



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

FINANCIAL STATEMENTS

For the year ended 31 December 2019



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FINANCIAL STATEMENTS

For the year ended 31 December 2019

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**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019

	2019 €'000	2018 €'000
<b>Operating Revenue</b>	<b>352.451</b>	<b>343.559</b>
Operating expenses	<u>(280.495)</u>	<u>(279.851)</u>
<b>Gross profit</b>	<b>71.956</b>	<b>63.708</b>
Other operating expenses	(2.567)	(830)
Other income	<u>1.554</u>	<u>5.465</u>
<b>Profit from operating activities</b>	<b><u>70.943</u></b>	<b><u>68.343</u></b>
Penalties	<u>(826)</u>	<u>(1.172)</u>
Finance income	8.231	8.121
Finance expenses	<u>(6.735)</u>	<u>(6.777)</u>
<b>Net finance income</b>	<b><u>1.496</u></b>	<b><u>1.344</u></b>
Net loss from investing activities and other financial assets	<u>(698)</u>	<u>(809)</u>
<b>Profit before tax</b>	<b>70.915</b>	<b>67.706</b>
Tax	<u>(9.803)</u>	<u>(7.070)</u>
<b>Profit for the year</b>	<b><u>61.112</u></b>	<b><u>60.636</u></b>

**CYPRUS TELECOMMUNICATIONS AUTHORITY****STATEMENT OF OTHER COMPREHENSIVE INCOME****For the year ended 31 December 2019**

	2019 €'000	2018 €'000
<b>Profit for the year</b>	<u>61.112</u>	<u>60.636</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>(209.837)</u>	<u>43.335</u>
	<u>(209.837)</u>	<u>43.335</u>
<b>Items that will or may be classified to profit or loss in future periods:</b>		
Financial assets at fair value through other comprehensive income		
– Net fair value losses	<u>(206)</u>	<u>(159)</u>
	<u>(206)</u>	<u>(159)</u>
Other comprehensive (expenses)/income	<u>(210.043)</u>	<u>43.176</u>
<b>Total comprehensive (expenses)/income</b>	<u><u>(148.931)</u></u>	<u><u>103.812</u></u>

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	2019 €' 000	2018 €' 000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	370.821	344.426
Intangible assets and goodwill	32.616	28.990
Right of use assets	14.092	-
Investments in subsidiaries	40.270	40.270
Financial assets at fair value through other comprehensive income	1.100	1.306
Financial assets at fair value through profit or loss	1.805	2.102
Financial assets at amortised cost	64.406	61.845
Contract assets	462	96
Trade and other receivables	59.015	59.275
	<b>584.587</b>	<b>538.310</b>
<b>Current assets</b>		
Inventories	8.591	15.203
Contract assets	191	795
Trade and other receivables	87.956	81.912
Loans receivable	-	11
Cash at bank and in hand	288.893	338.126
	<b>385.631</b>	<b>436.047</b>
<b>Total assets</b>	<b>970.218</b>	<b>974.357</b>

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2019

	2019 €' 000	2018 €' 000
<b>Equity</b>		
Fair value reserve – Financial assets at fair value through other comprehensive income	949	1.155
Actuarial losses reserve	(562.815)	(352.978)
Retained earnings	<u>1.007.875</u>	<u>994.390</u>
<b>Total equity</b>	<b><u>446.009</u></b>	<b><u>642.567</u></b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Pension Scheme net liability	402.823	233.172
Contract liabilities	15	3
Lease liabilities	11.058	-
Deferred tax liabilities	<u>24.405</u>	<u>22.533</u>
<b>Total non-current liabilities</b>	<b><u>438.301</u></b>	<b><u>255.708</u></b>
<b>Current liabilities</b>		
Contract liabilities	148	175
Trade and other payables	75.433	63.136
Lease liabilities	2.599	-
Deferred income	7.202	11.900
Tax liability	<u>526</u>	<u>871</u>
<b>Total current liabilities</b>	<b><u>85.908</u></b>	<b><u>76.082</u></b>
<b>Total liabilities</b>	<b><u>524.209</u></b>	<b><u>331.790</u></b>
<b>Total equity and liabilities</b>	<b><u>970.218</u></b>	<b><u>974.357</u></b>

The financial statements were approved by the Board of Directors on 1 December 2020.

.....  
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 2019

	Other reserves €' 000	Retained earnings €' 000	Total €' 000
<b>Balance at 1 January 2018</b>	(394.999)	940.045	545.046
IFRS 9 adoption impact	-	(5.891)	(5.891)
IFRS 15 adoption impact	-	2.453	2.453
<b>Adjusted balance at 1 January 2018</b>	<u><b>(394.999)</b></u>	<u><b>936.607</b></u>	<u><b>541.608</b></u>
<b>Comprehensive income</b>			
Profit for the year	-	60.636	60.636
Other comprehensive income for the year	43.176	-	43.176
<b>Total comprehensive income for the year</b>	<u><b>43.176</b></u>	<u><b>60.636</b></u>	<u><b>103.812</b></u>
<b>Contributions by and distributions to owners</b>			
Defence contribution on deemed dividend	-	(2.853)	(2.853)
<b>Total contributions distributions to owners of Cyta</b>			
<b>Balance at 31 December 2018</b>	<u><b>(351.823)</b></u>	<u><b>994.390</b></u>	<u><b>642.567</b></u>
<b>Balance at 1 January 2019</b>	<u><b>(351.823)</b></u>	<u><b>994.390</b></u>	<u><b>642.567</b></u>
<b>Comprehensive income</b>			
Profit for the year	-	61.112	61.112
Other comprehensive (expense) for the year	(210.043)	-	(210.043)
<b>Total comprehensive (expense) for the year</b>	<u><b>(210.043)</b></u>	<u><b>61.112</b></u>	<u><b>(148.931)</b></u>
<b>Contributions by and distributions to owners</b>			
Dividend paid to the Republic of Cyprus	-	(43.020)	(43.020)
Defence contribution on deemed dividend	-	(4.607)	(4.607)
<b>Total distributions to owners of Cyta</b>	<u><b>-</b></u>	<u><b>(47.627)</b></u>	<u><b>(47.627)</b></u>
<b>Balance at 31 December 2019</b>	<u><b>(561.866)</b></u>	<u><b>1.007.875</b></u>	<u><b>446.009</b></u>

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 2019

	2019 € '000	2018 € '000
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>61.112</b>	<b>60.636</b>
Adjustments for:		
Depreciation of property, plant and equipment	32.367	32.509
Amortisation of mobile telephony licence	1.671	1.671
Amortisation of software	7.273	7.171
Amortisation of shop goodwill	-	19
Depreciation of right of use assets	2.988	-
Unrealised exchange loss	(615)	(122)
Provision for doubtful debts	694	595
Provision and Write-off of obsolete stocks	(396)	(262)
Profit/loss from the sale of property, plant and equipment	(572)	(3.796)
Profit from the sale of financial assets at fair value through profit or loss	(2)	-
Loss from the sale of investments in associated undertakings	-	150
Profit from financial assets	(600)	(911)
Impairment of financial assets at fair value through profit or loss	297	821
Impairment of financial assets at amortised cost	1.001	749
Income from investments	(96)	(67)
Interest income	(5.523)	(6.544)
Interest expense	540	314
Total Pension Scheme expense	9.572	12.696
Employer's contributions to Pension Scheme	(49.758)	(26.059)
Income tax expense	9.803	7.070
	<hr/>	<hr/>
<b>Net cash from operating activities before working capital changes</b>	<b>69.756</b>	<b>86.640</b>
Decrease/(Increase) in inventories	7.199	(6.127)
(Increase)/decrease in trade and other receivables	(7.814)	28.551
(Increase) in financial assets at amortised cost	-	(4)
Increase/(decrease) in trade and other payables	10.204	(7.286)
(Decrease) in deferred income	(4.698)	(151)
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<b>Cash generated from operating activities</b>	<b>74.647</b>	<b>101.623</b>
Tax paid	(8.276)	(7.128)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>66.371</b>	<b>94.495</b>



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2019

	2019 € '000	2018 € '000
<b>Cash flows from investing activities</b>		
Payment for acquisition of intangible assets	(12.587)	(5.649)
Payment for acquisition of property, plant and equipment	(60.599)	(38.478)
Cost to sell for investment held for sale	-	(209)
Payment for purchase of financial assets at amortised cost	(2.551)	(45.187)
Proceeds from loan repayments	11	117
Proceeds from disposal of intangible assets	21	-
Proceeds from disposal of property, plant and equipment	2.606	4.616
Proceeds from sale of available-for-sale financial assets	2	-
Proceeds from sale of investment in associated undertakings	-	4.212
Interest received	5.523	6.542
Income from investments	96	67
Bank deposits with original maturity over 3 months	<u>9.200</u>	<u>14.896</u>
<b>Net cash used in investing activities</b>	<b><u>(58.278)</u></b>	<b><u>(59.073)</u></b>
<b>Cash flows from financing activities</b>		
Interest paid	(225)	(314)
Lease payments	(3.146)	
Final dividend declared to the Republic of Cyprus	(43.020)	-
Defence on deemed dividend	<u>(2.853)</u>	<u>(3.052)</u>
<b>Net cash used in financing activities</b>	<b><u>(49.244)</u></b>	<b><u>(3.366)</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b><u>(41.151)</u></b>	<b><u>32.056</u></b>
Cash and cash equivalents at beginning of the year	160.090	127.741
Effect of exchange rate fluctuations on cash held	518	(200)
Profit from remeasurement of bank balances at fair value through profit of loss	<u>600</u>	<u>493</u>
<b>Cash and cash equivalents at end of the year</b>	<b><u>120.057</u></b>	<b><u>160.090</u></b>
Cash and cash equivalents are defined by:		
Cash at bank and in hand	288.893	338.126
Bank deposits with original maturity over 3 months	<u>(168.836)</u>	<u>(178.036)</u>
	<u>120.057</u>	<u>160.090</u>