

# CYPRUS TELECOMMUNICATIONS AUTHORITY

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## EIGHTH ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 1963

THE AUTHORITY

Chairman

N. MILTIADOU, A.A.C. C.A.

Vice-Chairman

ALI GURSOY

Members:

J. CL. CHRISTOPHIDES, Barrister-at-Law

V. DEMETRIOU, B.Sc., (Engineering)

S. JOANNOU,

N. ROUSSOS, Civil Engineer, Graduate of Technical  
University of Athens.

KEMAL ZIVER, M.B.



ADMINISTRATION

General Manager (Acting)

N. MILTIADOU, A.A.C.C.A.

Secretary:

S. KOKKINIDES, Certificate in Social Science and  
Administration, University of London.

Chief Accountant:

C.M. LEWIS

Chief Engineer:

A.G. BAKER, M.I.E.E.

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LEFKA - LEFKA TEL. 459

MORPHOU - 25TH MARCH STR. No.18 TEL. 5555

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## I N T R O D U C T I O N

The Cyprus Telecommunications Authority was established in 1956 in accordance with Law 302 No.67 of 1954 under the name of Cyprus Inland Telecommunications Authority, with the express purpose to exercise and perform functions relating to the provision and maintenance of the Inland Telecommunications Service and certain related matters.

In 1961 the Authority took over from Cable and Wireless Ltd. the responsibility for the External Telecommunications also and thereafter has been known as the Cyprus Telecommunications Authority. In consequence the Authority is now responsible for the provision of all Telecommunication Services both inland and overseas.

The Chairman, Vice-Chairman and Members of the Authority are transacting the business of the Authority at meetings during which the Members take note of the day to day business and make decisions relating to the obligations and duties of the Authority. At these meetings all policy decisions are taken, which are then implemented by Management.

During the year under reference, a total of 13 meetings were held.

CYPRUS TELECOMMUNICATIONS AUTHORITY

LAYMAN'S ACCOUNTS

During the year the Authority earned from its operations an  
income of . . . . . £ 1,019,728

The cost of staff salaries, wages and allowances for  
the operation of the system . . . . . £ 438,050

Operating expenses (other than salaries  
wages and allowances stated above) . . . . . £ 170,030

Establishment expenses . . . . . £ 23,023

Administration expenses . . . . . £ 21,586     £ 702,689

resulting in an operating surplus of . . . . . £ 317,039

The Authority had income from other Sources . . . . . £ 2,603

Total Surplus of Income over Expenditure . . . . . £ 319,642

The above surplus was used to provide for the following:

Interest and Financing charges on the

borrowed capital . . . . . £ 141,176

Other interest (paid to overseas suppliers). . . £ 8,697

Members' travelling expenses . . . . . £ 586

Depreciation on the Authority's buildings,

equipment, vehicles, furniture, tools . . . . . £ 166,238

Miscellaneous charges . . . . . £ 849     £ 317,546

resulting in an overall surplus of Income over

Expenditure of . . . . . £ 2,096

## INLAND COMMUNICATIONS

### Rural and Urban Development and Construction

The inland communications of the Authority have expanded during 1963 according to a pre-determined programme.

The development of internal telecommunications continued for both Town and Rural areas and necessitated the completion of considerable amount of underground and overhead construction works, brief details of which are given below:-

#### Rural Areas

A total of 49 miles of new overhead pole route was built involving the running of approximately 405 miles of new telephone wires on 1500 new telephone poles. In addition 260 route miles representing 3450 single wire miles were overhauled.

#### Town Areas

The expansion of the Telecommunication Services required to meet the rapidly increasing demands of the Public for services in Town Areas has revealed that it is no longer economical to continue the previous practice of laying telephone cables direct in the ground. In future, wherever practicable, the Authority will make provision for the construction of underground multiway duct routes with Manholes and Jointing Chambers. The number of duct ways which will be laid in the various sections will be in accordance with the anticipated telephone development forecasts for the areas.

During 1963, the following major work was carried out.

#### Duct Work

24 miles of new duct ways laid and 19 Manholes constructed.

#### Cables

Cable laid direct in ground or in duct . . . . .	57 miles
Single wire length involved . . . . .	13,440 miles
Total cable laid direct in ground and in ducts at end of 1963 . . . . .	615 miles
Single wire mileage . . . . .	88,500 miles

#### Distribution Poles

A total of 137 distribution poles were erected and linked with the underground cable network, providing services to subscribers in new areas.



The extension of Telecommunication Services to many new Centres was completed by the installation of an additional 48 Public Telephone Call Offices in the villages listed below:

- 1 Analiondas
- 2 Kambia
- 3 Vizakia
- 4 Kokkina
- 5 Pashi Amos
- 6 Mosphileri
- 7 Kyra
- 8 Massari
- 9 Philia
- 10 Voni
- 11 Kato Folemidhia
- 12 Pano Folemidhia
- 13 Dhyes
- 14 Potamitissa
- 15 Kato Mylos
- 16 Ay. Iacovos
- 17 Mandres
- 18 Petra Tou Bhigeni
- 19 Kornokypos
- 20 Ay. Andronikos
- 21 Meneou
- 22 Melini
- 23 Odheou
- 24 Psamatismenos
- 25 Vassiliko
- 26 Alaminos
- 27 Tokhni
- 28 Pano Lefkara
- 29 Ay. Irini
- 30 Kara Koumi
- 31 Korni
- 32 Tenblos
- 33 Paleosophos
- 34 Terra
- 35 Mamonia
- 36 Nikoklia
- 37 Ay. Neophytos (Monastery)
- 38 Anatolikou Monastery
- 39 Phterykia

This development work facilitated the installation of 3002 new direct telephone exchange lines during the year. In addition work was carried out on removals of telephones, installation of telephone switchboards and associated extension telephones, also plug and socket and other services offered to the General Public by the Authority.

A number of additional telephone kiosks were installed in the main towns.

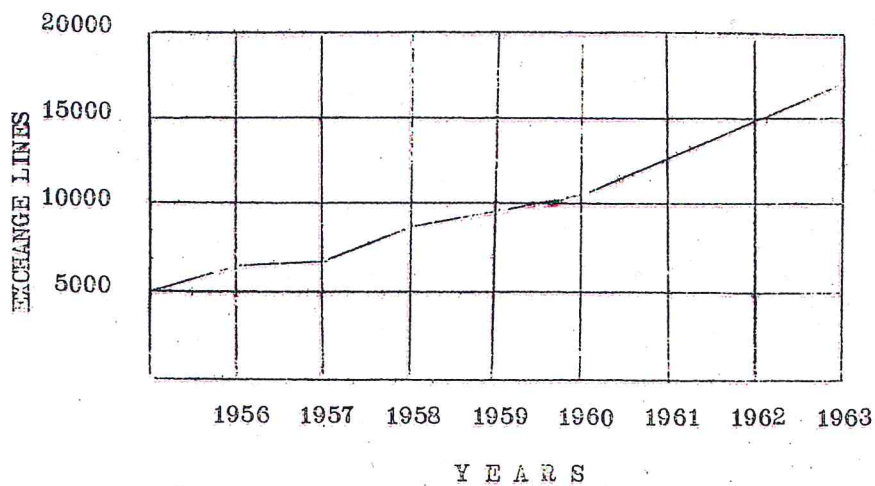
The following table indicates the comparison between development of telephone exchanges in the years 1962, 1963.

	1962		1963	
	Number	Capacity	Number	Capacity
Main Town Auto Telephone Exchanges	7	15,625	7	19,325
Private Auto Branch Exchanges	28	2,688	32	2,768
Private Manual Exchanges	357	4,519	495	5,967
Rural Exchanges Peristerona, Pedhoulas (Nicosia District) Chattos, Paralimni (Famagusta District) Ayios Nicolaos, Tsada, Nata (Paphos District) Ayios Anvrosios (Kyrenia District)	40	2,945	48	3,495
Telephones Installed	5,532	-	3,540	-
Telephones Working	19,091	-	22,541	-

The undermentioned Graph "A" shows the growth of direct exchange lines installations:-

GRAPH "A"

GROWTH OF DIRECT EXCH. LINES INSTALLATION



Local Telegraph Service

This service was operated through the medium of 11 Circuits which functioned satisfactorily during the year. These circuits were subjected to exceptionally heavy traffic during the month of December, 1963. A comparative table showing the number of Inland telegrams forwarded during the years 1961, 1962 and 1963 is given below:

1961 - 73,450

1962 - 76,660

1963 - 77,080

It has again been necessary as in previous years to subsidise local telegraphs, since the income derived from these services fell short of the expenditure necessary to provide and maintain the service.



## Maintenance and Transmission

The proper maintenance of the communications system has received particular attention and the Authority made every effort to keep maintenance up to satisfactory standards.

### General Maintenance

(a) From an analysis of fault statistics the average figures covering all stations throughout Cyprus is 1 fault per circuit for the year 1968.

(b) Workshops

A programme of repairs to telephone instruments and other types of Telecommunication equipment was completed in the Authority's workshops, as well as the manufacture of certain spare parts. Details of some of the work completed are given below:-

Telephones repaired and tested	6,000
Dials repaired .....	3,000
Cords made and repaired .....	5,000
Switchboards repaired .....	254

### Emergency Alternators

For the purpose of coping with mains failures and providing uninterrupted telephone service, emergency alternators are available at all main and rural exchanges.

### Malicious Telephone Calls

A number of complaints were received from subscribers connected to automatic telephone exchanges regarding malicious calls. In consequence, steps were initiated for the supply of a new type of equipment which will enable such calls to be more easily and speedily traced.

### Transmission

During the year a total number of 10 Telephone Carrier Systems were installed to operate on the Overhead Line Trunk Routes, making provision for increased trunk facilities between many towns.

### VHF Inland Radiotelephone Service

The telephone communication services were expanded by making available the provision of VHF radiotelephone equipment to subscribers, where ordinary telephone lines could not be installed.

This equipment was introduced in 1963 and two types of services are at present in use.

- (a) Radiotelephone mobile service provided to plantations or large farming areas.
- (b) Ship shore (fixed services) which provide communication between the Agents and ships for facilitating loading and unloading etc. Eight private radiotelephone systems have been installed and are operating. There is, however, a great demand from the public for this class of service and other facilities to be provided by radiotelephone equipment. The introduction of an island wide Radio Telephone service is now being considered.

#### Outside Broadcasts

The Authority's services are also made available for the purpose of outside broadcasts from any point in Cyprus through the Cyprus Broadcasting Corporation and the two foreign broadcasting stations (F.B.S. & F.B.C.) Such broadcasts include church services theatrical performances, fairs, Christmas celebrations etc. The Schedule below indicates the number of broadcasts dealt with by the Authority during 1962/1963:-

1962 - Outside broadcasts dealt with (local)	56
1963 -	74
1962 - Outside broadcasts dealt with (overseas)	15
1963 -	13

#### V.H.F. Multichannel Links

The Authority has to cope with two main problems regarding the utilisation of multichannel V.H.F. links required for the Inland trunk and junction network.

- (1) The changing of the operating frequencies of the two main radio links between Nicosia Limassol was due to the fact that these were operating in Band III, and all frequencies in Band III have now been allocated to the Cyprus Broadcasting Corporation. In consultation with Messrs. Marconi Co. Ltd. a new frequency plan was developed for the Cyprus Telecommunications Services, and the required conversion equipment has been ordered for one of the main links.
- (2) In view of the proposed expansion of the R.A.F. radar installation on Mt. Olympus, the Authority is required to move its V.H.F. Repeater Station from Mt. Olympus and it has been decided to build new Repeater Stations, one at Madhari, Troodos Range and the other at Yaila, Kyrenia Range. The RAF have compensated the Authority for this removal.

Telephone Operating Service

The provision of telephone service being one of the main responsibilities of the Authority, further improvements were effected by the recruitment of additional staff, training and ensuring supervision re-inforcement at all levels. A total of 8610 visits were paid to subscribers in order to ascertain and deal with general and particular complaints or requests. The public was always encouraged to refer all queries to the Supervisors of the Telephone Exchanges and ask for any information from the Enquiries position. There was considerable increase in local traffic and trunk traffic between towns and the following comparison for the last three years shows a definite upward trend in the number of calls effected, which it is anticipated will continue with the further development of the telephone systems, which is planned.

1. Local Calls

<u>1961</u>	<u>1962</u>	<u>1963</u>
19,336,380	22,376,601	26,897,020

2. Trunk Calls

<u>1961</u>	<u>1962</u>	<u>1963</u>
2,092,132	2,384,974	2,730,923

All the Authority's telephone exchanges have now been converted to automatic, except those of Lapithos, Pedhoulas and Polis which it is anticipated will be converted to automatic working in the not too distant future.



OVERSEAS COMMUNICATIONS

General

Particular attention was exercised for the improvement and extension of overseas communication services.

In order to meet the increasing demand, the under-mentioned improvements and extensions to installations at the Authority's wireless Transmitting and Receiving Stations were effected:-

- (1) Considerable increase in transmitting power by the installation of three modern high powered transmitters, providing expansion for the Overseas Telecommunication Services.
  - (2) Erection of two Rhombic Aerials resulting in a considerable gain of the effective radiated power resulting in an overall improvement in the quality of the Overseas Services.
  - (3) Installation of modern channel shifting and radio telephone terminal equipment, which has increased the capacity of the System to make available further Overseas Radio Circuits.
  - (4) The installation of two new telegraph receivers to provide for expansion and improvement to Overseas Telegraph Services.
  - (5) The introduction of voice frequency telegraph equipment which facilitates the simultaneous transmission of messages to up to a maximum of 12 telegraph Circuits.
  - (6) The installation of automatic error correcting (ARC) Equipment, to reduce radically the possibility of the transmission or reception of message errors.
- Very High Frequency Communications. (V.H.F.)

Agreement was finalised between the Authority and the Administrations of neighbouring countries for the implementation of a multi-channel V.H.F. Scheme centred on Cyprus which will enable the Authority to provide high quality continuous telephone and telegraph service with these countries and at the same time establish Cyprus as a transit centre for aeronautical and public communications services. The orders for the provision of the required equipment for the above Scheme were placed and site as well as route surveys were carried out in co-operation with the countries concerned resulting in the decision to erect two telecommunication Relay Stations, one at Madhari, 5100 ft. above sea level, Troodos Range, and the other at Yaila, 3067 feet above sea level, Kyrenia range. Although these two stations are mainly for the overseas, they will also serve for the development of the inland telephone and telegraph services and it is envisaged that with the possible future introduction of subscribers trunk dialling as well as the Telex

/...

facilities, Madhari will relay the W.H.F. trunk routes to Limassol whilst Yaila will become the major micro-wave relay and will serve Kyrenia, Larnaca, Panagusta and possibly Morphou areas.

#### Comparative Tables of Overseas Communications

As a result of the developments mentioned above, the service showed a total improvement both in quality and volume as indicated in the comparative data mentioned herobelow:-

##### 1. Radiotelephone

Comparative figures of the Authority's five main links.

<u>Circuit</u>	<u>Weekly hours of operation</u>			<u>Total Amount of Traffic in minutes</u>		
	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
Greece	60	114	161	44704	52900	59868
United Kingdom	45	60	98	34346	44670	56176
Lebanon	21	60	60	10753	17375	31400
Israel	18	33	39	6573	10000	17659
Turkey	12	12	12	1553	2352	5812
				<u>1961</u>	<u>1962</u>	<u>1963</u>

Total of all circuits in minutes 109,698 130,127 172,819

##### 2. Voice Casts (Radio Telephone Calls and the Re-transmission of Programmes from Broadcasting Station in Cyprus)

	<u>1961</u>	<u>1962</u>	<u>1963</u>
Number of Voice Casts	14	42	52
Number of Minutes	281	741	900

##### 3. Facsimile (Radio Pictures)

	<u>1961</u>	<u>1962</u>	<u>1963</u>
Received	16	59	51
Forwarded	30	51	34

##### 4. Overseas telegrams forwarded only

Six circuits have been operating for this service. In addition to the telegraph circuits operated by CY.T.A. for public use, the Authority leases circuits to large concerns for example, S.I.T.A. The following statistics indicate the number of Overseas Telegrams forwarded.

1961	127294
1962	133430
1963	135981

Ship-Shore services

(a) Radiotelephone

This service was introduced on the 1st September, 1963, and was provided for in the Government's 5-year Development Programme. It is at present operated between 0800 and 1800 hours daily although an emergency service can be operated at any time during the night.

(b) Radiotelegraph

This facility has been in operation for many years and was providing day-time service. As from 1st September, 1963, arrangements were made for the provision of 24 hours' service, per day.

Civil Aviation Signals

These services are operated by C.Y.T.A. on behalf of the Department of Civil Aviation, Ministry of Communications and Works and provide direct communication - Telegraph and Telephone - with the following Airports:-

- (1) Athens - Greece
- (2) Ankara - Turkey
- (3) Beirut - Lebanon
- (4) Damascus - Syria
- (5) LCD - Israel
- (6) Cairo - U.A.R.

In addition, direct telephone communication is operated within the Flying Information Region with operating aircraft.

During the year under review, a total of 6,700,430 groups were transmitted and received which shows an increase of 213,900 groups over 1962. About 60% of this was handled by language speed Wireless Telegraph (Morse) circuits and the remainder by the Athens Radio Teletype Circuit. With the forthcoming introduction of high quality VHF circuits it is anticipated that all Civil Aviation Signal Circuits will be converted to the up-to-date method of teleprinter operation, in the near future.



COMMONWEALTH TELECOMMUNICATIONS BOARD

The Government of the Republic of Cyprus as a member of the Commonwealth Telecommunications Board appointed the Authority's Chairman to represent it to all activities of the Commonwealth Telecommunications Board. The Chairman has attended two meetings held in the Commonwealth Telecommunications Board offices in London.

The presence of the Chairman at Commonwealth Telecommunications Board Meetings has proved most valuable for the safeguarding of the Authority's interests.

## FINANCE

### General

Although there was a decrease in the Capital Development, during the year under review, the cash position has not shown any improvement but instead has seriously been reduced and this in order to meet capital commitments created in previous years mainly with regard to the purchase of Equipment.

Therefore, due to the lack of Cash funds, the Authority has not been able to meet certain loan repayment instalments, the redemption of the 3% Telecommunications (Second Issue) Stock, 1963, and the interest due to Government amounting to some £372,673 as at the end of the year.

In order, however, to finance future current expenditure the Authority has made arrangements for short term borrowing and has also secured extended credit facilities with suppliers of equipment for the purpose of continued development.

### The Accounts

#### Borrowings

There was no further borrowing during the year and thus the capital structure remained the same as at 31st December, 1962:

#### (i) Long Term

Government Loan (1969/71) in 1954/55	£1,499,914
" " (1973/75) in 1958	400,000
" " (1973/75) in 1959	200,000
" " (1961/76) in 1961	<u>130,000</u>
	£2,229,914

#### (ii) Short Term

6% Telecommunications (1st Issue) stock (1964/68)	100,000
3% Telecommunications (2nd Issue) stock (1963)	<u>100,000</u>
	£2,429,914
	=====

Operating Revenue

Income for the year amounted to	£1,019,728
which after deducting Operating Expenses of	<u>702,689</u>
Resulted in an Operating Surplus of	£ 317,039 =====

A comparison of Operating Revenue with 1962 shows:-

	<u>1962</u>	<u>1963</u>
Rentals	£ 345,189	£346,189
Local Calls	170,558	201,800
Trunk Calls	204,152	232,001
International Radio Telephone Calls	32,169	44,305
Telegraph Income	166,076	193,984
Miscellaneous	<u>2,976</u>	<u>4,127</u>
	£ 921,120	£1,022,406
Deduct: Provision for Doubtful Debts . . . . .		<u>2,678</u>
		£1,019,728 =====

There is a very noticeable increase in the local, Trunk and International Radio/Telephone Calls and it is expected that this upward trend will continue as more telephones are installed and people make more use of the Telephone Network both inland and overseas.

The increase in the Telegraph Income is mainly due to the provision of additional Leased Circuits and the increase in the telegraph traffic towards the end of the year because of the prevailing situation in the Island.



### Operating Cost

The Staff Costs showed a noticeable increase due to the various increments given to the staff and other allowances,

Another very noticeable increase has been the System Operating Expense. This item of expenditure tends to increase in phase with the expansion of the Telephone System and also as the equipment in general use reaches the end of its economic life. During the year new development was limited and therefore a greater proportion of staff were employed in overhauling and maintaining the system.

A comparison of Operating Costs for the year under review with those of 1962 is as follows:-

	<u>1962</u>	<u>1963</u>
Staff Costs	£ 320,330	£ 361,276
Less: Allocations to Capital etc.	384,841	373,226
	<u>£ 435,739</u>	<u>£ 438,050</u>
Establishment Expenses	22,737	23,023
System Operating Expenses	135,867	170,030
Administrative Expenses	22,045	21,536
	<u>£ 616,433</u>	<u>£ 702,689</u>
	=====	=====

### Net Revenue

To the Operating Surplus of . . . . .	£ 317,039
There was added Sundry Other Income of . . . . .	£ 2,603
which made a total of . . . . .	£ 319,642
Non-Operating Expenditure incurred in respect of:	
Interest on Capital and Financing Charges . . .	£ 141,176
Other Interest . . . . .	£ 8,697
Contribution to Commonwealth Telecom- munication Board Expenses . . . . .	£ 375
Chairman's and Members Expenses . . . . .	£ 586
Depreciation . . . . .	£ 166,238
Miscellaneous Financial Expenses . . . . .	£ 474
Made a total to be deducted of	<u>£ 317,546</u>
Which resulted in a surplus for the year of	<u>£ 2,096</u>
	=====

### Fixed Assets

As at 1st January, 1963 the net book value of the Authority's Fixed Assets was £2,486,179.

As a result of the capital works executed during 1963 and other capital expenditure the increase to the Fixed Assets was as follows:-

Net Book Value as at 1st January, 1963		£2,486,179
Capital Development during the year:-		
(a) <u>Inland Communications</u>		
Labour	£129,124	
Equipment	226,388	
(b) <u>Overseas Communications</u>		
Equipment	<u>49,636</u>	£405,148
Less: Installation and Removal Charges, Recovered	27,943	<u>377,205</u>
		£2,857,384
Less: Disposals during the year		<u>13,548</u>
		£2,843,836
Depreciation for year less on Disposed Assets which must be deducted.		<u>155,705</u>
Resulted in a Net Book Value as at 31st December 1963, of		<u>£2,688,131</u>
		=====

### Balance Sheet

- (i) The Capital Reserve has been increased from £52,752 to £64,304 by the Surplus created from the revaluation of certain Fixed Assets taken over in 1962 (see Note 3 of "Notes on the Accounts" for the year).
- (ii) The Net Revenue Account has been slightly decreased from £82,337 to £82,310 but this is a net decrease that resulted from the Revenue Surplus for the year of £2,096 which has been absorbed by the Net Expenses relating to prior years of £2,123.
- (iii) The increase in Current Liabilities and Provisions is mainly in respect of interest in the sum of £139,686, on Loans due to Government, for the year, but as the amounts owed to Suppliers on Credit facilities have been reduced there is a net increase of £115,791.

TABLE SHOWING AGGREGATE OF:

- I) CAPITAL UTILISED  
 II) EXPENDITURE  
 1955 - 1963

(IN THOUSAND POUNDS)

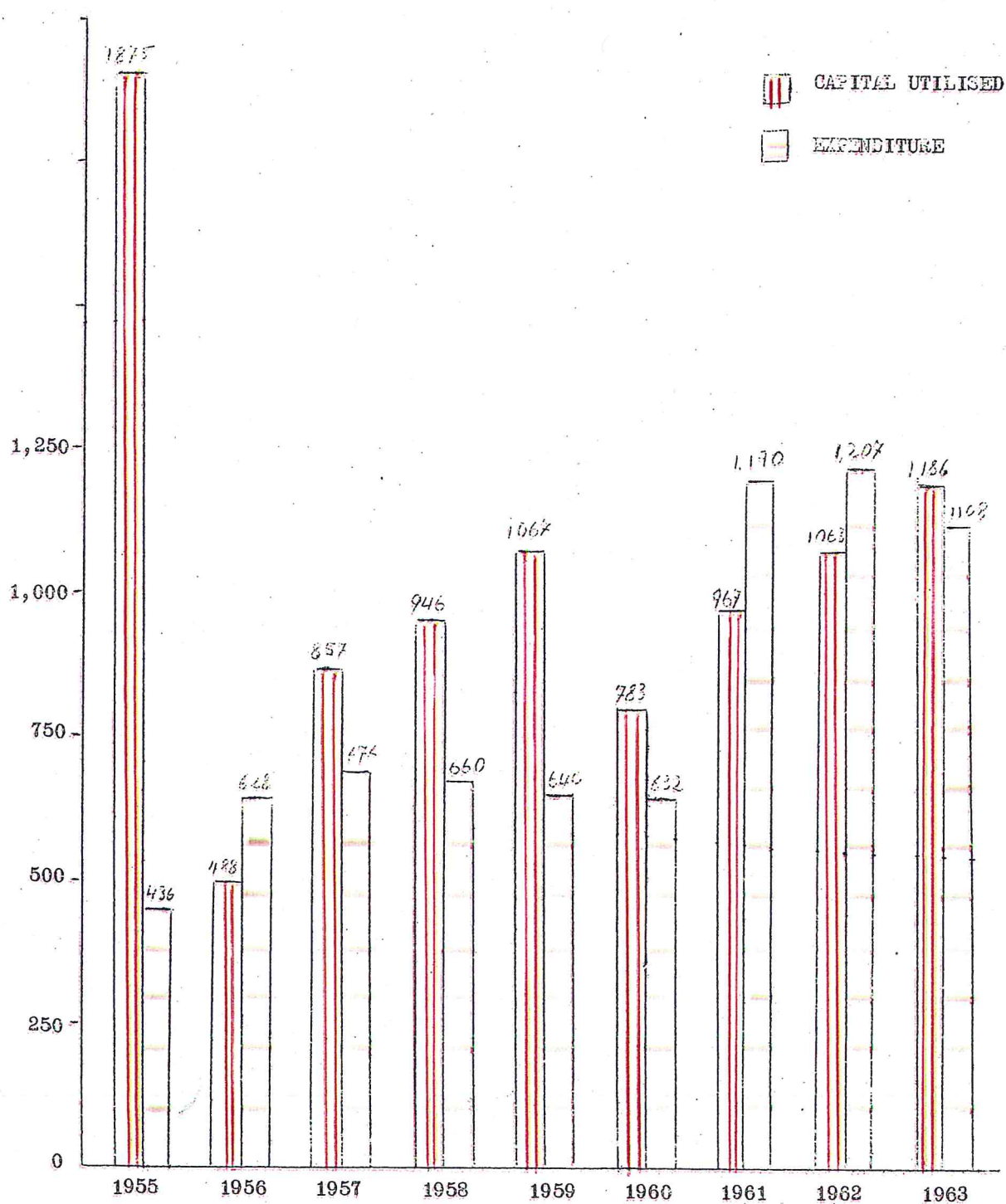




TABLE SHOWING ANALYSIS OF TABLE "A" RE-CAPITAL UTILISED 1955/63

- I) CAPITAL  
 II) PROVISION FOR DEPRECIATION  
 III) INCOME

(IN THOUSAND POUNDS)

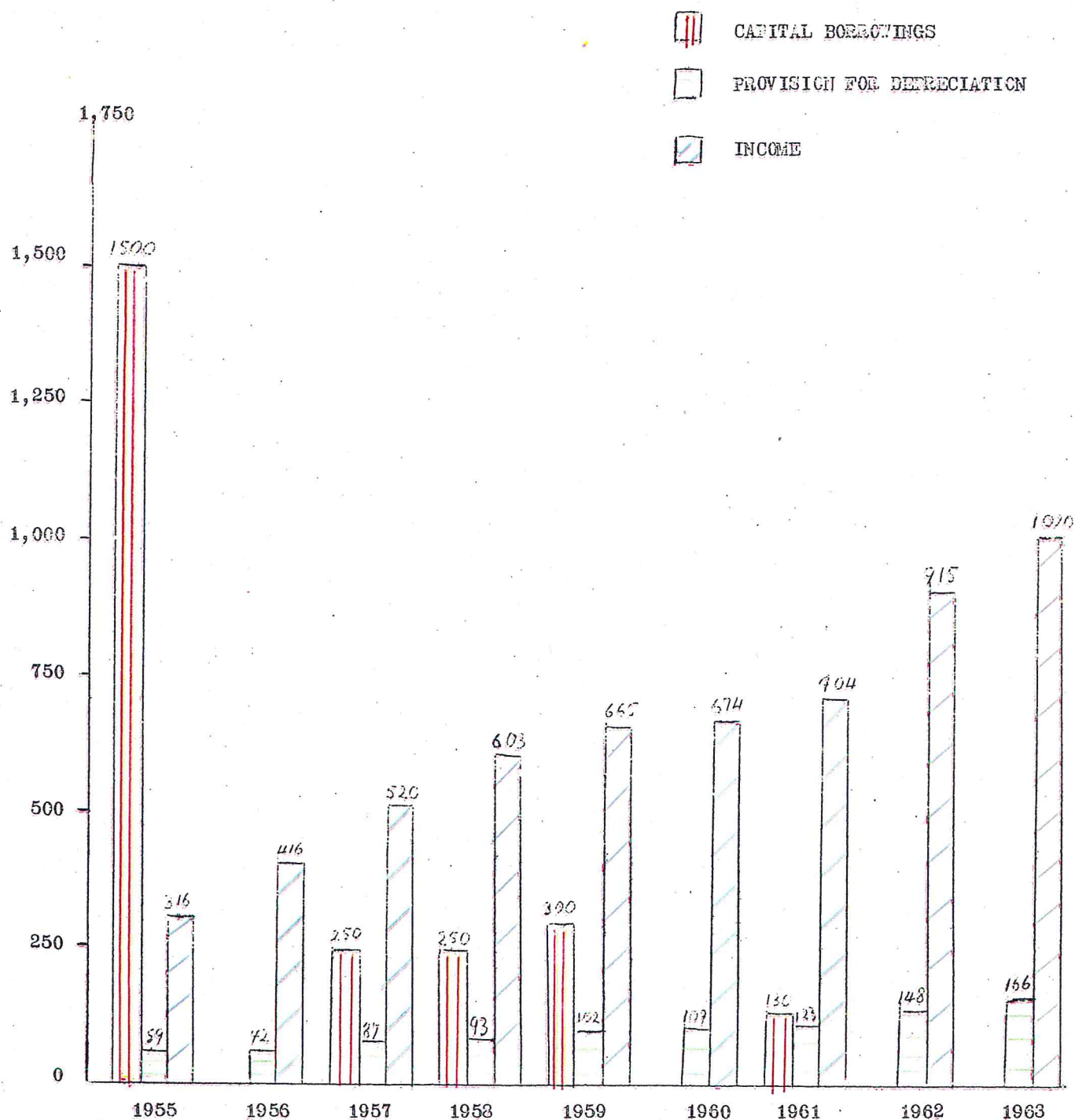
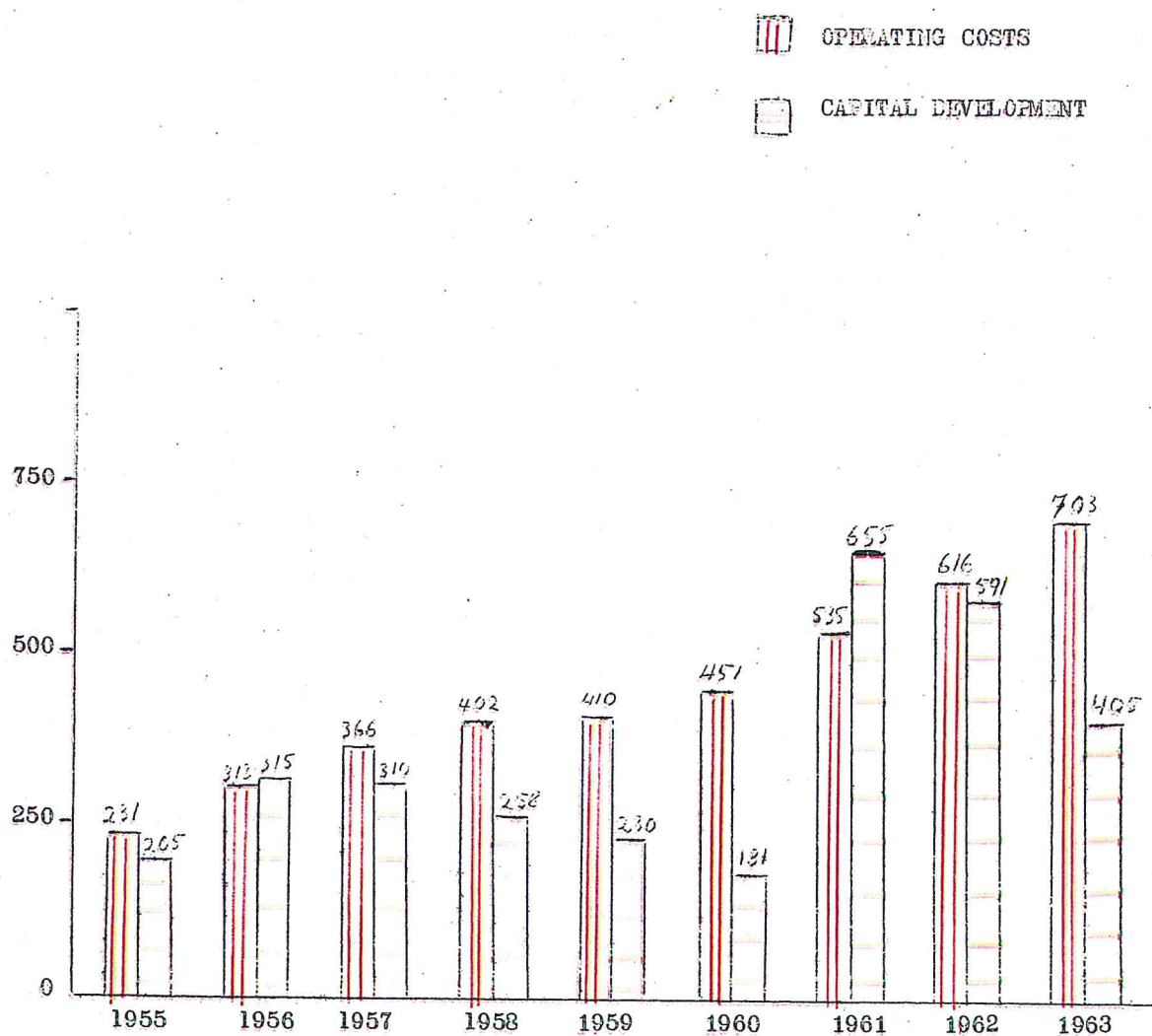


TABLE SHOWING ANALYSIS OF TABLE "A" RE-EXPENDITURE 1955/63

- I) OPERATING COSTS  
 II) CAPITAL DEVELOPMENT

(IN THOUSAND POUNDS)



STAFF

Establishment

(i) The following comparative table shows the staff in the service of the Authority for the last three years as at the end of December.

Table I

Permanent Employees

		<u>Monthly</u>	<u>Weekly</u>	<u>Total</u>
Administration and Accounts	1961	142	11	153
	1962	230	11	241
	1963	194	10	204
Engineering	1961	369	160	529
	1962	407	163	573
	1963	430	161	621
Telegraph Operating	1961	137	-	137
	1962	154	-	154
	1963	153	-	153
Telephone Operating	1961	151	1	152
	1962	170	1	171
	1963	173	-	173
Totals:	1961	799	172	971
	1962	931	178	1,139
	1963	930	171	1,151

Table II

Casual Employees

GRAND TOTALS

(Yearly average)

Permanent Employees

Administration & Accounts	1961	11	1961	971
	1962	13	1962	1139
	1963	27	1963	1151
Engineering	1961	135	<u>Casual Employees</u>	
	1962	321	1961	232
	1963	160	1962	401
Telegraph Operating	1961	12	1963	208
	1962	22		
	1963	-		
Telephone Operating	1961	24		
	1962	40		
	1963	21		
Totals:	1961	232		
	1962	401		
	1963	208		



The Technical services were reinforced by the recruitment of additional 64 technical probationers 33 employees were transferred to the Temporary Monthly Paid category and 20 from the Temporary Monthly Paid to the Permanent category.

(ii) The underlying policy of the Authority towards its staff has been the establishment of general conditions of service conducive to ready response and co-operation on the part of the staff in the performance of their duties. That the Authority has been successful in this effort is evidenced by the amicable way with which staff problems were tackled and solved and by the fact that staff worked throughout the year with devotion.

#### Staff relations, Negotiations, Joint Committees etc.

Negotiations and exchange of views on staff matters were carried out through Joint Committees, a successful practice already established, and where it was felt advisable in the interests of good management and staff relations, the Chairman presided over meetings with Union Representatives. Eight such meetings were held during the year.

#### Staff Welfare, Safety and Training

##### 1. Welfare

A joint Management-Staff Welfare Committee operates within the Authority and its main objects are to organize projects for the general work of the Authority's employees and their families and in exceptional cases to extend financial assistance on application to deserving distressed employees of the Authority. Its funds are made up of contributions from the Authority and the staff and as at the end of the year the balance of cash at bank in favour of the fund was £1370,625 mils. The Welfare Committee held 3 meetings during the year.

The General welfare of staff, such as proper ventilation and heating, office accommodation and furnishing etc., received the special attention of the Authority and no complaint whatsoever was raised from the staff in this respect. However, by the end of the year, due to the abnormal circumstances, the Authority has faced an acute problem of office accommodation particularly in Nicosia.

##### 2. Safety

Due to the nature of the Authority's business, it was difficult to prevent accidents entirely in spite of an organized accident prevention campaign held during the year. The following accidents have been reported throughout the year.

- (I) One fatal accident in Limassol due to electrocution whilst overhauling wires.

- (II) Five serious accidents - all employees involved resumed duty.
- (III) 66 minor accidents with no or very little loss of working time.

The Accidents and Safety Committee, in a series of meetings, compiled and issued in printed booklet form, a comprehensive safety guide with illustrations. The Booklet was widely distributed amongst the Authority's staff, mainly to Members of the technical services.

Every possible measure is taken to reduce accidents to the absolute minimum leading ultimately to the establishment of an accident free service.

### 3. Training

A properly trained staff is indispensable to ensure success in carrying out the Authority's projects. The Authority is well aware of this requirement and plans have been worked out to establish training on a properly organized basis. Until these arrangements are finalised however, it has been necessary to emphasise "on the job" training, supplemented by the supply of Correspondence Courses purchased from the British Post Office to all applicants and the organisation of classes at the Technical Institute. All staff were encouraged to enlist for courses, which were considered to be particularly relevant to their duties.

For all courses where an employee was successful fees were reimbursed by the Authority.

### 4. Medical Fund

This Fund could not meet the claims of its members and by the end of the year its rules were redrafted and it was agreed to increase contributions both from the Authority and staff. Membership was made obligatory for all monthly paid employees and it is certain that with proper administration and control and increase of sources as above (funds will be more than doubled), the fund will now be in a position to give adequate benefits to its members.

### Pension and Provident Fund

There is an initial agreement for the establishment of the abovementioned funds but due to the special complications that this matter involves, contributions of the Authority and the staff are made to a Suspense Account pending finalisation of the rules governing the operation of these funds. During the year in a series of meetings, it was possible to clear the picture and work out necessary details such as back service credits etc., which will certainly make it possible to finalise this important item in 1964.

STATEMENT  
OF  
A C C O U N T S



CYPRUS TELECOMMUNICATIONS AUTHORITY

AUDITORS' REPORT

We have examined the annexed Balance Sheet together with the supporting Statement of Fixed Assets and the annexed Operating and Revenue Accounts of the Cyprus Telecommunications Authority and have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. So far as appears from our examination proper books of account have been kept by the Authority. In our opinion and to the best of our information and according to the explanations given to us the Balance Sheet and Operating and Revenue Accounts, which are in agreement with the books of account, read in conjunction with the Notes specified in the attached statement, give a true and fair view of the state of the Authority's affairs as at 31st December, 1963 and of the surplus on Revenue Account for the year ended on that date.

METAKAS, CHRISTOFIDES, LOIZIDES  
AND TIMENIDES

CERTIFIED PUBLIC ACCOUNTS (CYPRUS)

187 LEDA STREET,  
NICOSIA

25th May, 1964.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1963.

1. These Notes form an integral part of the Annual Statement of Accounts prepared in accordance with Section 26(i) of the Inland Telecommunications Service Law.

2. Capital Borrowings

No provision for the repayment of the Loans from Government of Cyprus or the Redemption of Stock has been made in these Accounts as the basis on which the Government Loans and the issues of Stock were made and the whole subject of the Authority's Capital Borrowings are still under discussion with the Government.

3. Capital Reserve

The increase in this Reserve, namely £11,552, represents the excess of the valuation, as made by the Authority's officials, (based on the current market values), over the amount paid by the Authority during the year under review in respect of certain assets acquired in 1962 (Note 3 on the Accounts for the year ended 31st December, 1962 refers).

4. Stocks in Hand and in Transit

Complete inventories of the Authority's main stores were not prepared as the relative stores records were inaccessible. For the purposes of these Accounts these stores have been taken at the figure of £333,585 which is as per the Books of Account. These stores were, however, physically verified by the Authority's staff in June 1963.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1963 (CONT'D)

5. Depreciation on Fixed Assets

Depreciation on Fixed Assets has been provided on the same basis as in the previous year.

6. Amortisation of Financing Charges

The Financing Charges on Capital Borrowings are amortised annually over the terms of the relative Borrowings. For the year under review the amount of £1,490 has been written off and included in the amount of £141,176 shown in the Revenue Account as Interest and Financing Charges on Capital Borrowings.

7. Capital Commitments

Capital Commitments outstanding as at 31st December, 1963, amounted to approximately £185,000 (at 31st December, 1962, £230,000).

8. Contingent Liabilities

Contingent Liabilities in respect of claims against the Authority amounted as at 31st December, 1963 to approximately £3,000 (at 31st December 1962, £4,500).



## STATEMENT 3

## CYPRUS TELECOMMUNICATIONS AUTHORITY

## OPERATING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1963.

1962			
£		£	£
<u>INCOME</u>			
	Telephone Income:		
345,189	Rentals	346,189	
204,152	Trunk Calls	232,001	
170,558	Local Calls	201,800	
32,169	Radiotelephone Calls	44,305	
<u>1,372</u>	Miscellaneous	<u>2,161</u>	
753,440		826,456	
	<u>Deduct: Provision for</u>		
<u>5,267</u>	Doubtful Debts	<u>2,678</u>	
748,173			823,778
	Telegraph Income:		
147,214	Telegrams	159,950	
1,581	Teleprinter Rentals	3,768	
17,281	Leased Circuits	30,266	
<u>1,604</u>	Miscellaneous Services	<u>1,966</u>	
167,680		195,950	
	<u>Deduct: Provision for</u>		
453	Doubtful Debts	-	
<u>167,227</u>			<u>195,950</u>
915,400			1,019,728
	<u>Deduct:</u>		
	<u>EXPENDITURE</u>		
	Staff Costs:-		
<u>820,080</u>	Salaries, Wages, Allowances etc.	861,276	
	<u>Deduct: Allocations to:</u>		
	£		
177,865	Capital	129,124	
	Maintenance and		
	Recoverable		
<u>206,476</u>	Works	<u>244,102</u>	
384,341		373,226	
435,739		488,050	
135,867	System Operating Expenses	170,030	
22,787	Establishment Expenses	23,023	
22,045	Administrative Expenses	<u>21,536</u>	
<u>616,438</u>			<u>702,689</u>
£298,962	Operating Surplus		£317,039
=====			=====

## STATEMENT 4

## CYPRUS TELECOMMUNICATIONS AUTHORITY

## REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1963.

1962

£

£

£

298,962	Operating Surplus from Operating Account	317,039
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Add: Other Income:-

628	Rents	820
6,197	Bank interest	1,348
-	Profit on sale of fixed Assets.	435
6,825		2,603
305,787		319,642

Deduct:

44	Loss on Sale of Fixed Assets	-
	Interest and Financing Charges on Capital Borrowings (See Note 6)	141,176
137,008		
2,289	Other Interest	8,697
	Chairman's and other Members' Travelling Expenses	586
700		
148,176	Depreciation on Fixed Assets (See Note 5)	166,238
	Obsolete Stores written off	115
2,742		
525	Miscellaneous Financial Charges	734
291,484		317,546
14,303	Revenue Surplus for year	2,096

Add:

59,740	Balance brought forward from Previous year	82,337
	Net Recoveries relating to Prior years	-
8,294		82,337
68,034		

Deduct: Net Expenses relating to prior years

-		2,123
68,034		80,214
£82,337	Balance carried forward to next Account	£82,310

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## STATEMENT 5

CYPRUS TELECOMMUNICATIONS AUTHORITY  
BALANCE SHEET AS AT 31ST DECEMBER, 1963.

1962 £		£	1962 £	FIXED ASSETS	£	£
2,229,914	CAPITAL BORROWINGS (See Note 2)	2,229,914	2,430,179	As per attached statement		2,638,131
100,000	Loans from Government of Cyprus					
	6% Telecommunications (First Issue) Stock 1964/68	100,000		CURRENT ASSETS		
100,000	3% Telecommunications (Second Issue) Stock 1963	100,000	431,986	Stocks in Hand and in Transit at cost (see Note 4)	330,086	
2,429,914		2,429,914	206,406	Debtors, prepayments and Deferred Revenue Expenditure, Less provision	234,021	
			62,693	Cash at Bank, in Hand and in Transit	6,342	620,449
52,752	RESERVES AND NET REVENUE ACCOUNT					
	Capital Reserve (See Note 3)	64,304				
66,000	Revenue Reserve	66,000				
82,337	Net Revenue Account	82,310	212,614			
317,273	CURRENT LIABILITIES AND PROVISIONS					
	Creditors, Accrued Charges and Provisions	293,378				
232,988	Interest due on Capital Borrowings	372,674				
			666,052			
3,181,264		3,308,580	3,181,264			3,308,580



STATEMENT 6

CYPRUS TELECOMMUNICATIONS AUTHORITY

STATEMENT OF FIXED ASSETS AS AT 31ST DECEMBER, 1963.

	As at 1st January, 1963 (See Notes below)			During 1963		As at 31st December, 1963.			
	Cost or Valuation	Aggregate Depreciation	Written Down Value	Additions at cost less Disposals	Depreciation on Disposed Assets	Depreci- ation for year	Cost or Valuation	Aggregate Depreciation	Written Down Value
	£	£	£	£	£	£	£	£	£
Land and Buildings	365,745	38,650	327,095	5,645	-	5,750	371,390	44,400	326,990
Telephone Exchanges, Subscribers Circuits and Trunk Services	2,761,473	811,957	1,949,516	312,450	48	122,957	3,073,923	934,866	2,139,057
Telegraph and Wireless Equipment	156,278	32,943	123,335	50,333	-	17,006	206,616	49,949	156,667
R.F. Equipment	-	-	-	1,271	-	51	1,271	51	1,220
Motor Vehicles and Mechanical Equipment	75,976	42,047	33,929	8,066	10,413	10,428	67,910	42,362	25,548
Furniture, Fixtures, Fittings and Office Equipment	62,347	22,774	39,573	1,971	72	4,824	64,313	27,526	36,782
Loose Tools	15,619	8,833	6,786	48	-	5,222	15,667	14,110	1,557
	3,437,438	957,259	2,480,179	363,657	10,533	166,233	3,801,095	1,112,964	2,688,131

Notes: 1. Included in the figures of Cost or Valuation and Aggregate Depreciation as at 1st January, 1963 are the original cost less Disposal of Fixed Assets taken over from and depreciation previously provided by Cable and Wireless Limited. These assets were taken over on 1st January, 1955.

2. The Cost or Valuation of Fixed Assets as at 1st January, 1963, includes, at a valuation of £172,717, certain Fixed Assets purchased in 1961 and 1962 at the cost of £108,413.