

**ANORTHOSIS FAMAGUSTA
(FOOTBALL) PUBLIC LIMITED**

REPORT AND FINANCIAL STATEMENTS
31 December 2017



**IOANNOU &
THEODOULOU LTD**

Certified Public Accountants
and Registered Auditors (CY)

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2017

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ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Andreas Panteli President (Appointed 10/02/2017)
Kyriakos Yiangou Deputy President (Appointed 10/02/2017)
Efsthios Troullides Vice President (Appointed 10/02/2017)
Pantelis Shimitras (Appointed 10/02/2017)
Costas Faklamas (Appointed 10/02/2017)
Giangos Frangoulides (Appointed 10/02/2017)
Panayiotis Salaforis (Appointed 24/03/2017)
Savvas Koumi (Appointed 24/03/2017)
Giannis Ioannou (Appointed 24/03/2017)
Tasos Andreou (Resigned 20/02/2017)
Andreas Poullaides (Resigned 20/02/2017)

Company Secretary:

Pantelis Shimitras (Appointed 10/02/2017)

Independent Auditors:

Ioannou & Theodoulou Ltd
Certified Public Accountants and Registered Auditors
4 Pindou Street
Nicosia, Engomi
2409
Cyprus

Legal Advisers:

Antonis K. Karas LLC

Registered office:

Antoni Papadopoulou
Larnaca
6053
Cyprus

Banker:

Coop Makrasykas

Registration number:

HE146279

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2017.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, is the management of Anorthosis Famagusta Football Team.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 4, 22 and 25 of the financial statements.

Use of financial instruments by the Company

The Company is exposed to credit risk from the financial instruments it holds.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Company is exposed to credit risk from its operating activities - primarily trade receivables.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Company does not hold collateral as security.

Share capital

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

On 3 January 2017 Mr. Christos Poullaides transferred to the Club the total amount of Class B shares 235,800. The 51% of the shareholding represented by the Club is split 30% as Class A shares and 21% as Class B Shares.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2017 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2017.

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 responsibilities and remuneration of the Board of Directors

The percentage shareholding of the directors is disclosed in note 18 (page 24).

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 22 to the financial statements.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 26 to the financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

MANAGEMENT REPORT

Independent Auditors

The Independent Auditors, Ioannou & Theodoulou Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Andreas Panteli
President

Nicosia, 8 March 2018

Independent auditor's report

To the Members of Anorthosis Famagusta (Football) Public Limited

Report on the financial statements

Qualified Opinion

We have audited the financial statements of Anorthosis Famagusta (Football) Public Limited (the "Company"), which are presented in pages 8 to 27 and comprise the statement of financial position as at 31 December 2017, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to issues described in our basis of qualified opinion, the financial statements give a true and fair view of the financial position of the company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Qualified Opinion

In respect of the inventory presented in the statement of financial position at the value of €139,978, even though we have observed the counting of physical inventories as at 31 December 2017, the audit evidence we had available was limited. Due to the nature of the records of the Company, we were unable to obtain sufficient and appropriate audit evidence for the existence and valuation of the inventory by any audit procedures.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty for Going Concern

We draw attention to note 2 of the financial statements which indicates that the Company incurred a loss of €2,284,702 during the year ended 31 December 2017 and, as at that date its total liabilities exceeded its total assets by €4,865,281. These conditions, along with other matters as set forth in note 2 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- cash and various expenses are paid prior to the deposit and this practice requires additional effort to follow the audit trail. The cash transactions and significant level of manual intervention, increase risk of fraud and risk of misstatement of revenue.
- The amount of share capital recognized is based on the information recorded on the internal share register database of the company. Every issue of both paid and unpaid share capital is recorded on

The risk-

- The inherent complexities of the timing and recording of revenue recognition of gate receipts and season tickets and the cash transactions involved can have an impact on the profits of the company that can be significant in the financial year. The amount received from gate receipts are kept in
- the database and the accounting records are updated to include the issued-fully paid share capital only. The changes of the share capital are not submitted to any regulatory authorities on an annual basis as required by local laws and regulations. The share capital and share premium presented in financial statements may be misstated due to large volume of transactions and human processing. Also, there is a risk the company not complying with applicable laws and regulations.

Our response-

- We have tested the controls and procedures applied by the company to ensure that the income is recognized appropriately and is accurately reflected in the financial statements. We challenged the appropriateness of ticket system (Theasis) and assessed whether or not the system allows users to amend or conceal data and whether the transfer of information from the ticket system to the accounting software is complete and accurate. We have also checked the accuracy of revenue from season tickets and deferred income and assessed whether the timing of revenue recognition (cut off) is appropriate.
- We challenged the accuracy of the amount of share capital and assessed the correctness of share register and company's compliance with laws and regulations concerning the increase of share capital. Our challenge is based on our previous year experience supplemented by discussions with management regarding the issued number of shares, the donation of shares and the submission of changes to regulatory authorities.

Our findings-

- Our testing on revenue recognition identified no weaknesses in the time and accounting of revenue from gate receipts and season tickets. Also, we found no indications of fraud during our testing of cash inflow and outflow.
- We identified that issued share capital was not submitted to the regulatory authorities and there is inconsistency with the number of shares issued as per share register software and accounting records. We increased the scope and depth of our detailed testing and analysis from the originally planned and we found no significant errors. Overall, as per our assessment share capital recognized is not materially misstated, however the company should submit the changes of the share capital to the official regulatory authorities in order to comply with the laws and regulations.

Other information

The Board of Directors is responsible for the other information. The other information comprises the management report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report (continued)

To the Members of Anorthosis Famagusta (Football) Public 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 to 2016, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit, except that the scope of our work was limited by the matters discussed in the basis for qualified opinion paragraph.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books, except in the case of the matters discussed in the basis for qualified opinion paragraph.
- 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, except in the case of the matters discussed in the basis for qualified opinion paragraph.
- In our opinion, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In our opinion, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii) and (vi) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In our opinion, the management report, whose preparation is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

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 to 2016 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Christos Theodoulou.



Christos Theodoulou

Certified Public Accountant and Registered Auditor
for and on behalf of

Ioannou & Theodoulou Ltd

Certified Public Accountants and Registered Auditors

4 Pindou Street

Nicosia, Engomi

2409

Cyprus

Nicosia, 8 March 2018

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2017

	Note	2017 €	2016 €
Income	5	3,482,565	3,346,637
Cost of sales	6	<u>(142,552)</u>	<u>(211,614)</u>
Total Net Income		3,340,013	3,135,023
Profit From Players Trading	7	200,000	1,242,000
Football Team Payroll	8	(2,368,251)	(3,156,750)
Football Team Expenses	10	(1,667,948)	(1,221,101)
Administration and selling expenses	9	<u>(1,780,150)</u>	<u>(2,560,072)</u>
Operating loss		<u>(2,276,336)</u>	<u>(2,560,900)</u>
Finance income	11	74	115
Finance costs	11	<u>(8,418)</u>	<u>(7,163)</u>
(Loss) before tax		(2,284,680)	(2,567,948)
Tax	12	<u>(22)</u>	<u>(104)</u>
Net loss for the year		<u>(2,284,702)</u>	<u>(2,568,052)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(2,284,702)</u>	<u>(2,568,052)</u>

The notes on pages 12 to 27 form an integral part of these financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

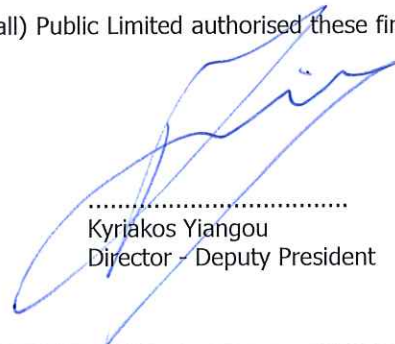
STATEMENT OF FINANCIAL POSITION

31 December 2017

	Note	2017 €	2016 €
ASSETS			
Non-current assets			
Furniture, fixtures and office equipment	13	20,642	3,532
Intangible assets	14	247,873	84,287
		<u>268,515</u>	<u>87,819</u>
Current assets			
Inventories	15	139,978	123,627
Trade and other receivables	16	2,481,252	4,076,330
Cash at bank and in hand	17	216,076	52,356
		<u>2,837,306</u>	<u>4,252,313</u>
Total assets		<u>3,105,821</u>	<u>4,340,132</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	18	11,150	11,150
Share premium		7,531,328	7,531,328
Accumulated losses		(12,407,759)	(10,123,057)
Total equity		<u>(4,865,281)</u>	<u>(2,580,579)</u>
Non-current liabilities			
Deferred income	21	492,000	1,905,000
		<u>492,000</u>	<u>1,905,000</u>
Current liabilities			
Payables to related companies	20	687,848	33,570
Salaries and benefits payable	20	566,840	366,222
Deferred income	21	2,175,716	1,884,948
Bank overdrafts	17	-	33,098
Trade and other payables	19	4,048,698	2,697,873
		<u>7,479,102</u>	<u>5,015,711</u>
Total liabilities		<u>7,971,102</u>	<u>6,920,711</u>
Total equity and liabilities		<u>3,105,821</u>	<u>4,340,132</u>

On 8 March 2018 the Board of Directors of Anorthosis Famagusta (Football) Public Limited authorised these financial statements for issue.


 Andreas Panteli
 Director - President


 Kyriakos Yiangou
 Director - Deputy President

The notes on pages 12 to 27 form an integral part of these financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY

31 December 2017

	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2016	11,150	7,531,328	(7,555,005)	(12,527)
Comprehensive income				
Net loss for the year	-	-	(2,568,052)	(2,568,052)
Balance at 31 December 2016/ 1 January 2017	11,150	7,531,328	(10,123,057)	(2,580,579)
Comprehensive income				
Net loss for the year	-	-	(2,284,702)	(2,284,702)
Balance at 31 December 2017	11,150	7,531,328	(12,407,759)	(4,865,281)

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 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. 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.

The notes on pages 12 to 27 form an integral part of these financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

CASH FLOW STATEMENT

31 December 2017

	Note	2017 €	2016 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before tax		(2,284,680)	(2,567,948)
Adjustments for:			
Depreciation of furniture, fixtures and office equipment	13	4,999	578
Amortisation of computer software	14	476	476
Amortisation of football players acquisition costs	14	33,334	24,167
Amortisation of agent fees	14	165,879	-
Loss from derecognition of football players rights		-	25,000
Interest income	11	(74)	(115)
Interest expense	11	707	1,215
		(2,079,359)	(2,516,627)
Changes in working capital:			
(Increase)/decrease in inventories		(16,351)	12,771
Decrease in trade and other receivables		1,595,078	2,376,130
Increase in salaries and benefits payable		200,618	140,196
Decrease in deferred income		(1,157,232)	(993,610)
Increase in trade payables and other payables		1,232,690	1,960,817
Cash (used in)/generated from operations		(224,556)	979,677
Tax paid		(22)	(104)
Net cash (used in)/generated from operating activities		(224,578)	979,573
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of football players rights and agent fees	14	(363,275)	(150,000)
Payment for purchase of furniture, fixtures and office equipment	13	(22,109)	(5,539)
Proceeds from disposal of assets held for sale		-	50,000
Interest received		74	115
Net cash used in investing activities		(385,310)	(105,424)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	(589,195)
Proceeds from loans from related parties		807,413	-
Interest paid		(707)	(1,215)
Net cash generated from/(used in) financing activities		806,706	(590,410)
Net increase in cash and cash equivalents		196,818	283,739
Cash and cash equivalents at beginning of the year		19,258	(264,481)
Cash and cash equivalents at end of the year	17	216,076	19,258

The notes on pages 12 to 27 form an integral part of these financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

1. Incorporation and principal activities

Country of incorporation

The Company Anorthosis Famagusta (Football) Public Limited (the "Company") was incorporated in Cyprus on 05/03/2004 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Antoni Papadopolou, Larnaca, 6053, Cyprus.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, is the management of Anorthosis Famagusta Football Team.

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.

Going concern basis

The Company incurred a loss of €2,284,702 for the year ended 31 December 2017, and, as at that date its liabilities exceeded its assets by €4,865,281. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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.

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

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Company.

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. Some of them were adopted by the European Union and others not yet. 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.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

2. Significant accounting policies (continued)

Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Sale of products (Boutique)**

Sales of products are recognised when significant risks and rewards of ownership of the products have been transferred to the customer, which is usually when the Company has sold or delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.

- **TV Rights (Cytavision)**

TV rights are recognised on a deferred basis as these have been agreed with Cytavision on the agreement signed between the Company and Cyta in 2014. The majority of the rights refer to home games broadcasting and the income stream recognised in the financial reporting period refer to the football period January 2017 to May 2017 and August 2017 to December 2017. There were no European Games broadcasting for the specific reporting period.

- **Gate Receipts**

Gate Receipts include the revenue earned from actual sale of tickets on gates per home game, season ticket sales and VIP Boxes sales. The gate receipts are recognised on accrual per game whereas season ticket and VIP boxes sales are recognised on deferred basis of games included in the package per financial reporting period.

- **Advertising and Sponsorship**

Advertising and Sponsorship income relates to agreements signed between the Company and the advertising/sponsoring parties and is recognised based on the relevant agreement and accounted for on deferred basis according to the timeframe of the agreement.

Retirement benefit costs

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Finance expenses include interest expense on bank overdrafts as well as bank charges. Finance expenses are recognised as expenses in the period in which they fall due.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

2. Significant accounting policies (continued)

Deferred income

Deferred Income includes the following:

1. Season tickets
2. VIP Boxes
3. Sponsorship and Advertising
4. TV Rights

Deferred Income is either recognised per home basis or per month basis depending on its nature.

Intangible assets

Intangible Assets relate to cost of players' rights acquisition and other direct costs such as agent fees and are amortised over the period of employment.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised in 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.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

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.

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.

Inventories

Stocks are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

3. Financial risk management

Financial risk factors

The Company is exposed to 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:

3.1 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. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

3.2 Capital risk management

Capital includes equity shares and share premium.

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

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

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

The increase in the gearing ratio during the year ended 31 December 2016 resulted primarily from the losses incurred by the Company.

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.

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.

- **Provision for obsolete and slow-moving inventory**

The Company reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on Management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory.

The amount of provision is recognized in profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

4. Critical accounting estimates and judgements (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.

5. Income

	2017	2016
	€	€
Gate Receipts - National Competitions	390,153	362,133
Gate Receipts - Season Tickets	668,232	646,508
Broadcasting Rights - National Competitions	1,245,000	1,195,000
Sponsorship and Advertising - Stadium Sponsors	188,244	157,930
Sponsorship and Advertising - Main Sponsors	440,740	220,516
Commercial - Merchandising	208,543	207,984
Other operating income	341,653	556,566
	<u>3,482,565</u>	<u>3,346,637</u>

6. Cost of Sales

	2017	2016
	€	€
Boutique Purchases	100,485	139,754
Boutique Staff Cost	42,067	25,761
Canteen Expenses	-	46,099
	<u>142,552</u>	<u>211,614</u>

7. Profit From Players Trading

	2017	2016
	€	€
Players trading	<u>200,000</u>	<u>1,242,000</u>
	<u>200,000</u>	<u>1,242,000</u>

On 27/01/2017 the company reached to an agreement to sell the rights of its football player Esmael Goncalves to Heart of Midlothian PLC (Hearts) Football Club resulting in a profit in the year of €200.000.

8. Football Team Payroll

	2017	2016
	€	€
Players - Wages and Salaries	1,940,793	2,638,633
Coaches - Wages and Salaries	263,108	270,517
First team bonuses	164,350	247,600
	<u>2,368,251</u>	<u>3,156,750</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2017

9. Administration and selling expenses

	2017	2016
	€	€
Staff costs	278,714	279,486
Municipality taxes	31,229	46,753
Annual levy	350	350
Electricity	41,549	37,024
Water supply and cleaning	35,463	52,688
Insurance	32,169	17,907
Repairs and maintenance	12,264	6,060
Sundry expenses	44,135	25,481
Telephone and postage	10,315	19,320
Courier expenses	1,791	3,656
Stationery and printing	5,069	4,814
Subscriptions and contributions	6,205	1,870
Non charitable donations	6,025	-
Newspapers and publications	2,063	26,367
Equipment maintenance	2,778	3,380
Staff training	1,898	-
Computer software	9,212	13,614
Auditors' remuneration for the statutory audit of annual accounts	6,600	6,600
Legal fees	4,834	13,039
Other professional fees	39,030	39,000
Revenue stamps	323	300
Fines - SIC, VAT & PAYE	41,195	112,567
Travelling	54,089	19,794
Academies expenses	143,965	147,087
Entertaining	13,184	5,153
Motor vehicle running costs	9,437	8,716
Advertising expenses	27,881	14,181
Stadium repairs and maintenance expenses	78,740	73,479
Royalty fees paid to Anorthosis Famagusta Club	800,834	1,556,166
Amortisation of computer software	476	476
Amortisation of football players acquisition costs	33,334	24,166
Depreciation	4,999	578
	1,780,150	2,560,072

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

10. Football Team Expenses

	2017 €	2016 €
Hotel Accommodation	79,539	47,701
Medical expenses	20,796	39,370
Food expenses	356	7,806
Stadium security expenses	52,543	63,936
Reimbursement expenses	16,568	3,153
Pre-season expenses	93,541	65,686
Athletic equipment	54,756	4,218
Referee expenses	24,931	23,277
CFA Expenses	15,672	18,421
CFA Fines	203,602	145,068
Stadium operational cost	30,934	31,426
Various match expenses	20,200	27,919
Transfer fees	-	63,680
Loss from football players write off	-	25,000
Agent fees	165,879	187,760
Other football expenses	100	1,683
Third Party Services	629,633	256,597
Compensation fees	258,898	208,400
	<u>1,667,948</u>	<u>1,221,101</u>

11. Finance income/cost

	2017 €	2016 €
Interest income	74	115
Finance income	<u>74</u>	<u>115</u>
Interest expense	(707)	(1,215)
Sundry finance expenses	(7,711)	(5,948)
Finance costs	<u>(8,418)</u>	<u>(7,163)</u>
Net finance costs	<u>(8,344)</u>	<u>(7,048)</u>

Interest income is analysed as follows:

	2017 €	2016 €
Bank deposits	74	115
	<u>74</u>	<u>115</u>

12. Tax

	2017 €	2016 €
Defence contribution - current year	22	104
Charge for the year	<u>22</u>	<u>10</u>

The corporation tax rate is 12,5%.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

12. Tax (continued)

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

13. Furniture, fixtures and office equipment

	Furniture, fixtures and office equipment €	First Team Equipment €	Total €
Cost			
Additions	4,110	-	4,110
Balance at 31 December 2016/ 1 January 2017	4,110	-	4,110
Additions	4,617	17,492	22,109
Balance at 31 December 2017	8,727	17,492	26,219
Depreciation			
Charge for the year	578	-	578
Balance at 31 December 2016/ 1 January 2017	578	-	578
Charge for the year	1,501	3,498	4,999
Balance at 31 December 2017	2,079	3,498	5,577
Net book amount			
Balance at 31 December 2017	6,648	13,994	20,642
Balance at 31 December 2016	3,532	-	3,532

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

14. Intangible assets

	Computer software €	Football players €	Agent fees €	Total €
Cost				
Balance at 1 January 2016	-	65,000	-	65,000
Additions	1,429	100,000	-	101,429
Disposals	-	(50,000)	-	(50,000)
Balance at 31 December 2016/ 1 January 2017	1,429	115,000	-	116,429
Additions	-	-	363,275	363,275
Disposals	-	(15,000)	-	(15,000)
Balance at 31 December 2017	1,429	100,000	363,275	464,704
Amortisation				
Balance at 1 January 2016	-	32,500	-	32,500
On disposals	-	(25,000)	-	(25,000)
Amortisation for the year	476	24,166	-	24,642
Balance at 31 December 2016/ 1 January 2017	476	31,666	-	32,142
On disposals	-	(15,000)	-	(15,000)
Amortisation for the year	476	33,334	165,879	199,689
Balance at 31 December 2017	952	50,000	165,879	216,831
Net book amount				
Balance at 31 December 2017	477	50,000	197,396	247,873
Balance at 31 December 2016	953	83,334	-	84,287

15. Inventories

	2017 €	2016 €
Boutique inventory	<u>139,978</u>	<u>123,627</u>
	139,978	123,627

The cost of inventories recognised as expense and included in "cost of sales" amounted to €100,485 (2016: €139,754).

Inventories are stated at the lower of cost and net realisable value.

16. Trade and other receivables

	2017 €	2016 €
Trade receivables	2,264,143	3,650,372
Less: provision for impairment of receivables	<u>(31,140)</u>	<u>(31,140)</u>
Trade receivables - net	2,233,003	3,619,232
Receivables from related companies (Note 23.1)	9,000	9,000
Deferred expenses	208,333	416,667
Other receivables	<u>30,916</u>	<u>31,431</u>
	2,481,252	4,076,33

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

16. Trade and other receivables (continued)

Concentrations of credit risk with respect to trade receivables are limited due to the Company's large number of customers. The Company's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, Management believes that no additional credit risk beyond amounts provided for collections losses is inherent in the Company's trade receivables.

Within trade receivables, the long-term TV right agreement with Cytavision has been recognised. The TV rights receivable has been assigned as a guarantee to Anorthosis Famagusta Club's loan payables with Coop Makrasykas and Coop Ammochostou. This has also been disclosed in the Related Parties disclosure note.

The balance on deferred expenses is the amount remaining on the management agreement between the Club and the Company for the year 2016-2017 and will be released in the year 2018.

Movement in provision for impairment of receivables:

	2017 €	2016 €
Balance at 1 January	31,140	31,140
Balance at 31 December	31,140	31,140

17. Cash at bank and in hand

	2017 €	2016 €
Cash at bank and in hand	216,076	52,356
	216,076	52,356

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

	2017 €	2016 €
Cash at bank and in hand	216,076	52,356
Bank overdrafts	-	(33,098)
	216,076	19,258

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

18. Share capital

	2017 Number of shares	2017 €	2016 Number of shares	2016 €
Authorised				
Preference shares (Class A) € 0,01 each	1,000,000	10,000	1,000,000	10,000
Ordinary Shares	3,000,000	30,000	3,000,000	30,000
	4,000,000	40,000	4,000,000	40,000
Issued and fully paid				
Ordinary "A" shares-				
Class "A" shares-				
Balance at 1 January	334,500	3,345	334,500	3,345
Balance at 31 December	334,500	3,345	334,500	3,345
Class "B" shares-				
Balance at 1 January	780,500	7,805	780,500	7,805
Balance at 31 December	780,500	7,805	780,500	7,805
Total at 31 December	1,115,000	11,150	1,115,000	11,150

The nominal value of the shares is at €0.01 and the remaining share premium at €9.99 per share. The shares are split between Class A and Class B. Class A shares are only held by Anorthosis Famagusta Club and hold additional rights such as the right to place 3 directors at the board of the Company.

On the management agreement signed between the Company and the Club on the 16th of May 2014, a key provision included is that at any given time when the Class B share capital is increased the Club is entitled to the equivalent (free) increase of its Class A shares so that it always holds 30% of the overall shareholding of the Company. The increase of Class A shares is done through the Share Premium paid by the Class B shareholders.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

18. Share capital (continued)

Percentage Shareholding of the Directors of the Company:

	31 December 2017 %	8 March 2018 %
Andreas Panteli	*	*
Kyriakos Yiangou	-	-
Efstathios Troullides	-	-
Pantelis Shimitras	-	-
Costas Faklamos	-	-
Giorgos Frangoulides	-	-
Panayiotis Slaforis	-	-
Savvas Koumi	-	-
Giannis Ioannou	*	*

* Percentage shareholding of Directors less than 0.01%.

Shareholders holding more than 5%

	31 December 2017 %	8 March 2018 %
Anorthosis Famagusta Club	51.00	51.00
Christos Poullaides	25.99	25.99

On 3 January 2017 Mr. Christos Poullaides transferred to the Club the total amount of Class B shares 235,800. The 51% of the shareholding represented by the Club is split 30% as Class A shares and 21% as Class B Shares.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

19. Trade and other payables

	2017 €	2016 €
Trade payables	980,574	448,866
Accruals	42,746	88,042
Other creditors	13,000	-
Social Insurance	379,482	226,456
PAYE	365,837	173,496
Special Contribution	49,630	49,630
VAT	574,189	221,276
Shareholders' current accounts - credit balances	1,643,240	1,490,107
	4,048,698	2,697,873

20. Salaries and benefits payable

	2017 €	2016 €
Salaries payable to players	209,985	348,465
Provision for settlement liabilities	328,336	-
Salaries and benefits payable	28,519	17,757
Payables to related companies (Note 23.3)	687,848	33,570
	1,254,688	399,792

21. Deferred income

	2017 €	2016 €
Deferred Income from Advertising	112,198	87,612
Deferred income from TV rights	1,955,000	3,150,000
Deferred income from VIP seats	245,017	294,137
Deferred income from Season tickets	320,501	258,199
Deferred income from Canteen	35,000	-
	2,667,716	3,789,948

All deferred income set above, relates to the football period August 2017 to May 2018 except for the TV Rights.

Deferred Income from TV rights relates to the agreement signed with CytaVision and covers the football periods, 2017-2018 and 2018-2019.

22. Operating Environment of the Company

During the last years, the Cyprus economy has been adversely affected by the crisis in the Cyprus banking system and the inability of the Republic of Cyprus to secure financing from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support of € 10 billion, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in", safeguarding deposits below €100.000.

Since March 2013, Troika performed several reviews of the Cyprus' economic program with very positive outcomes which resulted in the disbursement of all scheduled tranches of financial assistance to Cyprus.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

22. Operating Environment of the Company (continued)

Despite the adverse external economic environment in several European and international economies, the Cyprus economy shows signs of stabilization, evident by the upgrade of the credit rating and the future prospects of the Republic of Cyprus by all major international credit rating agencies. This assisted largely the efforts of the Republic of Cyprus to raise significant capital from international financial markets in the past few months. In addition, the Cypriot banks have been recapitalized and have reorganized their operations, leading to the full abolishment of all restrictive measures on deposits and transactions imposed during 2013.

However, the uncertain economic conditions in Cyprus, the unavailability of financing and the high percentage of non performing bank loans in combination with the high unemployment rates, could potentially affect:

- The ability of the Company to obtain borrowings
- The ability of the Company's trade and other debtors to repay the amounts due to the Company
- The ability of the Company to sell its existing inventories to customers
- The cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets

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

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

23. Related party transactions

The company is controlled by Anorthosis Famagusta Club which holds 51% of the total shares.

The following transactions were carried out with related parties:

23.1 Transactions with related parties

		2017	2016
	<u>Nature of transactions</u>	€	€
Anorthosis Famagusta Club	Royalty Fee	<u>800,834</u>	<u>1,470,666</u>
		<u>800,834</u>	<u>1,470,666</u>

23.2 Receivables from related parties (Note 16)

		2017	2016
<u>Name</u>	<u>Nature of transactions</u>	€	€
Athletic Center Antonis Papadopoulos	Finance	<u>9,000</u>	<u>9,000</u>
Famagusta Public Limited			
		<u>9,000</u>	<u>9,000</u>

Receivables from related parties were provided interest free, and there was no specified repayment date.

23.3 Payables to related parties (Note 20)

		2017	2016
<u>Name</u>	<u>Nature of transactions</u>	€	€
Anorthosis Famagusta Club	Royalty Fee	<u>687,848</u>	<u>33,570</u>
		<u>687,848</u>	<u>33,570</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

23. Related party transactions (continued)

23.4 Shareholders' current accounts - credit balances (Note 20)

	2017 €	2016 €
Christos Poullaides	1,574,831	1,424,897
Other share capital to be distributed	68,410	65,210
	<u>1,643,241</u>	<u>1,490,107</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

24. Significant agreements with management

At the end of the year, no significant agreements existed between the Company and its management.

25. Contingent liabilities

The company had the following legal cases pending at the date of signing the financial statements with no probable outcome yet:

No. of lawsuit 168/2016 - Saint Andreas Self Drive Cars Limited vs Anorthosis Famagusta (Football) Public Limited:

On 26/06/2017, a decision was taken against the defendant for the amount of €8,500 plus 4% annual interest from 25/01/2016 to 31/12/2016 and 3.5% annual interest from 01/01/2017 until settlement.

Additional €1,619 with 4% annual interest from 25/01/2016 to 31/12/2016 and 3.5% annual interest from 01/01/2017 until settlement with additional VAT on the amount of €1,518.

The court ordered the execution of the decision to be suspended, with the exemption of layers' fees, provided that the amount of €500 will be paid from 01/07/2017 on the first day of each subsequent month with 7 days in favour and any omission of any instalment the whole amount becomes immediately payable and implausible.

26. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 4 and 7

