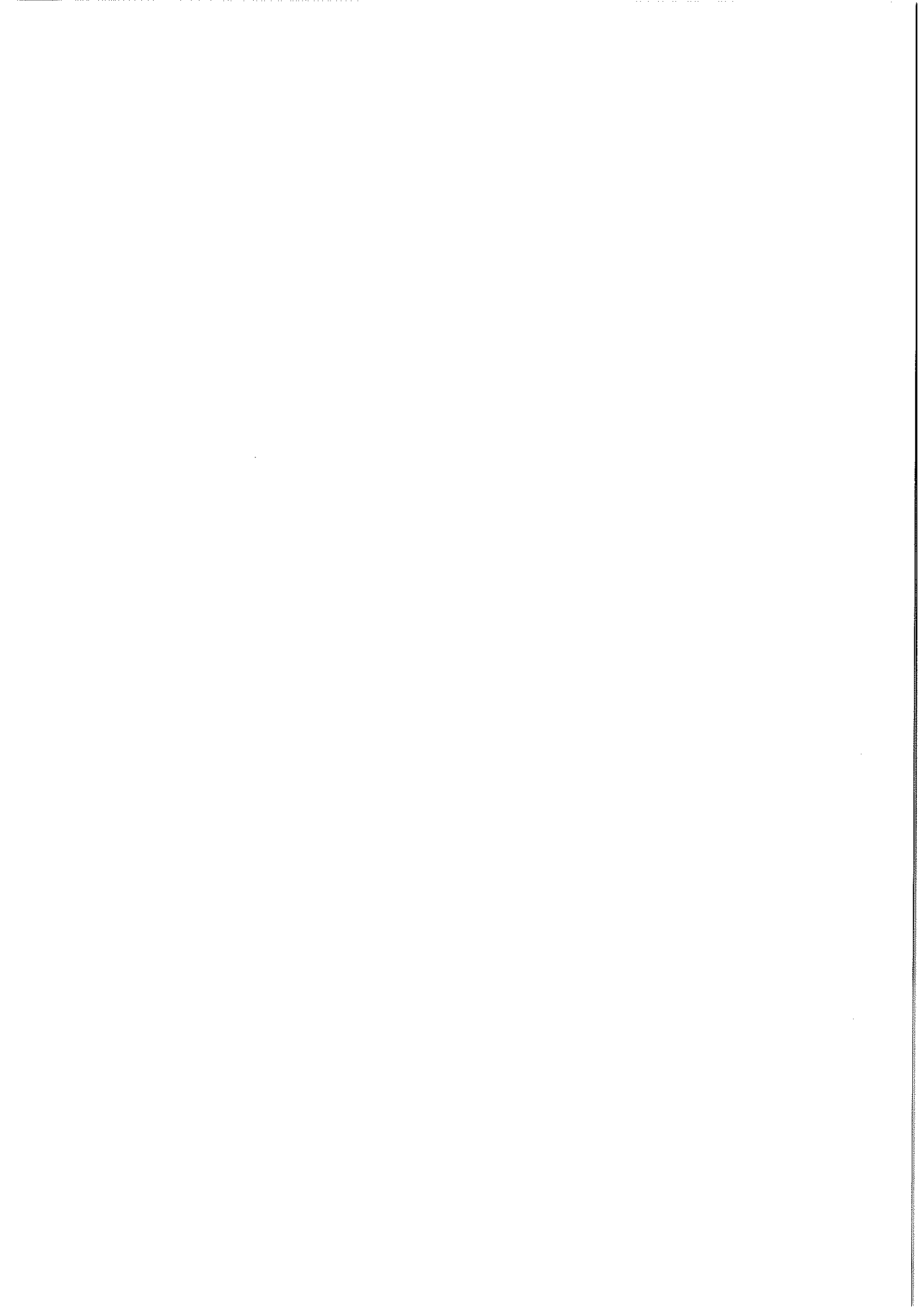




ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2015

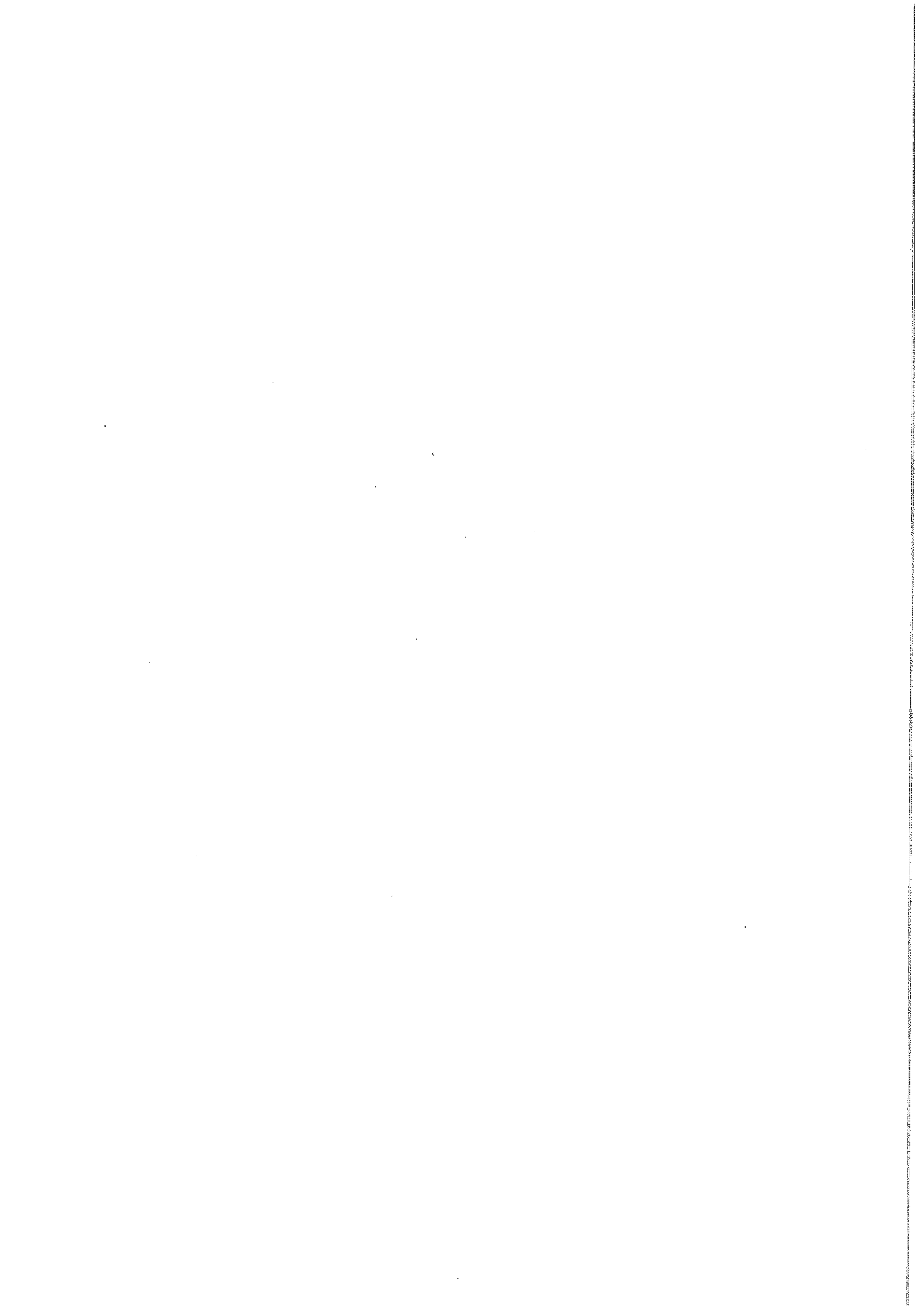


ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2015

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Cash flow statement	8
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ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Charalambos Manoli
Themis Violaris
Frantzeskos Hatzimichael
Andreas Poullaides
Ioannis Leukonitziatis
Christakis Patsalis
Marios Hapoupis (Appointed 10/02/2016)
George Hatzistefanou
Pavlos Ioannou (Resigned on 10/02/2016)

Company Secretary:

Christakis Patsalis
Adamos Montanios

Independent Auditors:

Ioannou & Theodoulou Ltd
Certified public accountants and registered auditors
4 Pindou Street
Engomi
2409
Nicosia

Legal Advisers:

Antonis K. Karas LLC

Registered office:

Antoni Papadopoulou
Larnaca
6053
Cyprus

Banker:

Coop Makrasykas

Registration number:

HE146279

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2015.

Principal activities

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

Review of current position, future developments and significant risks

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.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 21 of the financial statements.

The management of the Company intends to change its financial reporting period with year end 30th of June. The Management will present interim financial statements from 01/01/2016 - 30/06/2016 and will then continue reporting on a yearly basis from 01st July to 30th of June.

Results

The Company's results for the year are set out on page 5.

Dividends

The Board of Directors does not recommend the payment of a dividend.

Share capital

For the changes in the share capital structure refer to note 17 of the disclosures in the Financial Statements.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2015 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 2015.

All directors except Charalambos Manoli have expressed their opinion to resign however to date there is no reappointment thus the Board remains in place until official replacement.

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

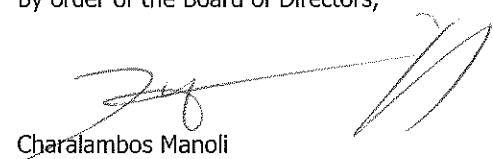
Events after the reporting period

For all post balance sheet events refer to note 26 of the Financial Statements.

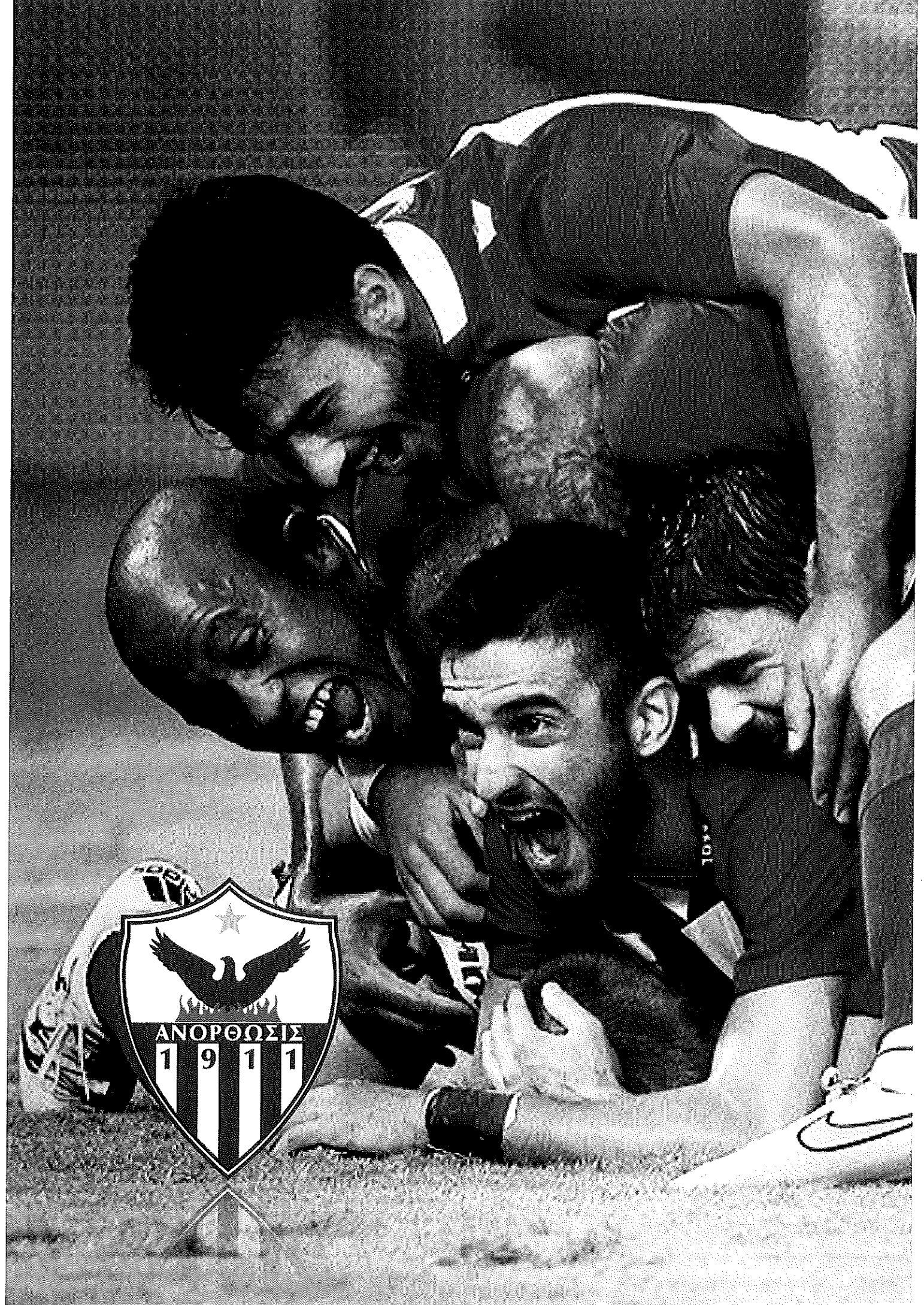
Independent Auditors

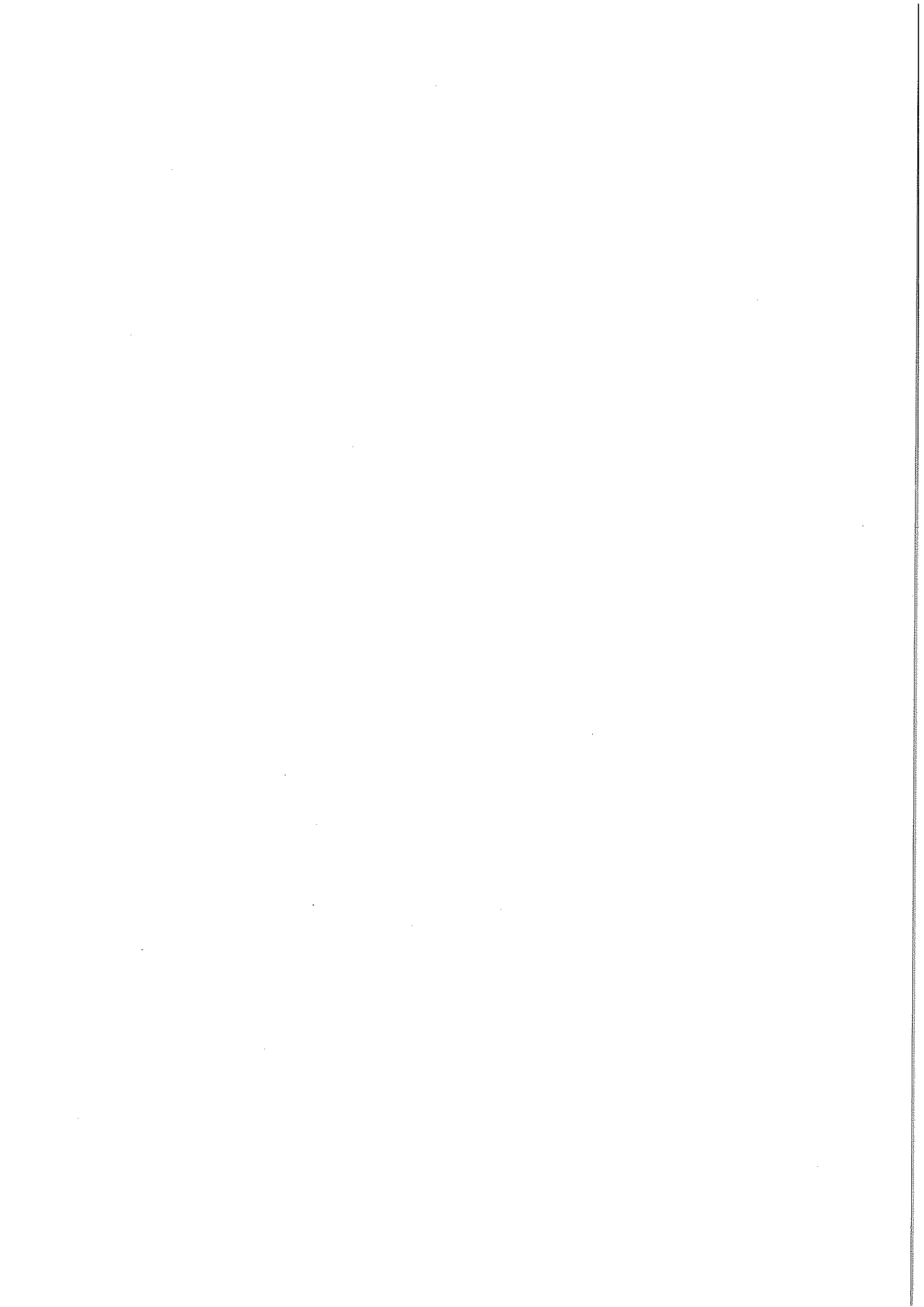
The Independent Auditors, Ioannou & Theodoulou Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,


Charalambos Manoli
Director

Nicosia, 4 March 2016





Independent auditor's report

To the Members of Anorthosis Famagusta (Football) Public Limited

Report on the financial statements

We have audited the financial statements of Anorthosis Famagusta (Football) Public Limited (the "Company") on pages 5 to 23 which comprise the statement of financial position as at 31 December 2015, 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 and other explanatory information.

Board of Directors' responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for qualified opinion

In respect of the inventory of the Company presented in the statement of financial position at the value of €136,398, due to the nature of the records of the Company we were unable to obtain sufficient and appropriate audit evidence on the existence and valuation of the inventory.

In addition, in respect of Boutique Sales at the value of €142,387 we were unable to obtain sufficient and appropriate audit evidence for the completeness.

Qualified opinion

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 items described in the basis of qualified opinion above, the financial statements give a true and fair view of the financial position of Anorthosis Famagusta (Football) Public Limited as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Independent auditor's report (continued)

To the Members of Anorthosis Famagusta (Football) Public Limited

Emphasis of matter

We draw attention to note 17 to the financial statements, where the Share Capital authorised and issued is presented for the Company. We have noticed that, the share capital issued both in Class A and Class B shares has not yet been submitted with the registrar of Companies and has only been processed through the accounting system of the Company. In addition to this the relevant issued Share Capital has not been updated on the official database (Quorum) used by the Company.

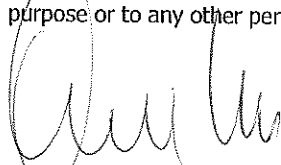
Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit, 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 given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Christos Theodoulou
Certified Public Accountant and Registered Auditor
for and on behalf of
Ioannou & Theodoulou Ltd
Certified public accountants and registered auditors

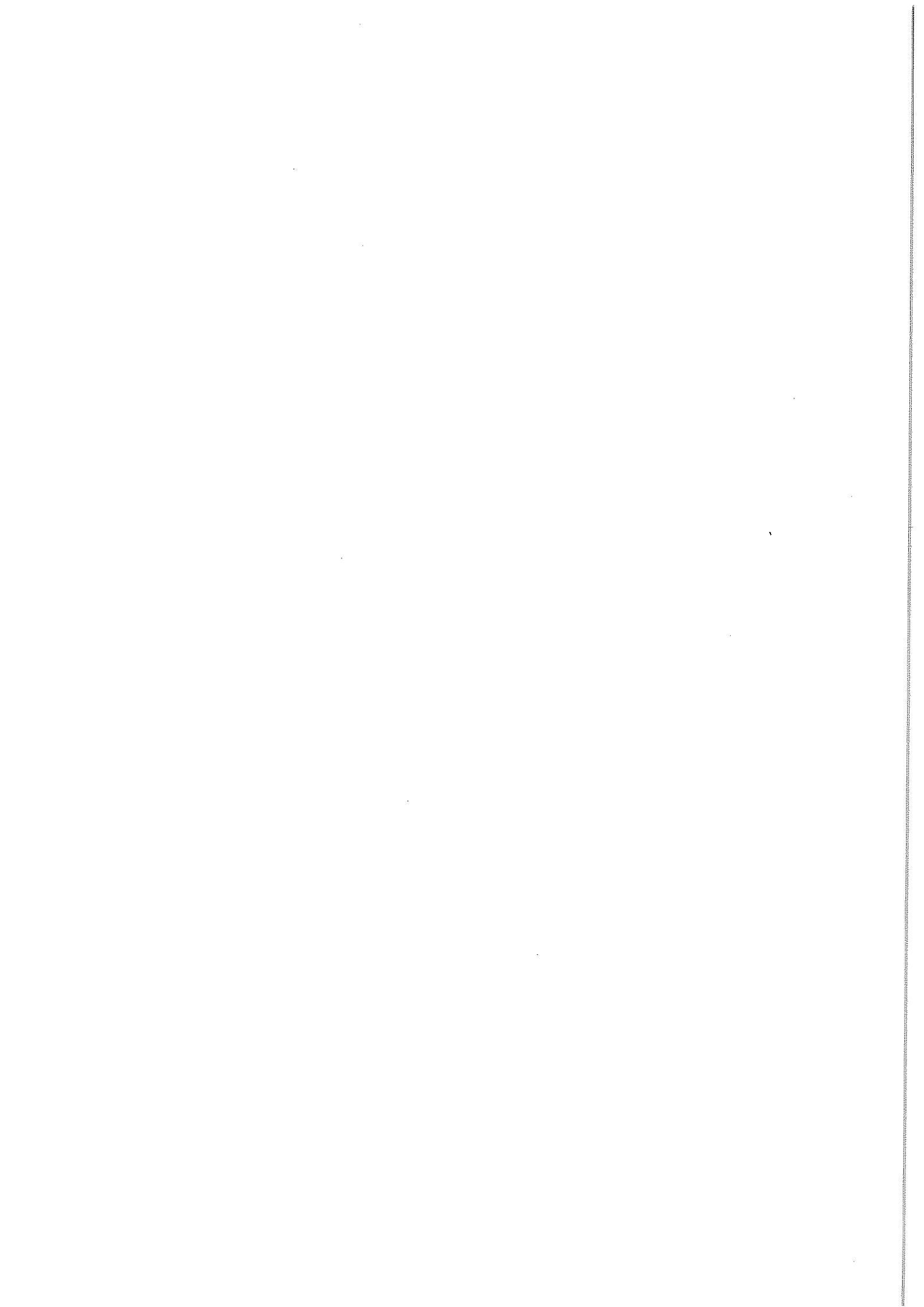
Nicosia, 4 March 2016

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2015

	Note	2015 €	2014 €
Income	5	3,110,162	1,597,418
Cost of sales	6	<u>(292,992)</u>	<u>(25,766)</u>
Total Net Income		2,817,170	1,571,652
Profit From Players Trading	7	263,277	-
Football Team Payroll	8	(3,053,084)	(1,353,638)
Administration expenses	9	(3,404,126)	(2,327,944)
Football Team Expenses	10	<u>(1,082,549)</u>	<u>(492,584)</u>
Operating loss		(4,459,312)	(2,602,514)
Finance income	11	42	198
Finance costs	11	<u>(9,032)</u>	<u>(5,374)</u>
Loss before tax		(4,468,302)	(2,607,690)
Tax	12	<u>(13)</u>	-
Net loss for the year		(4,468,315)	(2,607,690)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(4,468,315)</u>	<u>(2,607,690)</u>

The notes on pages 9 to 23 form an integral part of these financial statements.



ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2015

	Note	2015 €	2014 €
ASSETS			
Non-current assets			
Intangible assets	13	<u>32,500</u>	40,000
		<u>32,500</u>	40,000
Current assets			
Inventories	14	136,398	229,493
Trade and other receivables	15	7,193,698	8,646,533
Cash at bank and in hand	16	<u>48,710</u>	120,863
		<u>7,378,806</u>	8,996,889
Total assets		<u>7,411,306</u>	<u>9,036,889</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	11,150	6,979
Share premium		7,793,566	4,878,266
Accumulated losses		<u>(7,076,005)</u>	(2,607,690)
Total equity		<u>728,711</u>	<u>2,277,555</u>
Non-current liabilities			
Deferred income	20	<u>3,103,600</u>	-
		<u>3,103,600</u>	-
Current liabilities			
Salaries and benefits payable	19	259,596	277,552
Deferred income	20	1,679,958	6,047,733
Bank overdrafts	16	313,190	-
Trade and other payables	18	<u>1,326,251</u>	434,049
		<u>3,578,995</u>	6,759,334
Total liabilities		<u>6,682,595</u>	<u>6,759,334</u>
Total equity and liabilities		<u>7,411,306</u>	<u>9,036,889</u>

On 4 March 2016 the Board of Directors of Anorthosis Famagusta (Football) Public Limited authorised these financial statements for issue.

.....
Charalambos Manoli
Director

.....
Christakis Patsali
Director

The notes on pages 9 to 23 form an integral part of these financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2014		1,710	-	-	1,710
Comprehensive income					
Net loss for the year		-	-	(2,607,690)	(2,607,690)
Transactions with owners					
Issue of share capital	17	5,269	4,878,266	-	4,883,535
Balance at 31 December 2014/ 1 January 2015		6,979	4,878,266	(2,607,690)	2,277,555
Comprehensive income					
Net loss for the year		-	-	(4,468,315)	(4,468,315)
Transactions with owners					
Issue of share capital	17	4,171	2,915,300	-	2,919,471
Balance at 31 December 2015		11,150	7,793,566	(7,076,005)	728,711

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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter 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.

The notes on pages 9 to 23 form an integral part of these financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2015

	Note	2015 €	2014 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(4,468,302)	(2,607,690)
Adjustments for:			
Amortisation of intangible assets	13	22,500	10,000
Interest income	11	(42)	(198)
Interest expense	11	1,331	165
		(4,444,513)	(2,597,723)
Changes in working capital:			
Decrease/(increase) in inventories		93,095	(229,493)
Decrease/(increase) in trade and other receivables		1,458,104	(8,644,824)
Decrease in shareholders' current accounts		(510,872)	-
(Decrease)/increase in salaries and benefits payable		(17,956)	434,051
Decrease in payables to related companies		(129,426)	-
(Decrease)/increase in deferred income		(1,264,175)	6,047,733
Increase to Salaries Payable		-	277,552
Increase in Trade payables		1,623,933	-
Cash used in operations		(3,191,810)	(4,712,704)
Tax paid		(13)	-
Net cash used in operating activities		(3,191,823)	(4,712,704)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	13	(15,000)	(50,000)
Interest received		42	198
Net cash used in investing activities		(14,958)	(49,802)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		2,923,642	4,883,535
Proceeds from borrowings		(100,872)	-
Interest paid		(1,331)	(165)
Net cash generated from financing activities		2,821,439	4,883,370
Net (decrease)/increase in cash and cash equivalents		(385,342)	120,864
Cash and cash equivalents at beginning of the year		120,863	-
Effect of exchange rate fluctuations on cash held		(1)	(1)
Cash and cash equivalents at end of the year	16	(264,480)	120,863

The notes on pages 9 to 23 form an integral part of these financial statements.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

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 Cyprus Companies Law, Cap. 113. Its registered office is at Antoni Papadopoulou, Larnaca, 6053, Cyprus.

Principal activities

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

2. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

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 2015. 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.

Revenue recognition

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

- **Sale of products (Boutique and Canteen)**

Sale 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.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

2. Accounting policies (continued)

Revenue recognition (continued)

- **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 2015 to May 2015 and August 2015 to December 2015. 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 Income**

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.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance income

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

Finance costs

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

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.

Dividends

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

Deferred income

Deferred Income includes the following:

1. Season tickets
2. VIP Boxes

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

2. Accounting policies (continued)

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 are amortised over the period of employment. Manager fees relating to any such acquisition costs are expensed in the Profit and Loss.

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.

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.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

2. Accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

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

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

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

Inventories 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.

3. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk 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.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

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

- **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.

- **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

	2015	2014
	€	€
Gate Receipts - National Competitions	389,359	238,716
Gate Receipts - Season Tickets	616,576	101,143
Broadcasting Rights - National Competitions	1,170,000	585,000
Sponsorship and Advertising - Stadium Sponsors	111,355	110,356
Sponsorship and Advertising - Main Sponsors	318,200	163,640
Commercial - Merchandising	255,115	51,578
Other operating income - Other/Non-Split	249,557	346,985
	<u>3,110,162</u>	<u>1,597,418</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

6. Cost of sales

	2015	2014
	€	€
Boutique Purchases	206,957	25,766
Boutique Staff Cost	46,388	-
Canteen Expenses	39,647	-
	<u>292,992</u>	<u>25,766</u>

7. Profit From Players Trading

	2015	2014
	€	€
Player trading	263,277	-
	<u>263,277</u>	<u>-</u>

The majority of the balance includes the profit of disposal of Esmael Gonsalves to the Club Al Ettifaq FC and the proceeds on the loan of Manuel Gonzalo Garcia to Heracles Almelo FC.

8. Football Team Payroll

	2015	2014
	€	€
Players - Wages and Salaries	2,448,267	1,147,282
Coaches - Wages and Salaries	329,097	206,356
First team Bonuses	275,720	-
	<u>3,053,084</u>	<u>1,353,638</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

9. Administration expenses

	2015	2014
	€	€
Staff costs	291,363	246,435
Municipality taxes	59,362	14,510
Electricity	45,824	23,571
Water supply and cleaning	53,719	34,891
Insurance	18,355	26,076
Repairs and maintenance expenses	13,480	-
Sundry expenses	24,678	23,297
Telephone and postage	22,717	8,522
Courier expenses	1,115	-
Stationery and printing	4,899	1,230
Subscriptions and contributions	2,950	5,785
Newspapers and publications	680	-
Staff training	10,591	-
Computer software	11,558	9,282
Auditors' remuneration for the statutory audit of annual accounts	6,600	25,000
Legal fees	15,650	5,061
Other professional fees	59,427	4,909
Stamp and Duties	1,521	70
Fines - SIC & PAYE	48,106	635
Travelling	45,401	26,315
Academies expenses	126,391	56,010
Entertaining	3,424	-
Motor vehicle running costs	4,175	6,531
Advertising expenses	2,370	10,218
Stadium repairs and maintenance expenses	91,771	97,929
Royalty fees paid to Anorthosis Famagusta Club	2,375,000	1,691,667
Bad Debts	40,499	-
Amortisation of intangible assets	22,500	10,000
	<u>3,404,126</u>	<u>2,327,944</u>

10. Football Team Expenses

	2015	2014
	€	€
Hotel Accommodation	18,517	5,899
Medical Expenses	40,464	53,220
Food expenses	12,189	6,001
Stadium security expenses	59,700	14,193
Reimbursement expenses	5,406	-
Pre season expenses	77,183	96,176
Athletic equipment	56,769	-
Referee expenses	36,602	10,632
CFA Expenses	15,599	2,277
CFA Fines	70,425	-
Stadium operational cost	49,398	35,515
Various match expenses	17,801	9,613
Transfer fees	85,000	-
Manager fees	131,931	63,575
Other football expenses	1,190	-
Third Party Services	404,375	195,483
	<u>1,082,549</u>	<u>492,584</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

11. Finance income/cost

	2015	2014
	€	€
Interest income	<u>42</u>	198
Finance income	<u>42</u>	198
Interest expense	<u>(1,331)</u>	(165)
Sundry finance expenses	<u>(7,701)</u>	(5,209)
Finance costs	<u>(9,032)</u>	(5,374)
Net finance costs	<u>(8,990)</u>	(5,176)

Interest income is analysed as follows:

	2015	2014
	€	€
Bank deposits	<u>42</u>	198
	<u>42</u>	198

12. Tax

	2015	2014
	€	€
Defence contribution - current year	<u>13</u>	-
Charge for the year	<u>13</u>	-

The corporation tax rate is 12,5%.

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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

13. Intangible assets

	Football players €
Cost	
Additions	<u>50,000</u>
Balance at 31 December 2014/ 1 January 2015	50,000
Additions	<u>15,000</u>
Balance at 31 December 2015	65,000
Amortisation	
Amortisation for the year	<u>10,000</u>
Balance at 31 December 2014/ 1 January 2015	10,000
Amortisation for the year	<u>22,500</u>
Balance at 31 December 2015	32,500
Net book amount	
Balance at 31 December 2015	<u>32,500</u>
Balance at 31 December 2014	<u>40,000</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

14. Inventories

	2015	2014
	€	€
Boutique inventory	<u>136,398</u>	229,493
	<u>136,398</u>	<u>229,493</u>

The cost of inventories recognised as expense and included in "cost of sales" amounted to €206,957 (2014: €25,766).

Inventories are stated at cost.

15. Trade and other receivables

	2015	2014
	€	€
Trade receivables	4,318,111	5,207,193
Less: Provision for bad debts	<u>(31,140)</u>	-
Trade receivables - net	4,286,971	5,207,193
Receivables from related parties (Note 23.1)	2,030,959	2,160,385
Deposits and prepayments	-	4,413
Deferred expenses	833,333	1,208,333
Other receivables	<u>42,435</u>	66,209
	<u>7,193,698</u>	<u>8,646,533</u>

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 the 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 2015-2016 and will be released in the year 2016.

Movement in provision for impairment of receivables:

	2015	2014
	€	€
Balance at 1 January	-	-
Impairment losses recognised on receivables	<u>31,140</u>	-
Balance at 31 December	<u>31,140</u>	-

16. Cash at bank and in hand

	2015	2014
	€	€
Cash at bank and in hand	<u>48,710</u>	120,863
	<u>48,710</u>	<u>120,863</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

16. Cash at bank and in hand (continued)

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

	2015	2014
	€	€
Cash at bank and in hand	48,710	120,863
Bank overdrafts (Note 18)	<u>(313,190)</u>	<u>-</u>
	<u>(264,480)</u>	<u>120,863</u>

17. Share capital

	2015	2015	2014	2014
	Number of shares	€	Number of shares	€
Authorised				
Preference shares (Class A) € 0,01 each	1,000,000	10,000	1,000,000	10,000
Ordinary Shares	<u>3,000,000</u>	<u>30,000</u>	<u>3,000,000</u>	<u>30,000</u>
	<u>4,000,000</u>	<u>40,000</u>	<u>4,000,000</u>	<u>40,000</u>
Issued and fully paid				
Ordinary "A" shares-				
Balance at 1 January	-	-	1,000	1,710
Transfer to Anorthosis club	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>(1,710)</u>
Class "A" shares-				
Balance at 1 January	209,400	2,094	-	-
Issue of shares	<u>125,100</u>	<u>1,251</u>	<u>209,400</u>	<u>2,094</u>
Balance at 31 December	<u>334,500</u>	<u>3,345</u>	<u>209,400</u>	<u>2,094</u>
Class "B" shares-				
Balance at 1 January	488,500	4,885	-	-
Issue of shares	<u>292,000</u>	<u>2,920</u>	<u>488,500</u>	<u>4,885</u>
Balance at 31 December	<u>780,500</u>	<u>7,805</u>	<u>488,500</u>	<u>4,885</u>
Total at 31 December	<u>1,115,000</u>	<u>11,150</u>	<u>697,900</u>	<u>6,979</u>

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

Year ended 31 December 2015

17. Share capital (continued)

Percentage Shareholding of the Directors of the Company:

	<u>31 December 2015 %</u>
Andreas Poullaides	4.48
Themis Violaris	1.82
Pavlos Ioannou	0.42
Charalambos Manoli	0.18
Giorgos Hatzistefanou	0.18
Frantzeskos Hatzimichael	*
Ioannis Lefkonitziatis	0.02
Christakis Patsalis	*

The percentage shareholding shown above, represent issued paid share capital. Up until the date of signing the accounts some of the share capital is not issued and therefore unpaid. On payment this could affect that shareholding percentage shown above.

* Percentage shareholding of Directors less than 0.01%.

Shareholders holding more than 5%

	<u>31 December 2015 %</u>
Anorthosis Famagusta Club	30.00
Christos Poullaides	47.35

The percentage shareholding shown above, represent issued paid share capital. Up until the date of signing the accounts some of the share capital is not issued and therefore unpaid. On payment this could affect that shareholding percentage shown above

18. Trade and other payables

	2015	2014
	€	€
Trade payables	463,197	148,677
Accruals	41,997	440
Other creditors	-	8,750
Social Insurance	177,121	92,270
PAYE	160,221	92,279
Special Contribution	38,697	19,940
VAT	35,018	71,693
Shareholders' current accounts - credit balances (Note 23.3)	410,000	-
	<u>1,326,251</u>	<u>434,049</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

19. Salaries and benefits payable

	2015	2014
	€	€
Salaries payable to players	224,709	238,048
Salaries and benefits payable	<u>34,887</u>	<u>39,504</u>
	<u>259,596</u>	<u>277,552</u>

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

20. Deferred income

	2015	2014
	€	€
Deferred Income from Advertising	44,846	66,359
Deferred income from TV rights	4,345,000	5,515,000
Deferred income from VIP seats	120,336	192,559
Deferred income from season tickets	273,376	240,315
Deferred income from Cantines	-	33,500
	<u>4,783,558</u>	<u>6,047,733</u>

All deferred income set above, relates to the football period August 2015 to May 2016 except for the TV Rights.

Deferred Income from TV rights relates to the agreement signed with CytaVision and covers the football periods, 2015-2016, 2016-2017, 2017-2018 and 2018-2019.

21. Operating Environment of the Company

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2014 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

Following the positive outcome of the reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013 and 2014, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through "bail in" for Laiki Bank and Bank of Cyprus, and the imposition of capital controls together with the current situation of the banking system and the continuing overall economic recession, could affect:

- The ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions
- 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 ability of the Company to enter into new sponsorship agreements.

The economic conditions described above, together with the impact of the Eurogroup decision of 25 March 2013 on Cyprus, had an adverse impact on the Company's debtors (inability to meet their obligations towards the Company), suppliers (inability to continue trading), real estate valuation, bankers (inability to provide adequate finance), and revenue (decreased demand for the Company's products or services due to decreased purchasing power of consumers).

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

21. Operating Environment of the Company (continued)

The Company's management has assessed:

- (1) Whether any impairment allowances are deemed necessary for the Company's financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, no matter how likely those future events are.
- (2) Whether the net realisable value for the Company's inventory exceeds cost.
- (3) The ability of the Company to continue as a going concern (Note 2).

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.

The above 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.

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

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

Other than the overall status of the Cypriot Economy which has an impact on the operations of the Company, the performance of the football team is also directly linked to the Operating Environment of the Company and how its results are being driven. More specifically the football team has improved its performance in the football period 2015 - 2016 with additions of key players during the transfer season. This had a direct impact on the season tickets sales pre-season. In addition the other income streams that were directly linked to such transfers were the boutique sales, with the new team kit pushing sales upwards. The management of the Company has also managed to add key players on the squad without stretching the budget overall. This in terms has assisted in the costs being controlled and in addition to this it has given the Company's management the opportunity to ensure that its obligation towards the Club is fully fulfilled. The performance of the team as of the date of signing the accounts is promising and could lead to a position at the year end where the team could play for a European Qualification in the Summer of 2016. This in turn could further assist in improving the overall financial performance of the Company as additional income streams could be generated from tickets, broadcasting and advertising.

Finally to date of signing the accounts the Company whom is now the licensor for the CFA competitions has managed to pass successfully all UEFA Financial Fair Play criteria and has adhere to all relevant requirements thus having no impact on the operation of the Football Team.

22. General events

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

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

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

21. Operating Environment of the Company (continued)
privatizations.

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

22. General events (continued)

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

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

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

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

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

23. Related party transactions

The following transactions were carried out with related parties:

23.1 Receivables from related parties (Note 15)

Name	Nature of transactions	2015 €	2014 €
Anorthosis Famagusta Club	Finance	<u>2,030,959</u>	<u>2,160,385</u>
		<u>2,030,959</u>	<u>2,160,385</u>

The above balance remains due from the Club as the total management fee paid for the year was not adequate to cover the receivable balance. The agreement signed between the Company and the Club will reduce the balance in the following years.

The Company has paid during the year a significant amount for the Club's loan liabilities, old legal cases against football players and coaches and also overdue liabilities to tax authorities for the period 2007 - 2013.

23.2 Transactions with Related Parties (Note 19)

Name	Nature of transactions	2015 €	2014 €
Anorthosis Famagusta Club	Royalty Fee	<u>2,375,000</u>	<u>1,691,667</u>
		<u>2,375,000</u>	<u>1,691,667</u>

ANORTHOSIS FAMAGUSTA (FOOTBALL) PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

23. Related party transactions (continued)

23.3 Shareholders' current accounts - credit balances (Note 19)

	2015	2014
	€	€
Christos Poullaides	<u>410,000</u>	-
	<u>410,000</u>	-

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

24. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2015.

25. Commitments

The Company has signed a management agreement with Club on 16 May 2014. Based on the agreement the commitments for the following years are as follows:

01/06/2015 - 31/05/2016 €2.000.000
01/06/2016 - 31/05/2017 €1.000.000
01/06/2017 - 31/05/2018 €500.000
01/06/2018 - 31/05/2019 €500.000
01/06/2019 - 31/05/2020 €500.000
01/06/2020 - 31/05/2021 €500.000

The agreement set out below has not been fully recognised as payable/deferred expenditure as potentially this could change going forward based on the financial assistance required by the Club. With this in mind the relevant agreement is being processed on a yearly basis and the remaining balances are shown as commitment for the Company going forward.

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 3 and 4

