



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

FINANCIAL STATEMENTS

For the year ended 31 December 2020



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FINANCIAL STATEMENTS

For the year ended 31 December 2020

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**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	2020 €' 000	2019 €' 000
<b>Operating Revenue</b>	<b>349.436</b>	<b>352.451</b>
Operating expenses	<u>(268.383)</u>	<u>(280.495)</u>
<b>Gross profit</b>	<b>81.053</b>	<b>71.956</b>
Other operating expenses	(4.794)	(2.567)
Other income	<u>1.005</u>	<u>1.554</u>
<b>Profit from operating activities</b>	<b><u>77.264</u></b>	<b><u>70.943</u></b>
Penalties	<u>(870)</u>	<u>(826)</u>
Finance income	8.245	8.231
Finance expenses	<u>(6.946)</u>	<u>(6.735)</u>
<b>Net finance income</b>	<b><u>1.299</u></b>	<b><u>1.496</u></b>
Net profit/(loss) from investing activities and other financial assets	<u>1.118</u>	<u>(698)</u>
<b>Profit before tax</b>	<b>78.811</b>	<b>70.915</b>
Tax	<u>(7.970)</u>	<u>(9.803)</u>
<b>Profit for the year</b>	<b><u>70.841</u></b>	<b><u>61.112</u></b>



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2020

	2020 €' 000	2019 €' 000
<b>Profit for the year</b>	<b><u>70.841</u></b>	<b><u>61.112</u></b>
<b>Other comprehensive expenses:</b>		
<b>Items that will not be reclassified to profit or loss in future periods:</b>		
Remeasurement of Pension Fund obligations	<u>(121.349)</u>	<u>(209.837)</u>
	<b><u>(121.349)</u></b>	<b><u>(209.837)</u></b>
<b>Items that will or may be reclassified to profit or loss in future periods:</b>		
Financial assets at fair value through other comprehensive income		
- Net fair value loss	<u>(397)</u>	<u>(206)</u>
	<b><u>(397)</u></b>	<b><u>(206)</u></b>
Other comprehensive expenses	<b><u>(121.746)</u></b>	<b><u>(210.043)</u></b>
<b>Total comprehensive expenses</b>	<b><u>(50.905)</u></b>	<b><u>(148.931)</u></b>



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

**STATEMENT OF FINANCIAL POSITION**

At 31 December 2020

	2020 €' 000	2019 €' 000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	411.520	370.821
Intangible assets and goodwill	44.736	32.616
Right of use assets	13.828	14.092
Investments in subsidiaries	40.270	40.270
Financial assets at fair value through other comprehensive income	703	1.100
Financial assets at fair value through profit or loss	1.283	1.805
Financial assets at amortised cost	64.416	64.406
Contract assets	435	462
Trade and other receivables	<u>27.471</u>	<u>59.015</u>
<b>Total non-current assets</b>	<b><u>604.662</u></b>	<b><u>584.587</u></b>
<b>Current assets</b>		
Inventories	8.562	8.591
Contract assets	259	191
Trade and other receivables	161.301	87.956
Cash at bank and in hand	<u>244.834</u>	<u>288.893</u>
<b>Total current assets</b>	<b><u>414.956</u></b>	<b><u>385.631</u></b>
<b>Total assets</b>	<b><u>1.019.618</u></b>	<b><u>970.218</u></b>



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

**STATEMENT OF FINANCIAL POSITION (continued)**

At 31 December 2020

	2020 €' 000	2019 €' 000
<b>Equity</b>		
Fair value reserve	552	949
Actuarial losses reserve	(684.164)	(562.815)
Retained earnings	<u>1.061.204</u>	<u>1.007.875</u>
<b>Total equity</b>	<b><u>377.592</u></b>	<b><u>446.009</u></b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Net Pension Fund liability	505.662	402.823
Contract liabilities	3	15
Lease liabilities	10.978	11.058
Deferred tax liabilities	24.000	24.405
Deferred income	<u>2.861</u>	<u>-</u>
<b>Total non-current liabilities</b>	<b><u>543.504</u></b>	<b><u>438.301</u></b>
<b>Current liabilities</b>		
Trade and other payables	82.964	75.433
Contract liabilities	117	148
Lease liabilities	2.555	2.599
Deferred income	11.883	7.202
Tax liability	<u>1.003</u>	<u>526</u>
<b>Total current liabilities</b>	<b><u>98.522</u></b>	<b><u>85.908</u></b>
<b>Total liabilities</b>	<b><u>642.026</u></b>	<b><u>524.209</u></b>
<b>Total equity and liabilities</b>	<b><u>1.019.618</u></b>	<b><u>970.218</u></b>

The financial statements were approved by the Board of Directors on 15 June 2021.

.....  
Rena Rouvitha Panou  
Chairman

.....  
Yiannis Constantinides  
Vice Chairman

.....  
Andreas Neocleous  
Chief Executive Officer

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Other reserves €' 000	Retained earnings €' 000	Total €' 000
<b>Balance at 1 January 2019</b>	<b><u>(351.823)</u></b>	<b><u>994.390</u></b>	<b><u>642.567</u></b>
<b>Comprehensive income</b>			
Profit for the year	-	61.112	61.112
Other comprehensive expenses for the year	<u>(210.043)</u>	<u>-</u>	<u>(210.043)</u>
<b>Total comprehensive (expenses)/income for the year</b>	<b><u>(210.043)</u></b>	<b><u>61.112</u></b>	<b><u>(148.931)</u></b>
<b>Contributions by and distributions to owners</b>			
Dividend payable to the Republic of Cyprus	-	(43.020)	(43.020)
Defence contribution on deemed dividend	<u>-</u>	<u>(4.607)</u>	<u>(4.607)</u>
<b>Total distributions to the owners of CYTA</b>	<b><u>-</u></b>	<b><u>(47.627)</u></b>	<b><u>(47.627)</u></b>
<b>Balance at 31 December 2019</b>	<b><u>(561.866)</u></b>	<b><u>1.007.875</u></b>	<b><u>446.009</u></b>
<b>Balance at 1 January 2020</b>	<b><u>(561.866)</u></b>	<b><u>1.007.875</u></b>	<b><u>446.009</u></b>
<b>Comprehensive income</b>			
Profit for the year	-	70.841	70.841
Other comprehensive expenses for the year	<u>(121.746)</u>	<u>-</u>	<u>(121.746)</u>
<b>Total comprehensive (expenses)/income for the year</b>	<b><u>(121.746)</u></b>	<b><u>70.841</u></b>	<b><u>(50.905)</u></b>
<b>Contributions by and distributions to owners</b>			
Dividend payable to the Republic of Cyprus	-	(14.680)	(14.680)
Defence contribution on deemed dividend	<u>-</u>	<u>(2.832)</u>	<u>(2.832)</u>
<b>Total distributions to the owners of CYTA</b>	<b><u>-</u></b>	<b><u>(17.512)</u></b>	<b><u>(17.512)</u></b>
<b>Balance at 31 December 2020</b>	<b><u>(683.612)</u></b>	<b><u>1.061.204</u></b>	<b><u>377.592</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, on 31st December of the second year will be deemed to have distributed this amount as dividend. 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 until 31st December of the second year to which the profits refer.

Special contribution for defence on deemed dividend distribution is paid by the Organization on behalf of the owners at 17% to the extent that the owners are Cyprus (domiciled) tax residents.

**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	2020 €' 000	2019 €' 000
<b>Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>70.841</b>	<b>61.112</b>
Adjustments for:		
Depreciation of property, plant and equipment	32.379	32.367
Amortisation of mobile telephony licence	1.723	1.671
Amortisation of software	8.082	7.273
Depreciation of right of use assets	2.819	2.988
Unrealised exchange loss/(gain)	449	(615)
Provision for doubtful debts	1.525	694
Provision and Write-off of obsolete stocks	852	(396)
Profit from the sale of property, plant and equipment	(18)	(572)
Profit from the sale of financial assets at fair value through profit or loss	-	(2)
Profit from financial assets	(2.631)	(600)
Loss on financial assets at fair value through profit or loss	522	297
Impairment charge on investments in associates plus selling expenses	41	-
Impairment loss of financial assets at amortized cost	950	1.001
Income from investments	(67)	(96)
Interest income	(4.915)	(5.523)
Interest expense	666	540
Total Pension Fund expense	6.668	9.572
Employer's contributions to Pension Fund	(25.178)	(49.758)
Income tax expense	7.970	9.803
<b>Cash flows from operating activities before working capital changes</b>	<b>102.678</b>	<b>69.756</b>
Decrease in inventories	113	7.199
Increase in trade and other receivables	(44.833)	(7.814)
Increase in trade and other payables	8.182	10.204
Increase/(Decrease) in deferred income	7.542	(4.698)
<b>Cash flows from operating activities</b>	<b>73.682</b>	<b>74.647</b>
Tax paid	(7.898)	(8.276)
<b>Net cash from operating activities</b>	<b>65.784</b>	<b>66.371</b>



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

STATEMENT OF CASH FLOWS (continued)

At 31 December 2020

	2020 €' 000	2019 €' 000
<b>Cash flows used in investing activities</b>		
Payment for acquisition of intangible assets	(22.044)	(12.587)
Payment for acquisition of property, plant and equipment	(78.625)	(60.599)
Net selling expenses for investment held for sale	(41)	-
Payment for acquisition of financial assets at amortized cost	-	(2.551)
Proceeds from loan repayments	-	11
Proceeds from disposal of intangible assets	-	21
Proceeds from disposal of property, plant and equipment	4.750	2.606
Proceeds from sale of financial assets at fair value through profit or loss	-	2
Interest received	4.915	5.523
Income from investments	67	96
Bank deposits with original maturity over 3 months	<u>82.470</u>	<u>9.200</u>
<b>Net cash used in investing activities</b>	<b><u>(8.508)</u></b>	<b><u>(58.278)</u></b>
<b>Cash flows used in financing activities</b>		
Interest paid	(417)	(225)
Lease payments	(2.928)	(3.146)
Dividend paid to the Republic of Cyprus	(14.680)	(43.020)
Defence on deemed dividend	<u>(4.607)</u>	<u>(2.853)</u>
<b>Net cash used in financing activities</b>	<b><u>(22.632)</u></b>	<b><u>(49.244)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>34.644</b>	<b>(41.151)</b>
Cash and cash equivalents at beginning of the year	120.057	160.090
Effect of exchange rate fluctuations on cash held	1.136	518
Profit from remeasurement of bank balances at fair value through profit or loss	<u>2.631</u>	<u>600</u>
<b>Cash and cash equivalents at end of the year</b>	<b><u>158.468</u></b>	<b><u>120.057</u></b>
Cash and cash equivalents consist of:		
Cash at bank and in hand	244.834	288.893
Bank deposits with original maturity over 3 months	<u>(86.366)</u>	<u>(168.836)</u>
	<b><u>158.468</u></b>	<b><u>120.057</u></b>