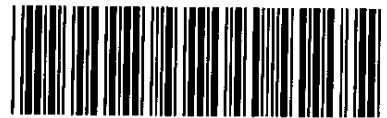


Company Registration No. 06451119 (England and Wales)

INTRALOT FINANCE UK LTD
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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COMPANIES HOUSE

INTRALOT FINANCE UK LTD

COMPANY INFORMATION

Directors Mr Vasileios Vasdaris
Mr Evangelos Raptis
Mr Chrysostomos Sfatos

Company number 06451119

Registered office 1st Floor Sheraton House
Lower Road
Chorleywood
Rickmansworth
Hertfordshire
United Kingdom
WD3 5LH

INTRALOT FINANCE UK LTD

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INTRALOT FINANCE UK LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report and financial statements for the year ended 31 December 2019.

Review of the business

During the year the Company cancelled the following loan facility agreements: a €40m revolving facility arranged by Piraeus Bank, Frankfurt Branch; a €40m revolving facility with Eurobank Private Bank Luxembourg SA and a €15m term facility arranged by Nomura Bank Plc. All other existing facilities, details of which are presented in note 10 to the accounts, were retained and no further agreements were entered into. The finance was raised for Group general corporate purposes including, but not limited to, the financing or refinancing of existing indebtedness, acquisitions, investments and capital expenditure.

At the year end the Company was owed €658.02m (2018: €672.37) by group and associated companies, all of which has been guaranteed by Intralot SA. Intralot SA has also agreed to provide sufficient support if necessary to enable the Company to continue as a going concern for a period of twelve months from the date of approval of the 2019 financial statements.

Profit increased in the year and the Company anticipates continuing to make profits in the foreseeable future; thus the year end position is considered satisfactory.

Risks and uncertainties

The key business risk is considered to be the fact that the Group as a whole is exposed to the deterioration of the worldwide economy, which could potentially have a negative impact on the overall performance of the Group as a whole. In particular, the Company is supported by its parent company, Intralot SA, which is incorporated in Greece and is listed on the Athens Stock Exchange. As described in Note 1.2 to the financial statements, the current political situation in Greece and the uncertainty of Greece's continued membership of the Euro does not represent a material uncertainty concerning Intralot SA's ability to guarantee the loans and to support the Company since over 90% of the Group revenue is generated outside Greece.

The directors plan to mitigate this risk by continued monitoring of the Group performance and both the Greek and global market conditions as they impact the Group.

Key performance indicators

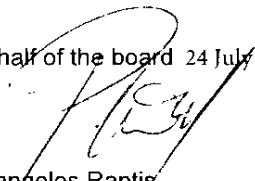
Funding available €724.34m (2018: €837.06)

Funding utilised €653.72m (2018: €653.72m)


Income as a percentage of funding utilised 7.45% (2018: 7.41%)

Costs as a percentage of funding utilised 7.03% (2018: 7.27%)

On behalf of the board 24 July 2020



Mr Evangelos Raptis
Director



Mr Vasileios Vasdaris
Director

INTRALOT FINANCE UK LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activities of the Company continued to be that of raising finance and providing loans to Companies in the Intralot Group to enable the Group to develop its overall business activities.

Future developments

It is anticipated that further loans will be made during the next year and that the Company will remain profitable in the foreseeable future.

Results and dividends

The results for the year are set out on page 3.

The directors do not recommend the payment of any dividends (2018: €Nil).

Directors

The directors' interests in the shares of the company were as stated below:

Mr Vasileios Vasdaris

Mr Antonios Kerastaris

(Resigned 1 March 2019)

Mr Evangelos Raptis

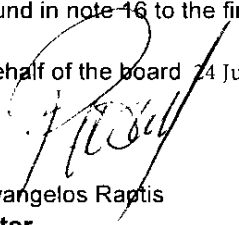
Mr Chrysostomos Sfatos

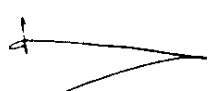
(Appointed 1 March 2019)

Financial instruments

The risk management objectives and policies of the Company in relation to the use of financial instruments can be found in note 16 to the financial statements.

On behalf of the board 24 July 2020


Mr Evangelos Raptis
Director


Mr Vasileios Vasdaris
Director

INTRALOT FINANCE UK LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 €	31 December 2018 €
Finance revenue	4	48,713,808	48,408,544
Finance costs	5	(44,903,530)	(45,631,268)
Administrative expenses		(1,043,517)	(1,926,511)
Operating profit	2	2,766,761	850,765
Taxation	6	(515,984)	(427,982)
Profit for the year	13	2,250,777	422,783
Other comprehensive income			
Change in the fair value of available-for-sale financial assets	13	66,220	(93,203)
Total other comprehensive income		66,220	(93,203)
Total comprehensive income	13	2,316,997	329,580

All results are from continuing operations.

INTRALOT FINANCE UK LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the parent			
	Share capital	Revaluation reserve	Retained earnings	Total equity
	€	€	€	€
Balance at 1 January 2018	54,649	(877,702)	(4,531,339)	(5,354,392)
Other comprehensive income	-	(93,203)	-	(93,203)
Profit for the for the year	-	-	422,783	422,783
Total income and (expense) for the period	-	(93,203)	422,783	329,580
Balance at 31 December 2018	54,649	(970,905)	(4,108,556)	(5,024,812)
Other comprehensive income	-	66,220	-	66,220
Profit for the year	-	-	2,250,777	2,250,777
Total income and (expense) for the period	-	66,220	2,250,777	2,316,997
Balance at 31 December 2019	54,649	(904,685)	(1,857,779)	(2,707,815)

INTRALOT FINANCE UK LTD

BALANCE SHEET

AS AT 31 DECEMBER 2019


	Notes	2019 €	€	2018 €	€
ASSETS					
Non-current assets					
Financial assets	7	642,352,300		666,394,352	
Deferred tax asset	11	16,551		532,535	
		<u>642,368,851</u>		<u>666,926,887</u>	
Current assets					
Trade and other receivables	8	7,793,203		8,094,695	
Financial assets	7	15,846,729		8,213,565	
Cash and cash equivalents		4,645,263		631,163	
		<u>28,285,195</u>		<u>16,939,423</u>	
LIABILITIES					
Current liabilities					
Trade and other payables	9	5,968,668		6,403,831	
Borrowings	10	13,671,064		28,765,162	
		<u>(19,639,732)</u>		<u>(35,168,993)</u>	
Net current assets/(liabilities)			8,645,463		(18,229,570)
Non-current liabilities					
Borrowings	10	(653,722,129)		(653,722,129)	
Total net liabilities			<u>(2,707,815)</u>		<u>(5,024,812)</u>
Equity attributable to equity holders of the parent					
Share capital	12	54,649		54,649	
Revaluation reserve	13	(904,685)		(970,905)	
Retained earnings	13	(1,857,779)		(4,108,556)	
Total equity			<u>(2,707,815)</u>		<u>(5,024,812)</u>

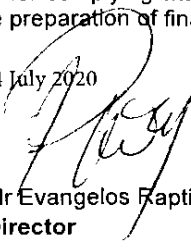
For the financial year ended 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved by the Board and authorised for issue on 24 July 2020


Mr Vasileios Vasdaris
Director


Mr Evangelos Raptis
Director

Company Registration No. 06451119

INTRALOT FINANCE UK LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 €	2018 €
Cash flows from operating activities		
Operating profit	2,766,761	850,765
Adjustments for:		
Amortisation	796,045	467,980
Increase in accrued loan and bond interest receivable	(24,983,270)	(20,103,746)
(Decrease)/Increase in accrued loan interest payable	1,535,724	9,506,436
Decrease in trade and other receivables	888,823	4,051,068
(Decrease) in trade and other payables	(115,163)	(5,990,496)
Net cash used from operating activities	(19,111,080)	(11,217,993)
Cash flows from investing activities		
Provision of loan finance	(24,643,575)	(97,376,582)
Loan repayments received	63,088,755	60,575,751
Net cash generated/(used) from investing activities	38,445,180	(36,800,831)
Cash flows from financing activities		
Proceeds from borrowings	-	15,000,000
Repayment of borrowings	(15,000,000)	(6,714,994)
Transaction costs	(320,000)	(1,692,127)
Net cash (outflow)/inflow from financing activities	(15,320,000)	6,592,879
Net Increase in cash and cash equivalents	4,014,100	(41,425,945)
Cash and cash equivalents at the beginning of the financial period	631,163	42,057,108
Cash and cash equivalents at the end of financial period	4,645,263	631,163

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Summary of significant accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The principal accounting policies are set out below. Intralot Finance UK Ltd is a Limited Company incorporated in England and Wales.

1.2 Going concern

The main purpose of the Company is to provide finance to other Companies in the Intralot Group and it is supported in this function by its parent, Intralot SA, a company incorporated in Greece and listed on the Athens Stock Exchange.

At the year end the Company was owed €658.02m by group and associated companies, all of which has been guaranteed by Intralot SA. Intralot SA has also agreed to provide sufficient support if necessary to enable the Company to continue as a going concern for a period of twelve months from the date of approval of the 2019 financial statements.

The current political situation in Greece and the uncertainty of Greece's continued membership of the Euro does not represent a material uncertainty concerning Intralot SA's ability to guarantee the loans and to support the Company since over 90% of the Group revenue is generated outside Greece.

For these reasons the directors continue to adopt the going concern basis in preparing its financial statements.

1.3 Application of new and revised International Financial Reporting Standards

In the current year the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2019, all of which were endorsed by the European Union

Interpretations early adopted by the Company

There were no standards or interpretations early adopted by the Company in 2019.

Other standards and interpretations that became applicable for 2019 with no material effect on the financial statements

Amendments to IFRS 9 Prepayment Features with Negative Compensation (effective 1 January 2019).
Annual Improvements to IFRSs 2015-2017 Cycle (effective 1 January 2019).

New and revised IFRSs in issue but not yet effective

The following accounting standards, amendments and interpretations have been issued, but are not yet effective. There is no material potential impact on the Company's financial statements.

Definition of Material - Amendments to IAS1 and IAS 8 (effective 1 January 2020).

Definition of business - Amendments to IFRS 3 (effective 1 January 2020)

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Summary of significant accounting policies

(Continued)

1.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Finance revenue

Finance revenue is recognised as interest accrues based on a time-proportion basis using the effective interest method. The effective interest method is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

1.5 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

1.6 Foreign currencies

The Company financial statements are presented in euros, which is the Company's functional and presentational currency.

Transactions in foreign currencies are recorded at the functional currency rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the statement of comprehensive income. The exchange rate at the period end was £1 : €1.175 (2018: €1.118).

1.7 Current and deferred income tax

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

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

1.8 Financial assets

Loans and receivables comprise loans and related transaction costs to mostly Group Companies and are recognised under the contracts entered into from the drawdown date of the loan. They are initially measured at fair value, being the amount for which the financial asset could be exchanged between knowledgeable, willing parties. After initial recognition financial assets comprising loans and receivables are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including transaction costs) through the expected life of the financial asset, or, where appropriate, a shorter period.

Held-to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Summary of significant accounting policies

(Continued)

1.9 Financial liabilities

Financial liabilities comprise loans and related transaction costs from financial organisations and from Group Companies and are recognised under the contracts entered into from the drawdown date of the loan. They are classified as 'borrowings' and are initially measured at fair value, being the amount for which the financial liability could be settled between knowledgeable, willing parties. After initial recognition financial liabilities comprising borrowings are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest payable over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs) through the expected life of the financial liability, or, where appropriate, a shorter period.

1.10 Derecognition of financial liabilities

Financial assets and financial liabilities are derecognised when the obligation specified is discharged, cancelled or expires. This will occur on maturity or earlier repayment.

1.11 Derivative financial instruments

Derivative financial instruments are initially recorded at cost and are remeasured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that are designated and effective as cash flow hedges are all recognised directly in equity when the hedge is 100% effective. On an annual basis the Company documents whether any hedging instrument held is highly effective in offsetting changes in cash flows of the hedged items. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within 'Finance costs'. Amounts deferred in equity are recognised in the statement of comprehensive income in the same period in which the hedged firm commitments or forecasted transaction effects net profit or loss. No hedging instruments were held during the year.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of comprehensive income as they arise.

2	Operating profit/(loss)	2019	2018
		€	€
	Operating profit is stated after charging/(crediting):		
	Loss on foreign exchange transactions	3,175	3,112
	Amortisation of loan participation fee	796,045	467,980
	Commitment fees	(25,500)	1,051,500

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019	2018
	Number	Number
Directors	1	1

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

3 Employees (Continued)

Employment costs

	2019 €	2018 €
Wages and salaries	95,762	98,019
Social security costs	14,495	11,887
	<u>110,257</u>	<u>109,906</u>

4 Finance revenue

	2019 €	2018 €
Interest receivable from Group Companies	48,713,806	48,387,347
Bank interest receivable	2	21,197
	<u>48,713,808</u>	<u>48,408,544</u>

Interest receivable from loans to Group and other Companies within the Eurozone is calculated at rates between 6.93% and 9.15%. Interest receivable from loans to Group Companies outside the Eurozone is calculated at rates between 8.19% and 9.15%.

Bank interest receivable is based on variable rates achievable as the Company places excess funds on deposit.

5 Finance costs

	2019 €	2018 €
Interest on loans from Group Companies	44,783,599	45,279,497
Interest on bank loans	119,931	351,771
	<u>44,903,530</u>	<u>45,631,268</u>

Interest on amounts payable to Group Companies is charged at rates between 6.13% and 7.69% per annum.

Interest payable on bank loans is charged at a rate of 2.75% above EURIBOR.

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6	Corporation tax	2019 €	2018 €
	Domestic current year tax		
	U.K. corporation tax	-	-
	Current tax charge	-	-
	Deferred tax		
	Decrease/(Increase) in deferred tax on losses	515,984	427,982
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	2,766,761	850,765
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of in the UK of 19.00% (2018: 19.00%)	525,685	161,645
	Effects of:		
	Tax effect of expenses that are not deductible in determining taxable profit	-	1,705
	Tax losses utilised	(525,685)	(345,429)
	Group relief	-	182,079
		(525,685)	(161,645)
	Current tax charge	-	-

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Financial assets

	2019 €	2018 €
Trade and other receivables		
Deferred expenses on long term loan facilities	7,881,614	10,005,989
Available-for-sale investments carried at fair value		
Investment in Listed shares	92,297	26,077
Loans carried at amortised cost		
Loans to Group Companies	650,225,118	664,575,851
Non-Current	642,352,300	666,394,352
Current	15,846,729	8,213,565
	<u>658,199,029</u>	<u>674,607,917</u>

Trade and other receivables consists of the unamortised element of expenses incurred in relation to a €482.27m bond acquired from fellow subsidiary, Intralot Capital Luxembourg SA. The expenses are to be amortised over the term of the facility.

Available-for sale assets carried at fair value relate to the holding of shares in Attica Bank SA. The cost of shares held was €996,982 and the loss on revaluation is shown in the revaluation reserve.

Loans to Group and associated Companies carried at amortised cost comprises loans made to the Company's parent company, Intralot SA, and 12 (2018: 14) fellow subsidiaries:

Intralot SA, a zero coupon bond loan of €188,497,712 (2018: €161,631,758) repayable by 15 September 2024 with an effective interest rate of 6.93%; a zero coupon bond loan of €9m (2018: €9m) repayable by 15 September 2024 with an effective interest rate of 6.37%; and a zero coupon bond loan of €22m (2017: €22m) repayable by 14 December 2024 with an effective interest rate of 6.37%.

Intralot Holdings International Ltd, an original loan amount of €167,428,317 (2018: €159,450,928) repayable by 15 April 2021 with interest charged at 8.09% and an original loan amount of €5,198,686 (2018: €nil) repayable by 15 September 2024 with interest charged at 7.89%. Intralot International Ltd, an original loan amount of €35,307,477 (2018: €33,400,137) repayable by 15 September 2024 with interest charged at 9.15%. Intralot Operations Ltd, an original loan amount of €56,283,070 (2018: €58,105,170) repayable by 15 September 2024 with interest charged at 9.15%. Intralot Global Holdings BV, an original loan amount of €65,505,136 (2018: €55,179,280) repayable by 15 September 2024 with interest charged at 7.89%, and an original loan amount of €19,303,701 (2018: €29,675,741) repayable by 15 September 2024 with interest charged at 7.89%. Intralot Lotteries Ltd, fully repaid during the year (2018: €26,776,196). Intralot Business Development Ltd, an original loan amount of €11,769,563 (2018: €11,023,201) repayable by 15 September 2024 with interest charged at 9.15%. Intralot Inc, an original loan amount of €14,200,367 (2018: €13,043,967) repayable by 15 September 2024 with interest charged at 9.15%. Ilot Investments UK Ltd, an original loan amount of €417,716 (2018: €388,942) repayable by 15 September 2024 with interest charged at 7.89%. White Eagle Investments Ltd, fully repaid during the year (2018: €784,828). Intralot Betting Operations Russia Ltd, fully repaid during the year (2018: €4,451,040). Intralot Global Operations BV, an original loan amount of €33,691,930 (2018: €14,747,384) repayable by 15 September 2024 with interest charged at 9.15%. Intralot Chile Spa , an original loan amount of €1,200,000 (2018: €nil) repayable by 15 September 2024 with interest charged at 9.15%.

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8	Trade and other receivables	2019 €	2018 €
	Amounts owed by parent and fellow subsidiary undertakings	7,792,473	7,792,473
	Other receivables	730	730
	Deferred expenses on loan facilities	-	301,492
		<u>7,793,203</u>	<u>8,094,695</u>

The carrying amount of available-for-sale assets, held-to-maturity assets and loans and receivables of €665,992,232 (2018: €682,702,612) is considered a reasonable approximation of fair value.

9	Trade and other payables	2019 €	2018 €
	Amounts owed to fellow group undertaking	5,926,544	5,926,544
	Tax and social security costs	3,638	3,511
	Other payables	576	4,014
	Accruals	37,910	469,762
		<u>5,968,668</u>	<u>6,403,831</u>

10	Interest-bearing borrowings	2019 € Current	2019 € Non-current	2018 € Current	2018 € Non-current
	Unsecured - at amortised cost				
	Amounts owed to group undertakings	<u>13,671,064</u>	<u>653,722,129</u>	<u>13,663,516</u>	<u>653,722,129</u>
	Secured - at amortised cost				
	Bank loans	<u>-</u>	<u>-</u>	<u>15,101,646</u>	<u>-</u>

Amounts owed to group undertakings represents facility agreements with 1 (2018: 1) fellow subsidiary, Intralot Capital Luxembourg SA: A €242,061,160 facility over a term of 5 years at an interest rate of 7.69% with interest payable every 6 months and capital repayable by 15 September 2021, of which the Company has utilised an original drawdown of €171,447,698 (2018: €171,447,698); and a €482,274,431 facility at an interest rate of 6.13% with interest payable every 6 months and capital repayable by 15 September 2024, of which the Company has utilised an original drawdown of €482,274,431 (2018: €482,274,431).

The carrying amount of financial liabilities at amortised cost of €673,361,861 (2018: €688,891,122) is considered a reasonable approximation of fair value.

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11 Deferred taxation

The deferred tax asset is made up as follows:

	Tax losses €
Balance at 1 January 2019	(532,535)
Charged/(credited) to Income statement	515,984
Balance at 31 December 2019	<u>(16,551)</u>

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

12 Share capital	2019 €	2018 €
Authorised		
50,000 Ordinary shares of £1 each	54,649	54,649
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>54,649</u>	<u>54,649</u>

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13 Statement of movement on reserves

	Other reserves (see below) €	Retained earnings €
Balance at 1 January 2018	(877,702)	(4,531,339)
Profit for the year	-	422,783
Movement during the year	(93,203)	-
Balance at 31 December 2018	(970,905)	(4,108,556)
Balance at 1 January 2019	(970,905)	(4,108,556)
Profit for the year	-	2,250,777
Movement during the year	66,220	-
Balance at 31 December 2019	(904,685)	(1,857,779)
Revaluation reserves		
Balance at 1 January 2018	(877,702)	
Revaluation reserve movement	(93,203)	
Balance at 1 January 2018	(970,905)	
Balance at 1 January 2019	(970,905)	
Revaluation reserve movement	66,220	
Balance at 31 December 2019	(904,685)	

14 Control

The immediate parent company is Intralot Global Holdings B.V., a company incorporated in the Netherlands. The ultimate parent company is Intralot SA, a Company incorporated in Greece. Intralot SA prepare consolidated accounts for the Group. These consolidated accounts are available at the Ministry of Commerce in Greece.

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Related party transactions

During the period transactions took place between the Company, the parent undertaking and fellow subsidiaries.

Aggregated transactions with related parties were loan interest and other finance charges receivable of €48,713,806 (2018: €48,387,347) and loan interest and other finance charges payable of €44,783,599 (2018: €45,279,497). The amount due from the ultimate parent Company at the balance sheet date was €224,072,426 (2018: €235,116,799) being bond loans of €218,460,062 (2018: €192,631,758), and €5,613,364 (2018: €42,485,041) accrued interest and other finance charges receivable.

Loan and other balances totalling €673,319,737 (2018: €673,312,189) were due to fellow subsidiaries at the balance sheet date.

Additional loans of €24,643,575 (2018: €97,376,583) were provided to fellow subsidiaries, €63,088,755 (2018: €60,575,571) was repaid; €7,436,434 (2018: €6,437,398) of unpaid interest was added to the loan principals; and €14,690,510 (2018: €31,296,594) was transferred between Group companies. The amount due from fellow subsidiaries at the balance sheet date was €433,945,163 (2018: €437,251,526) including €29,251,563 (2018: €16,006,039) of accrued interest and other finance charges receivable. These loans are repayable on demand, however, the Company has no intention to call in the loans until their maturity date. Loans that mature within more than one year have therefore been disclosed as non-current assets. All loans receivable from other Group Companies are guaranteed by the parent company, Intralot SA.

16 Risk management

The Company is aware of the need to manage carefully its exposure to foreign currency risk, interest rate risk, credit risk and liquidity risk. It adopts conservative policies to minimise and monitor these risks. The key risk of non-repayment from fellow subsidiaries is managed by continued monitoring of the Group performance and market conditions as they impact the Group. The following are the Company's consideration of its significant risks.

Credit Risk

The Company does not have significant credit risk concentration because it mostly only lends to other Group companies and all loans are guaranteed by its parent, Intralot SA. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet. In order to minimize the potential credit risk exposure arising from cash and cash equivalents, the Company sets limits regarding the amount of credit exposure to any financial institution and deals with well established financial institutions of high credit standing. There are no financial assets that are past due or impaired.

Interest Rate Risk

The Company's interest rate risk arises from borrowings and loans to other Group companies. Loans to other Group companies include a condition to retrospectively amend rates if the cost of borrowing changes. For this reason, if interest rates had been 50 basis points higher/lower and all other variables were held constant profit/(loss) for the year would not have been significantly different.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of net debt (borrowings as detailed in note 9 offset by cash and bank balances) and equity (comprising issued capital, reserves and retained earnings as detailed in notes 11 and 12). Capital management requirements are imposed by its parent, Intralot SA.

INTRALOT FINANCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Analysis of changes in net debt

	1 January 2019	Cash flows	Transaction costs	Other non cash movements	31 December 2019
	€	€	€	€	€
Cash at bank and in hand	631,163	4,014,100	-	-	4,645,263
Borrowings excluding overdrafts	(682,487,291)	15,320,000	(320,000)	94,098	(667,393,193)
	<u>(681,856,128)</u>	<u>19,334,100</u>	<u>(320,000)</u>	<u>94,098</u>	<u>(662,747,930)</u>

	1 January 2018	Cash flows	Transaction costs	Other non cash movements	31 December 2018
	€	€	€	€	€
Cash at bank and in hand	42,057,108	(41,425,945)	-	-	631,163
Borrowings excluding overdrafts	(699,389,248)	(6,592,879)	(1,692,127)	25,186,963	(682,487,291)
	<u>(657,332,140)</u>	<u>(48,018,824)</u>	<u>(1,692,127)</u>	<u>25,186,963</u>	<u>(681,856,128)</u>