



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

FINANCIAL STATEMENTS

For the year ended 31 December 2017



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FINANCIAL STATEMENTS

For the year ended 31 December 2017

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**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

	2017 €'000	2016 €'000
<b>Operating Revenue</b>	<b>351.305</b>	<b>362.257</b>
Operating expenses	<u>(276.707)</u>	<u>(277.551)</u>
<b>Gross profit</b>	<b>74.598</b>	<b>84.706</b>
Other operating expenses	(2.731)	(4.927)
Other income	<u>1.806</u>	<u>2.605</u>
<b>Profit from operating activities</b>	<b><u>73.673</u></b>	<b><u>82.384</u></b>
Penalties	<u>(25)</u>	<u>1.063</u>
Finance income	8.235	10.579
Finance expenses	<u>(6.989)</u>	<u>(7.090)</u>
<b>Net finance income</b>	<b><u>1.246</u></b>	<b><u>3.489</u></b>
Net loss from investing activities	<u>(24.150)</u>	<u>(44.227)</u>
<b>Profit before tax</b>	<b>50.744</b>	<b>42.709</b>
Tax	<u>(7.107)</u>	<u>(12.320)</u>
<b>Profit for the year</b>	<b><u>43.637</u></b>	<b><u>30.389</u></b>

**CYPRUS TELECOMMUNICATIONS AUTHORITY****STATEMENT OF OTHER COMPREHENSIVE INCOME**For the year ended 31 December 2017

	2017 €'000	2016 €'000
<b>Profit for the year</b>	<u>43.637</u>	<u>30.389</u>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss in future periods:</b>		
Remeasurement of Pension Fund obligations	<u>(11.681)</u>	<u>(134.149)</u>
	<u>(11.681)</u>	<u>(134.149)</u>
<b>Items that will or may be classified to profit or loss in future periods:</b>		
Available-for-sale financial assets - Fair value losses	<u>(27)</u>	<u>(646)</u>
	<u>(27)</u>	<u>(646)</u>
Other comprehensive (expenses)	<u>(11.708)</u>	<u>(134.795)</u>
<b>Total comprehensive income/(expenses)</b>	<u><u>31.929</u></u>	<u><u>(104.406)</u></u>

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	2017 €' 000	2016 €' 000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	339.664	351.841
Intangible assets and goodwill	32.200	28.576
Investments in subsidiaries	40.270	49.734
Investments in associated undertakings	-	2.236
Available-for-sale financial assets	4.388	4.876
Held-to-maturity investments	16.654	13.935
Trade and other receivables	44.934	46.720
Loans receivable	11	121
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>478.121</b>	<b>498.039</b>
<b>Current assets</b>		
Inventories	8.435	9.287
Trade and other receivables	125.299	118.795
Loans receivable	117	186
Cash at bank and in hand	320.673	301.123
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<b>Total current assets</b>	<b>454.524</b>	<b>429.391</b>
Assets classified as held for sale	4.153	-
	<hr/>	<hr/>
<b>Total assets</b>	<b>936.798</b>	<b>927.430</b>

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2017

	2017 €' 000	2016 €' 000
<b>Equity</b>		
Fair value reserve - available-for-sale financial assets	1.314	1.341
Actuarial losses reserve	(396.313)	(384.632)
Retained earnings	<u>940.045</u>	<u>925.840</u>
<b>Total equity</b>	<b><u>545.046</u></b>	<b><u>542.549</u></b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Pension Scheme net liability	289.870	292.993
Deferred tax liabilities	22.107	21.778
Deferred income	<u>5.619</u>	<u>6.393</u>
<b>Total non-current liabilities</b>	<b><u>317.596</u></b>	<b><u>321.164</u></b>
<b>Current liabilities</b>		
Trade and other payables	66.369	57.597
Deferred income	6.432	5.544
Tax liability	<u>1.355</u>	<u>576</u>
<b>Total current liabilities</b>	<b><u>74.156</u></b>	<b><u>63.717</u></b>
<b>Total liabilities</b>	<b><u>391.752</u></b>	<b><u>384.881</u></b>
<b>Total equity and liabilities</b>	<b><u>936.798</u></b>	<b><u>927.430</u></b>

The financial statements were approved by the Board of Directors on 15 January 2019.

.....  
Rena Rouvitha Panou  
Chairman

.....  
Michalis Moushiouttas  
Vice Chairman

.....  
Andreas Neocleous  
Chief Executive Officer

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Other reserves €'000	Retained earnings €'000	Total €'000
Restated balance at 1 January 2016	<u>(248.496)</u>	<u>934.573</u>	<u>686.077</u>
<b>Comprehensive income</b>			
Profit for the year	-	30.389	30.389
Other comprehensive (expense) for the year	<u>(134.795)</u>	<u>-</u>	<u>(134.795)</u>
<b>Total comprehensive income for the year</b>	<b><u>(134.795)</u></b>	<b><u>30.389</u></b>	<b><u>(104.406)</u></b>
<b>Contributions by and distributions to owners</b>			
Dividend paid to the Republic of Cyprus	<u>-</u>	<u>(39.122)</u>	<u>(39.122)</u>
<b>Total contributions distributions to owners of Cyta</b>	<b><u>-</u></b>	<b><u>(39.122)</u></b>	<b><u>(39.122)</u></b>
<b>Balance at 31 December 2016</b>	<b><u>(383.291)</u></b>	<b><u>925.840</u></b>	<b><u>542.549</u></b>
<b>Comprehensive income</b>			
Profit for the year	-	43.637	43.637
Other comprehensive (expense) for the year	<u>(11.708)</u>	<u>-</u>	<u>(11.708)</u>
<b>Total comprehensive income for the year</b>	<b><u>(11.708)</u></b>	<b><u>43.637</u></b>	<b><u>31.929</u></b>
<b>Contributions by and distributions to owners</b>			
Dividend paid to the Republic of Cyprus	<u>-</u>	<u>(26.380)</u>	<u>(26.380)</u>
Defence contribution on deemed dividend	<u>-</u>	<u>(3.052)</u>	<u>(3.052)</u>
<b>Total contributions distributions to owners of Cyta</b>	<b><u>-</u></b>	<b><u>(29.432)</u></b>	<b><u>(29.432)</u></b>
<b>Balance at 31 December 2017</b>	<b><u>(394.999)</u></b>	<b><u>940.045</u></b>	<b><u>545.046</u></b>

Organizations which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the owners at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus (domiciled) tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the organization on behalf of the owners.

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017 € '000	2016 € '000
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>43.637</b>	<b>30.389</b>
Adjustments for:		
Depreciation of property, plant and equipment	33.498	33.241
Amortisation of mobile telephony licence	1.526	1.089
Amortisation of software	8.751	8.352
Amortisation of shop goodwill	18	18
Unrealised exchange loss	1.230	939
Provision for doubtful debts	1.075	1.545
Provision and Write-off of obsolete stocks	832	530
Profit/loss from the sale of property, plant and equipment	(100)	600
Profit from the sale of available-for-sale financial assets	(65)	-
Effective interest rate on held to maturity investments	7	(16)
Impairment charge - available-for-sale financial assets	459	529
Impairment charge - investments in subsidiaries	9.464	40.454
Impairment charge - investments in associates	14.227	3.244
Income from investments	(103)	(58)
Interest income	(7.125)	(7.003)
Interest expense	102	170
Total Pension Scheme expense	12.853	9.523
Employer's contributions to Pension Scheme	(27.657)	(24.822)
Income tax expense	7.107	12.320
	<hr/>	<hr/>
<b>Net cash from operating activities before working capital changes</b>	<b>99.736</b>	<b>111.044</b>
(Increase)/decrease in inventories	(257)	354
Increase in trade and other receivables	(6.085)	(9.947)
Increase/(decrease) in trade and other payables	6.047	(1.757)
Increase/(decrease) in deferred income	114	(2.890)
	<hr/>	<hr/>
<b>Cash generated from operating activities</b>	<b>99.555</b>	<b>96.804</b>
Tax paid	(5.999)	(7.624)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>93.556</b>	<b>89.180</b>



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2017

	2017 € '000	2016 € '000
<b>Cash flows from investing activities</b>		
Payment for acquisition of intangible assets	(13.734)	(6.689)
Payment for acquisition of property, plant and equipment	(21.715)	(37.743)
Payment for purchase of investments in associated undertakings	(15.600)	(4.000)
Cost to sell for investment held for sale	(544)	-
Payment for acquisition of investments held-to-maturity	(2.718)	-
Loans repayments received	179	274
Payment for purchase of Treasury Bill	-	41.380
Proceeds from disposal of property, plant and equipment	585	3.809
Proceeds from sale of available-for-sale financial assets	67	-
Proceeds from expiry of investments held-to-maturity	-	13.992
Interest received	5.895	5.827
Income from investments	103	58
Bank deposits with original maturity over 3 months	<u>(23.562)</u>	<u>(34.073)</u>
<b>Net cash used in investing activities</b>	<b><u>(71.044)</u></b>	<b><u>(17.165)</u></b>
<b>Cash flows from financing activities</b>		
Interest paid	(102)	(170)
Final dividend declared to the Republic of Cyprus	<u>(26.380)</u>	<u>(32.230)</u>
<b>Net cash used in financing activities</b>	<b><u>(26.482)</u></b>	<b><u>(32.400)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b><u>(3.970)</u></b>	<b><u>39.615</u></b>
Cash and cash equivalents at beginning of the year	131.753	91.757
Effect of exchange rate fluctuations on cash held	<u>(42)</u>	<u>381</u>
<b>Cash and cash equivalents at end of the year</b>	<b><u>127.741</u></b>	<b><u>131.753</u></b>
Cash and cash equivalents are defined by:		
Cash at bank and in hand	320.673	301.123
Bank deposits with original maturity over 3 months	<u>(192.932)</u>	<u>(169.370)</u>
	<u>127.741</u>	<u>131.753</u>
	<u>127.741</u>	<u>131.753</u>