009	2008
	€	€
Corporation tax	**99.733**	37.905
Special contribution for defence	**-**	1.090
	99.733	38.995

19. Related party transactions

The parent company of the Group is OPAP S.A., a Public Company listed in the Athens Stock Exchange and holds 100% of the Company's share capital.

The following transactions were carried out with related parties:

19.1 Directors' remuneration

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

	2009	2008
	€	€
Director's and General Manager's remuneration	**285.337**	273.921
Social insurance, etc.	**11.083**	12.522
	296.420	286.443

19.2 Payables to related parties (Note 17)

		2009	2008
Name	Nature of transactions	€	€
Glory Worldwide Holdings Limited	Trade	**7.733**	31.550
		7.733	31.550

Glory Worldwide Holdings Ltd is controlled by Mr. Athanasios Ktoridis and during 2007 it held 10% of the share capital of the Company. At 10 July 2008, Glory Worldwide Holdings Ltd sold its 10% of the share capital of the Company to OPAP S.A..

20. Other transactions

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

(i) 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. The duration of the agreement is for seven years with the option for renewal for three more years. The agreed annual fee for granting the right to use the system of Glory Technology Ltd reaches 5% plus V.A.T on the Group's total annual turnover. In addition an annual fee equal to 14% plus VAT 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 2009 amounted to €1.402.054 (2008: €1.908.121) and these are included in the consolidated statement of comprehensive income.

(ιι) On 1 October 2003 an agreement was signed between the Company and Glory Technology Limited for the supply of working space and administrative services (telephone, electricity, building insurance, communalities), for the amount of €8.543 per month plus V.A.T (2008: €8.543 per month plus V.A.T).

21. Contingent liabilities

Companies of collective performance, the recipients and assistant recipients have set, under the provisions of the Collective Betting (Regulation and Tax) Laws of 1997 until 2007, bank guarantees for the benefit of the Minister of Finance for the coverage of betting taxes as well as for any earned but not yet paid bets. The total bank guarantees that have been granted from the Group for the benefit of the Minister of Finance amount to €6.629.368 (2008: €6.629.368). The guarantees are secured by the parent company OPAP S.A. The Group is charged with the bank guarantee fees and these are disclosed in note 9 of the consolidated financial statements. Up to the statement of financial position date no claim has arisen in respect of these guarantees.

The Group had no contingent liabilities as at 31 December 2009.

22. Commitments

The Group had no capital or other commitments as at 31 December 2009.

23. 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.

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