



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

FINANCIAL STATEMENTS

For the year ended 31 December 2018



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

FINANCIAL STATEMENTS

For the year ended 31 December 2018

CONTENTS

	<u>Page</u>
Statement of profit or loss	2
Statement of other comprehensive income	3
Statement of financial position	4 - 5
Statement of changes in equity	6
Statement of cash flows	7 - 8

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

	2018 €'000	2017 €'000
<b>Operating Revenue</b>	<b>343.559</b>	<b>351.305</b>
Operating expenses	<u>(279.851)</u>	<u>(276.707)</u>
<b>Gross profit</b>	<b>63.708</b>	<b>74.598</b>
Other operating expenses	(830)	(2.731)
Other income	<u>5.465</u>	<u>1.806</u>
<b>Profit from operating activities</b>	<b><u>68.343</u></b>	<b><u>73.673</u></b>
Penalties	<u>(1.172)</u>	<u>(25)</u>
Finance income	8.121	8.235
Finance expenses	<u>(6.777)</u>	<u>(6.989)</u>
<b>Net finance income</b>	<b><u>1.344</u></b>	<b><u>1.246</u></b>
Net loss from investing activities and other financial assets	<u>(809)</u>	<u>(24.150)</u>
<b>Profit before tax</b>	<b>67.706</b>	<b>50.744</b>
Tax	<u>(7.070)</u>	<u>(7.107)</u>
<b>Profit for the year</b>	<b><u>60.636</u></b>	<b><u>43.637</u></b>

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	2018 €'000	2017 €'000
<b>Profit for the year</b>	<u>60.636</u>	<u>43.637</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>43.335</u>	<u>(11.681)</u>
	<u>43.335</u>	<u>(11.681)</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	-	(27)
Financial assets at fair value through other comprehensive income – Net fair value losses	<u>(159)</u>	<u>-</u>
	<u>(159)</u>	<u>(27)</u>
Other comprehensive income/(expenses)	<u>43.176</u>	<u>(11.708)</u>
<b>Total comprehensive income</b>	<u><u>103.812</u></u>	<u><u>31.929</u></u>

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	2018 €' 000	2017 €' 000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	344.426	339.664
Intangible assets and goodwill	28.990	32.200
Investments in subsidiaries	40.270	40.270
Available-for-sale financial assets	-	4.388
Financial assets at fair value through other comprehensive income	1.306	-
Financial assets at fair value through profit or loss	2.102	-
Held-to-maturity investments	-	16.654
Financial assets at amortised cost	61.845	-
Contract assets	96	-
Trade and other receivables	59.275	44.934
Loans receivable	-	11
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>538.310</b>	<b>478.121</b>
<b>Current assets</b>		
Inventories	15.203	8.435
Contract assets	795	-
Trade and other receivables	81.912	125.299
Loans receivable	11	117
Cash at bank and in hand	338.126	320.673
	<hr/>	<hr/>
<b>Total current assets</b>	<b>436.047</b>	<b>454.524</b>
Assets classified as held for sale	-	4.153
<b>Total assets</b>	<b>974.357</b>	<b>936.798</b>

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2018

	2018 €' 000	2017 €' 000
<b>Equity</b>		
Fair value reserve – Financial assets at fair value through other comprehensive income	1.155	1.314
Actuarial losses reserve	(352.978)	(396.313)
Retained earnings	994.390	940.045
<b>Total equity</b>	<b>642.567</b>	<b>545.046</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Pension Scheme net liability	233.172	289.870
Contract liabilities	3	
Deferred tax liabilities	22.533	22.107
Deferred income	5.886	5.619
<b>Total non-current liabilities</b>	<b>261.594</b>	<b>317.596</b>
<b>Current liabilities</b>		
Contract liabilities	175	
Trade and other payables	63.136	66.369
Deferred income	6.014	6.432
Tax liability	871	1.355
<b>Total current liabilities</b>	<b>70.196</b>	<b>74.156</b>
<b>Total liabilities</b>	<b>331.790</b>	<b>391.752</b>
<b>Total equity and liabilities</b>	<b>974.357</b>	<b>936.798</b>

The financial statements were approved by the Board of Directors on 19 November 2019.

.....  
Rena Rouvitha Panou  
Chairman

.....  
Costas Koumis  
Vice Chairman

.....  
Andreas Neocleous  
Chief Executive Officer

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Other reserves €' 000	Retained earnings €' 000	Total €' 000
<b>Balance at 1 January 2017</b>	<u>(383.291)</u>	<u>925.840</u>	<u>542.549</u>
<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>(11.708)</b>	<b>43.637</b>	<b>31.929</b>
<b>Contributions by and distributions to owners</b>			
Dividend paid to the Republic of Cyprus	-	(26.380)	(26.380)
Defence contribution on deemed dividend	<u>-</u>	<u>(3.052)</u>	<u>(3.052)</u>
<b>Total contributions distributions to owners of Cyta</b>	<u>-</u>	<b>(29.432)</b>	<b>(29.432)</b>
<b>Balance at 31 December 2017</b>	<b>(394.999)</b>	<b>940.045</b>	<b>545.046</b>
<b>Balance at 1 January 2018</b>	<b>(394.999)</b>	<b>940.045</b>	<b>545.046</b>
IFRS 9 adoption impact	-	(5.891)	(5.891)
IFRS 15 adoption impact	<u>-</u>	<u>2.453</u>	<u>2.453</u>
<b>Adjusted balance at 1 January 2018</b>	<b>(394.999)</b>	<b>936.607</b>	<b>541.608</b>
<b>Comprehensive income</b>			
Profit for the year	-	60.636	60.636
Other comprehensive income for the year	<u>43.176</u>	<u>-</u>	<u>43.176</u>
<b>Total comprehensive income for the year</b>	<b>43.176</b>	<b>60.636</b>	<b>103.812</b>
<b>Contributions by and distributions to owners</b>			
Defence contribution on deemed dividend	<u>-</u>	<u>(2.853)</u>	<u>(2.853)</u>
<b>Balance at 31 December 2018</b>	<b>(351.823)</b>	<b>994.390</b>	<b>642.567</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 2018

	2018 € '000	2017 € '000
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>60.636</b>	<b>43.637</b>
Adjustments for:		
Depreciation of property, plant and equipment	32.509	33.498
Amortisation of mobile telephony licence	1.671	1.526
Amortisation of software	7.171	8.751
Amortisation of shop goodwill	19	18
Unrealised exchange loss	(122)	1.230
Provision for doubtful debts	595	1.075
Provision and Write-off of obsolete stocks	(262)	832
Profit/loss from the sale of property, plant and equipment	(3.796)	(100)
Profit from the sale of available-for-sale financial assets	-	(65)
Loss from the sale of investments in associated undertakings	150	-
Profit from financial assets	(911)	-
Impairment of financial assets at fair value through profit or loss	821	459
Impairment charge - investments in subsidiaries	-	9.464
Impairment charge - investments in associates	-	14.227
Impairment of financial assets at amortised cost	749	7
Income from investments	(67)	(103)
Interest income	(6.544)	(7.125)
Interest expense	314	102
Total Pension Scheme expense	12.696	12.853
Employer's contributions to Pension Scheme	(26.059)	(27.657)
Income tax expense	<u>7.070</u>	<u>7.107</u>
<b>Net cash from operating activities before working capital changes</b>	<b>86.640</b>	<b>99.736</b>
(Increase) in inventories	(6.127)	(257)
Decrease/(increase) in trade and other receivables	28.551	(6.085)
(Increase) in financial assets at amortised cost	(4)	-
(Decrease)/increase in trade and other payables	(7.286)	6.047
(Decrease)/increase in deferred income	<u>(151)</u>	<u>114</u>
<b>Cash generated from operating activities</b>	<b>101.623</b>	<b>99.555</b>
Tax paid	<u>(7.128)</u>	<u>(5.999)</u>
<b>Net cash from operating activities</b>	<b><u>94.495</u></b>	<b><u>93.556</u></b>



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2018

	2018 € '000	2017 € '000
<b>Cash flows from investing activities</b>		
Payment for acquisition of intangible assets	(5.649)	(13.734)
Payment for acquisition of property, plant and equipment	(38.478)	(21.715)
Payment for purchase of investments in associated undertakings	-	(15.600)
Cost to sell for investment held for sale	(209)	(544)
Payment for acquisition of investments held-to-maturity	-	(2.718)
Payment for purchase of financial assets at amortised cost	(45.187)	-
Proceeds from loan repayments	117	179
Proceeds from disposal of property, plant and equipment	4.616	585
Proceeds from sale of available-for-sale financial assets	-	67
Proceeds from sale of investment in associated undertakings	4.212	-
Interest received	6.542	5.895
Income from investments	67	103
Bank deposits with original maturity over 3 months	14.896	<u>(23.562)</u>
<b>Net cash used in investing activities</b>	<b><u>(59.073)</u></b>	<b><u>(71.044)</u></b>
<b>Cash flows from financing activities</b>		
Interest paid	(314)	(102)
Final dividend declared to the Republic of Cyprus	-	<u>(26.380)</u>
Defence on deemed dividend	<u>(3.052)</u>	-
<b>Net cash used in financing activities</b>	<b><u>(3.366)</u></b>	<b><u>(26.482)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>32.056</b>	<b>(3.970)</b>
Cash and cash equivalents at beginning of the year	127.741	131.753
Effect of exchange rate fluctuations on cash held	(200)	(42)
Profit from remeasurement of bank balances at fair value through profit of loss	493	-
<b>Cash and cash equivalents at end of the year</b>	<b><u>160.090</u></b>	<b><u>127.741</u></b>
Cash and cash equivalents are defined by:		
Cash at bank and in hand	338.126	320.673
Bank deposits with original maturity over 3 months	<u>(178.036)</u>	<u>(192.932)</u>
	<u>160.090</u>	<u>127.741</u>