



CYPRUS TELECOMMUNICATIONS AUTHORITY

NINTH ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1964

THE AUTHORITY

Chairman

N.M. MILTIADOU, F.A.C.C.M.

Vice-Chairman

ALI GURSOY

Members:

J. CL. CHRISTOULIDES, Barrister-at-Law

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

G. JOANNICU,

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

KEMAL ZIVER, M.D.

ADMINISTRATION

General Manager:*

A.N. STYLIANIDES, M.E.-B.Sc., M.-A.S.M.E.,

Secretary:

S. KOKKINIDES, Cert. Soc. Science & Admin. L.S.E.-
University of London.

The Accountant:**

M.E. CHRISTOFIDIS, F.A.I.A.

Chief Engineer:

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

Head Office: Electra House, 1 Museum Street, Nicosia.

Telephone: 77111

Branches:

LIMASSOL	- 4 MARCOS BOTSARIS STREET	TEL 2500
FAMAGUSTA	- EDISON STREET	TEL 2500
LAFNACA	- 7, LORD BYRON STR.	TEL 2299
PAPHOS	- 36, ADONIS STREET	TEL 2148
XERENIA	- 5A 28TH OCTOBER AVENUE	TEL 438
LEFKA	- LEFKA	TEL 459
MACRAPHOU	- 25TH MARCH STR. No 18	TEL 5555

* Appointed as from 1st August, 1964.

** Appointed as from 16th December, 1964.

INTRODUCTION

1. This report deals with the 10th year of operation and development of the Telecommunications Services provided by the Cyprus Telecommunications Authority, which was established in accordance with Law 302 No.67 of 1954.

The Cyprus Telecommunications Authority is the Successor of the Cable and Wireless Ltd., from whom it took over the responsibility of Inland and Overseas Telecommunications in Cyprus in January 1st 1955 and April 1st 1961, respectively.

2. In spite of the conditions which prevailed in Cyprus during the year under review and the desertion of the service by practically all the Turkish employees, the Authority has been able to operate its normal services in a satisfactory manner and has also been able to cope with the considerable increase in its telephone and telegraph traffic. The expansion and development schemes of the Authority have continued in accordance with a pre-determined programme.

3. The management and staff have had to contend with adverse conditions during the year and it is gratifying to record that they have been able to brace themselves to the task of dealing efficiently with the Telecommunication needs of the State, the Public and the Armed Forces.

LAYMAN'S ACCOUNTS

During the year the Authority had from its operations
 or income of £1,211,194

The amount of income was used to pay:

Staff Salaries, Wages and Allowances £755,288

Less: Allocations to Capital £98,147

" " Maintenance
 and Recoverable Works 225,094

323,241

Balance being Operating and Administrative
 Staff Costs £442,042

System Operational (Maintenance of
 Equipment) Expenses 164,124

Establishment Expenses 28,119

Administrative Expenses 28,259

857,544

resulting in an Operating Surplus of £553,650

The Authority had other income of 4,084

£557,734

The above Surplus was used to provide:

Interest and Financing charges on the
 borrowed capital £150,478

Other Interest 7,380

Members Travelling Expenses 500

Depreciation on the Authority's Buildings,
 Equipment, Vehicles, Furniture & Tools 170,129

Obsolete Stores written off 11,662

Miscellaneous Charges 2,043

£342,192

resulting in a surplus of £215,542

INLAND COMMUNICATIONS
CONSTRUCTION AND DEVELOPMENT

The expansion of the Inland Telecommunications Service has been actively pursued in both rural and urban areas.

Rural Areas (Overhead Construction)

The main tasks of this Section consist in the erection of heavy overhead routes and in the Rural Kiosk Development. Although the work in overhead construction has been hampered by prevailing conditions, 1,448 poles were erected, 19 miles of pole routes were built and 229 miles of single wire installed during the year.

Urban Areas (Underground Construction)

The demand for telephone service in the main towns continued to be great. As stated in the 1963 Report, the laying of cables directly in the ground became uneconomical and the Authority reverted, wherever practicable, to the construction of the manholes and ducts system. In this way, the construction of the cable network in the towns and especially in the main streets, has been carried out more economically and speedily and with the least possible inconvenience to the public and traffic.

During the year 31 manholes were constructed and 15 miles of new duct (running pipe) were laid.

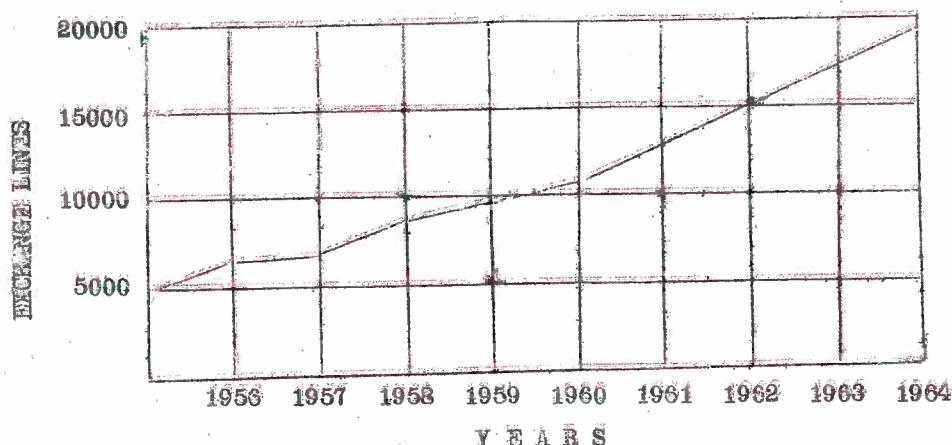
The results of the above work, were reflected in the installation during 1964 of 2435 new direct lines in addition to 1565 extension lines, i.e. a total of 4,000. The situation regarding applications, for telephone service is as hereunder:

Outstanding applications as at the end of 1963 for telephone installations	819
Applications received during the year	2690
Telephones installed	2434
Balance waiting as at the end of 1964	1074

The Waiting List is mainly the result of additional responsibilities allocated by the Authority for the provision to the UNFICYP and the National Guard on an island-wide telegraph and telephone service.

GRAPH "A"

GROWTH OF DIRECT EXCH. LINES INSTALLATION



Malicious Cuttings (Rural & Urban areas)

Malicious damages to the following overhead routes were dealt with.

Near Tymbou Airfield	Kophinou Village Area
Louroudjina Area	Near Mari Village
Near Polis, Chrisokhou	Near Gozivero Village
Near Klavdia Village, Larnaca	Near Episkopi Village, Limassol
Kelokedhara, Paphos	Lefkoniko.

The Authority also had to deal with the following three serious malicious cuttings of cables:-

- (a) The main cables from Electra House Nicosia feeding the area of Neapolis, Trachonas and Kaimakli, as well as the long lines towards Kythrea were maliciously cut early in 1964 and this resulted in the discontinuation of service to about 800 subs, and long call offices and junction lines.

Service to these subscribers was ultimately partially restored by connecting them from other existing routes, or by laying or suspending new alternate cable routes.

(b) The main trunk cable Nicosia-Kyrenia feeding Kyrenia town and district was maliciously cut early in 1964. It was impossible to establish communication as it was again cut soon after repair.

(c) The main cable feeding the Zakaki road Industrial area in Limassol district was maliciously cut in the second quarter of 1964 but its repair was made possible soon after.

AUTO CONSTRUCTION SECTION

The construction of the Limassol Satellite Exchange was completed during the year, and a number of private exchanges automatic and manual, installed at various subscribers' premises were connected on it.

New rural exchanges were not installed during the year, but improvements, and modifications were done to the existing equipment at the various exchanges, including improvement on the trunk lines, this resulted in a more efficient and reliable dialling by the trunk operators.

A special mobile exchange of 100 lines capacity was installed at the United Nations Headquarters.

Berengaris Auto Exchange (100 lines) was recovered and all existing subscribers taken over by the Limassol Satellite.

The following table indicates in comparison the development of telephone exchanges in the years 1963 and 1964.

Type of Equipment	1963		1964	
	Number	Capacity	Number	Capacity
Main Town Auto Telephone Exchanges	7	19,325	8	20,825
Private Auto Branch Exchanges	32	2,768	34	2,918
Mobile Exchange	—	—	1	100
Private Manual Exchanges	495	5,967	560	7,536
Rural Exchanges	48	3,495	47	3,395
Telephones installed	3,540	—	2,435	—
Telephones Working	22,541	—	23,112	—

MAINTENANCE AND TRANSMISSION

General

Every effort was made to run the level of maintenance service to satisfactory standards, in spite of the increased cases of malicious damages to the overhead plant affecting trunks and subscribers.

Emergency Alternators.

The Emergency Alternators installed at all Main and Rural Exchanges have functioned efficiently on mains failures during 1964.

Inland Transmission Equipment Installations and Maintenance.

During the year two additional 12 channel carrier systems were installed to increase the trunk circuits between main towns.

1) The multi-channel carrier systems working between Nicosia and Famagusta over the O/Head route via Lefkonico were re-deployed via the Nicosia-Lyssai-Famagusta route due to the complete break-down of the Nicosia-Lefkonico-Famagusta O/Head route by malicious action.

2) An 8 channel Carrier System between Nicosia and Lapithos, was installed to provide alternate trunk circuit to Kyrenia district, due to the malicious cutting of the Nicosia-Kyrenia trunk cable mentioned above.

VHF Inland Radiotelephone Service.

This Service which is rented to the Public for Mobile Radiotelephone communication or point-to-point communications on a private wire basis has functioned satisfactorily.

In addition, the Authority is negotiating with the manufacturers for the provision of radiotelephone equipment in order to introduce a new Service, whereby communication between a ship at anchor off the three main ports of Cyprus and the public telephone network will be possible.

./...

VHF Multi-Channel Links

The main VHF Nicosia Limassol Link was converted to operate on new frequencies so as to come in line with the Frequency Plan for Cyprus.

A temporary VHF Repeater Station away from Mt. Olympus was established at Amiantos, where the VHF Repeater terminals and associated equipment were accommodated, until the Madhari repeater station is completed.

The Multi-Channel VHF Link Nicosia Airport-R.A.F. Troodos was recovered and brought to Nicosia Transmission room for conversion to new frequencies.

The VHF 24-Channel Carrier equipment and its ancillaries were transferred from Episkopi R.A.F. Cantonment to Limassol Transmission room, for conversion to new frequencies.

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 (BFBS & BFBC). Such broadcasts include Church Services, theatrical performances, fairs, Christmas celebrations, football matches etc.. The schedule below indicates the number of outside broadcasts dealt with by the Authority during the year:-

Outside Broadcasts held (Local)	62
Outside Broadcasts held (Overseas)	4

Maintenance Workshops:

During 1964 the Maintenance Workshops executed the following works:-

Telephones repaired and tested	5,200
Dials repaired	5,000
Cords repaired and made	10,000
Switchboards repaired	180

The Authority also overhauled during the year 164 route miles of overhead wires representing 1200 miles of single wire.

OVERSEAS COMMUNICATIONS

1. General

The year under review was undoubtedly the busiest year for overseas communications since, apart from the normal trend of all round development, several new circuits were established to meet the needs of the United Nations Organisation in Cyprus, as well as press correspondents and agencies who arrived here to report on the situation.

2. Very High Frequency Communication (VHF)

Considerable progress was made for the implementation of the Authority's very high frequency multi-channel scheme. Both the Yaila and Madhari Repeater Station buildings were in the process of completion and part of the equipment installed.

3. Comparative Table of Overseas Communications.

Radiotelephone

Herebelow comparative figures of the Authority's five main links for the years 1961 - 1964.

Weekly hours of operation and Total amount of Traffic in Minutes.

	<u>1961</u>		<u>1962</u>		<u>1963</u>		<u>1964</u>	
	<u>Hrs</u>	<u>Minutes</u>	<u>Hrs</u>	<u>Minutes</u>	<u>Hrs</u>	<u>Minutes</u>	<u>Hrs</u>	<u>Minutes</u>
Greece	60	44704	114	52900	161	59868	246	104335
United Kingdom	45	34346	60	44670	98	56176	190	95199
Lebanon	21	10753	60	17375	60	31400	60	29794
Israel	18	6573	36	10000	39	17659	39	8891
Turkey	12	1558	12	2352	12	5812	12	14325
				<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	
Total of all circuits in minutes				100,698	230,137	172,319	255,419	

4. Voice Casts.

(Programmes for Broadcasting Stations abroad)

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Number of Voice Casts	14	42	52	1490
Number of Minutes	231	741	900	21243

5. Facsimile (Radio Pictures)

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Received	16	59	51	79
Forwarded	30	31	94	1302

6. Overseas telegrams forwarded only.

In addition to the telegraph circuits operated by C.Y.F.A. for public use, the Authority leases circuits to large concerns. The following statistics indicate the number of Overseas Telegrams and words forwarded.

<u>Year</u>	<u>Messages</u>	<u>Words</u>
1961	127,294	- (Records go from 1st April, 1961)
1962	133,480	3,368,900
1963	135,981	3,561,148
1964	157,626	8,879,127

7. Ship-Shore Services.

Radiotelephone

This service which was introduced on the 1st September, 1962, is in operation between 0800 and 1800 hours daily. An emergency service can be operated at any time outside the above hours.

	<u>1962</u> (1/9/1962)	<u>1963</u>	<u>1964</u>
Calls	124	705	759
Minutes	406	2519	2711

Radiotelegraph

As from 1st September, 1962, this service was extended to 24 hours daily.

	<u>1962</u>	<u>1963</u>	<u>1964</u>
Telegrams	3922	4157	3826
Words	56707	57738	56016

8. Civil Aviation Signals

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

Athens - Greece
Ankara - Turkey
Beirut - Lebanon
Damascus - Syria
Lod - Israel
Cairo - U.A.R.

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

During the year under review, a total of 6,328,440 groups were transmitted and received which shows a decrease of 971,990 groups below those for 1963. About 60% of this traffic was handled by hand speed Wireless Telegraph (Morse) circuits and the remainder by the Athens Radio Teletype Circuit.

The use of automatic error correcting (ARC) equipment on the Athens Radio Teletype Circuit, as from 1st July, 1964, resulted in a great improvement and gave unutilated and clean copies of traffic.

GENERAL SERVICES

TELEGRAPH & TELEPHONE OPERATING SERVICE

Traffic for both Telegraph and Telephone service has been unprecedentedly high during 1964. It will be observed that local telegraph and trunk calls were less than 1963, on account of the restriction in the movement of the public and adverse effects on the market. All circuits and lines were constantly busy during most of the year. Telegraph and Telephone Operators whose normal strength was reduced by one-third, due to absence from duty of Turkish employees, worked long shifts, with short rest periods and were able to respond efficiently to the needs of the service.

1. Telegraph

The service was operated locally by 14 Internal circuits and overseas by 3 External 5-unit Public Telegraph Circuits and 5 External leased ones.

The following comparative table shows the number of telegrams forwarded for the years 1962, 1963 and 1964.

	<u>1962</u>	<u>1963</u>	<u>1964</u>
1. No. of Inland Telegrams forwarded	76660	77785 (1,127,393 words)	53143 (869,857 words)
2. No. of Overseas Telegrams forwarded	183480	135166 (3,561,148 words)	157626 (8,879,127 words)

5,317,979 words were cabled overseas in 1964 over and above those of 1963.

It is estimated that about 100 foreign correspondents were visiting the Niccisia Telegraph Office daily from January to September, for dispatching press news and they were always given prompt service and assistance.

2. Telephone

A close liaison with the public was maintained and requests of complaints were promptly dealt with.

During 1964 a total of 168 applications from subscribers receiving malicious calls were received, 133 were investigated and 57 detected and action taken.

Herebelow comparative tables showing various calls made for 1962, 1963 and 1964.

1. Local Calls

<u>1962</u>	<u>1963</u>	<u>1964</u>
22,976,661	26,897,020	28,144,577

2. Trunk Calls

<u>1962</u>	<u>1963</u>	<u>1964</u>
2,884,974	2,780,928	2,530,240

3. Overseas

	<u>1962</u>	<u>1963</u>	<u>1964</u>
(a) Outgoing calls	15599 (72234 minutes)	21282 (92458 minutes)	28911 (129,701 minutes)
(b) Incoming calls	11915 (57968 minutes)	16462 (79861 minutes)	23629 (125,718 minutes)

DIRECTORY PREPARATION SERVICE

The work of this Service was completely re-organised and all preparations were made for a speedy issue of a completely up-to-date Directory in 1965.

A new system of issuing telephone directories by the use of photo-list equipment has been decided, this to be put in operation for the directories to be issued after 1965. It is anticipated that in this way, directories will be issued every year and it may even be possible to circulate amendments thereon at intervals during the year.

COMMONWEALTH TELECOMMUNICATIONS BOARD (C.T.B.)

The Government of the Republic of Cyprus renewed the appointment of Mr. N.M. Miltiadou, the Authority's Chairman to represent it on the Commonwealth Telecommunications Board for a further period of one year, to 19th June, 1965. The Chairman attended one Board Meeting (354th) held in the Commonwealth Telecommunications Headquarters, London, on 29th October, 1964.

Audited Wayleave Accounts for the years 1961/62 and 1962/63 were submitted to the C.T. Board showing a total net revenue of £162,293.- and £169,921.- respectively. Estimated wayleave accounts for 1963/64 show a total net revenue from common-user external telecommunications of £237,083.

A Financial Review Conference was held in New Delhi, India, in January/February 1964, to examine the operation of the financial arrangements applying to the Commonwealth "Common-user" system during which it was agreed to retain the existing Scheme with certain modifications up to 31st March, 1966. During the interim two-year period annual payments at the rate of £30,000.- (or actual amount, whichever is the less) were fixed for Cyprus. It was also agreed that countries receiving traffic from foreign countries via other National Bodies would be entitled to receive 25 per cent of the net revenue accruing to the Transit Commonwealth country, which resulted in a substantial increase of the Authority's revenue.

Cyprus was represented at the above Conference by a Senior Officer of the Authority, who also attended the 337th C.T. Board Meeting held immediately after the conclusion of the Conference, on 18th February, 1964.

The Fourth C.T.B. Technical and Traffic Meeting was held in London in October, 1964, the conclusions and recommendations of which have been studied by the Engineers of the Authority. Some Sessions of this Meeting were attended by Mr. C. Loizon, of the Cyprus High Commission in his capacity as Alternate Member of the C.T. Board for Cyprus.

All external telecommunications matters were closely followed by the Chairman whose guidance has proved most valuable for the safeguarding of the Authority's interests.

FINANCE

General

The results of the year under review have shown a marked improvement over those of the previous year, the main reason being the abnormal political situation that has nearly doubled the Revenue from Overseas Traffic.

There has been a considerable improvement in the cash position and the Authority has been able to lodge certain funds on short and medium term deposits mainly for the purpose of meeting commitments with regard to the purchase of equipment.

The Authority has not taken any action in the year under review, on loan repayment instalments, the redemption of the 3% Telecommunications (Second Issue) Stock, 1963, and the interest due on Capital Borrowings other than the payment of interest on the 6% Telecommunications Stock 1964/68 as the whole subject of the Authority's financing is still under discussion with the Government; it is expected however that this question will soon be resolved.

The Accounts

Borrowings

There was a further borrowing in the year of £50,000 from Government, for the purpose of financing the VHF Scheme and thus the capital structure as at 31st December, 1964 was as under:-

(i) Long Term.

Government Loan (1969/71) in 1954/5	£1,499,914	
" " (1973/75) in 1958	400,000	
" " (1973/75) in 1959	200,000	
" " (1961/76) in 1961	130,000	
" " (1965/76) in 1964	<u>50,000</u>	£2,279,914

(ii) Short Term.

6% Telecommunications (1st Issue) Stock (1964/68)	100,000	
3% Telecommunications (2nd Issue) Stock (1963)	<u>100,000</u>	200,000
		<u>£2,479,914</u>
		=====

Operating Revenue

Income for the year amounted to	£1,211,194
which, after deducting Operating Expenses of	<u>657,544</u>
Resulted in an Operating Surplus of	<u>£553,650</u>

A comparison of Operating Revenue with 1963 shows:-

	<u>1963</u>	<u>1964</u>
Rentals	£346,189	£364,146
Trunk Calls	232,001	211,962
Local Calls	201,800	213,166
International Radio Telephone Calls	44,305	74,368
Telegraph Income	193,984	362,527
Miscellaneous	<u>4,127</u>	<u>3,967</u>
	£1,022,406	£1,230,136
Deduct: Provision for Doubtful Debts	<u>2,678</u>	<u>18,942</u>
	<u>£1,019,728</u>	<u>£1,211,194</u>

The increase in the rentals and Local Calls is the result of the additional telephone installations during the year whilst the considerable increase in the Telegraph and Radio/Telephone Calls income is due to a great extent to the prevailing situation in the Island; the abnormal situation has, however, affected unfavourably the Trunk Calls revenue.

Operating Cost

The Staff Costs show a decrease as compared with those for 1963 as a result of the exclusion of the emoluments of those Turkish employees, who failed to attend to work during the year under review.

There was also a reduction in the System Operating Expenses due to the decrease in expenditure on the Trunk Circuits Maintenance.

A comparison of Operating Costs for the year under review with those of 1963 is as follows:-

	1963	1964
Staff Costs	£361,276	£765,283
Less: Allocations to Capital etc.	878,226	523,241
	£408,050	£442,042
System Operating Expenses	170,080	164,124
Establishment Expenses	23,023	28,119
Administrative Expenses	21,586	23,259
	£762,389	£657,544
	=====	=====

The Establishment Expenses show a small increase over those of 1963 due to additional abnormal expenditure.

Net Revenue

To the Operating Surplus of	£553,650
There was added Sundry Other Income of	4,084
which made a total of	£557,734

Non-Operating Expenditure incurred in respect of:

Interest on Capital and Financing Charges	£150,478
Other Interest	7,380
Contribution to Commonwealth Telecommunications Board Expenses	725
Chairman's and Members' Expenses	500
Depreciation	170,129
Obsolete Stores Written off	11,662
Miscellaneous Financial Expenses	1,318
Made a total to be deducted of	342,192
which resulted in a surplus for the year of	£215,542
	=====

Fixed Assets

As at 1st January, 1964, the net book value of the Authority's Fixed Assets was £2,688,131.

The capital works executed during 1964 and other capital expenditure increased the Fixed Assets as follows:-

Net Book Value as at 1st January, 1964	£2,588,191
Capital Development during the year:-	
(a) Inland Communications	£207,219
(b) Overseas Communications	22,686
(c) VHF Scheme Work in Progress	16,106
	<u>£246,011</u>
Less: Installation and Removal charges recovered	<u>31,401</u>
	<u>214,610</u>
	<u>£2,802,741</u>
Less: Disposals during the year	<u>25,882</u>
	<u>£2,877,059</u>
Depreciation for year, less on Disposed Assets which must be deducted	<u>168,838</u>
Resulted in a Net Book Value as at 31st December, 1964, of	<u>£2,708,426</u>

Balance Sheet

- (i) The Capital Borrowings have been increased by the additional loan of £50,000 from Government.
- (ii) The Net Revenue Account has been considerably increased by £245,281, being Revenue Surplus for the year of £215,542 and Net Recoveries relating to prior years of £29,739.
- (iii) The increase in the Creditors, Accrued Charges and Provisions is mainly due to the additional Provision for Doubtful Debts of £16,264.
- (iv) The increase in the Interest due on Capital Borrowings is in respect of interest in the sum of £127,051 due for 1964 after deduction of £21,937, representing interest due for previous years and the year under review on the 6% Telecommunications Stock 1964/68, which was paid.

TABLE SHOWING AGGREGATE OF:

I) CAPITAL UTILISED

II) EXPENDITURE

1955 - 1964

(IN THOUSAND POUNDS)

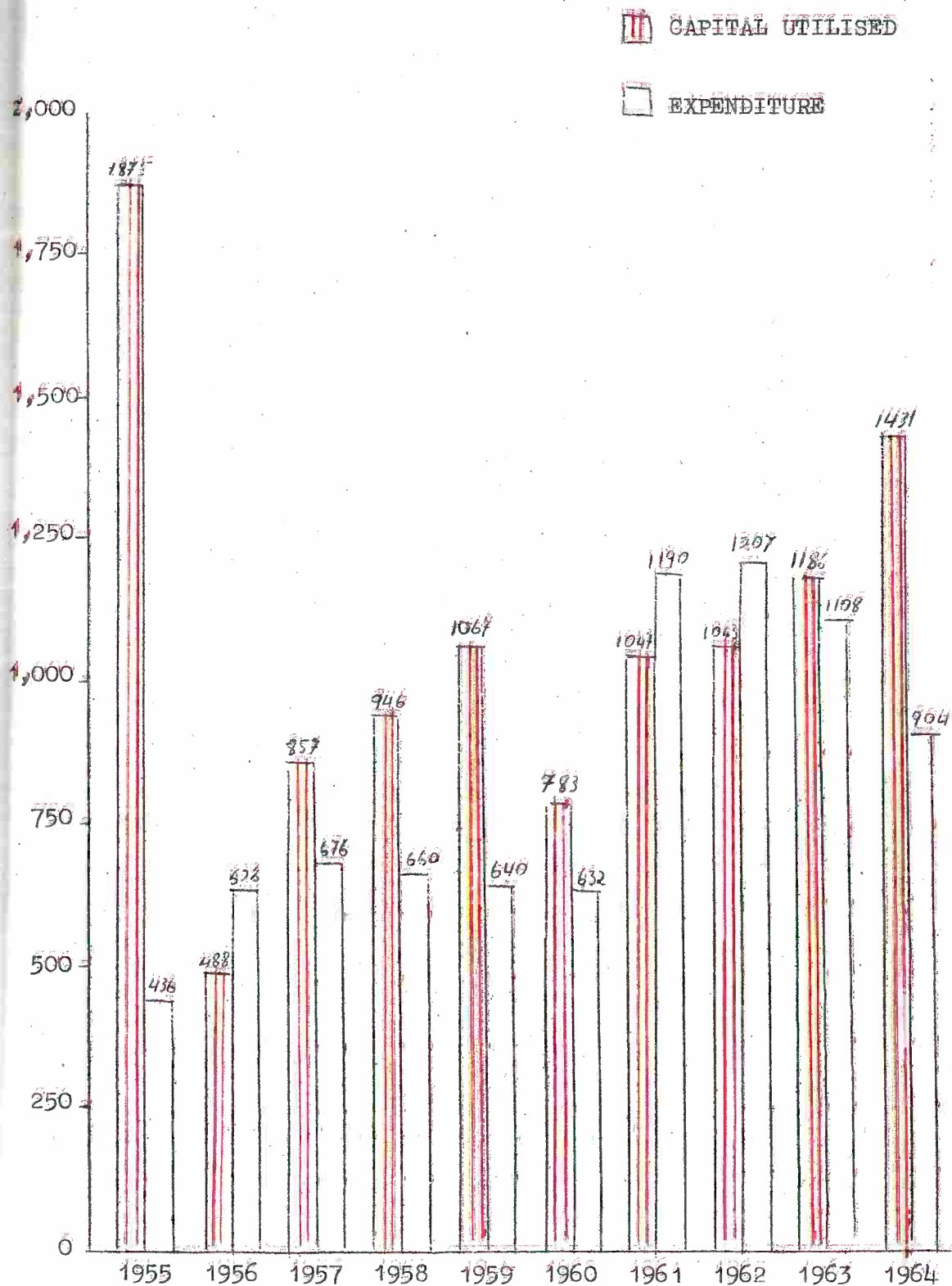


TABLE SHOWING ANALYSIS OF TABLE "A" RE-CAPITAL UTILISED 1955/64

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

(IN THOUSAND POUNDS)

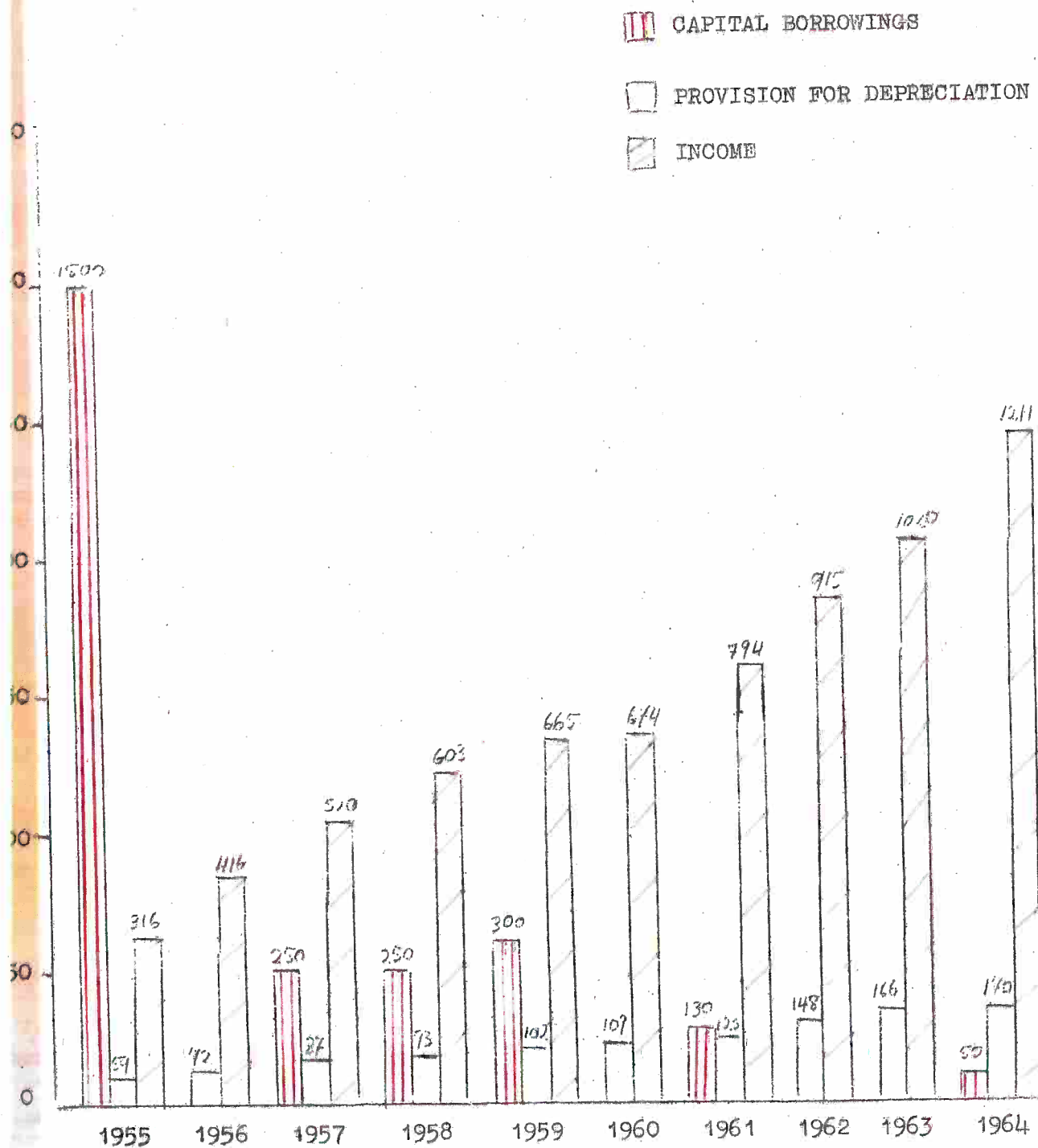


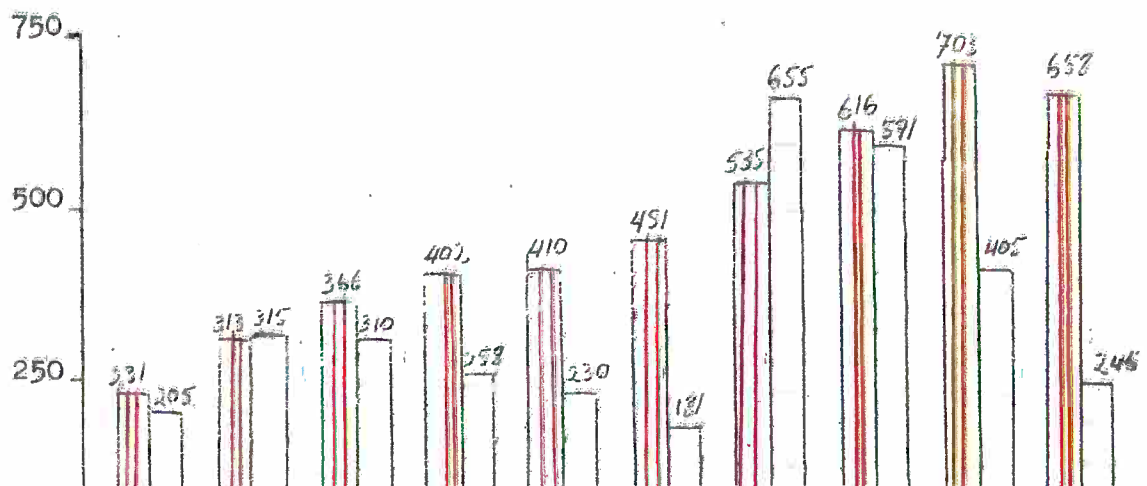
TABLE SHOWING ANALYSIS OF TABLE "A" RE-EXPENDITURE 1955-64

- I) OPERATING COSTS
 II) CAPITAL DEVELOPMENT

(IN THOUSAND POUNDS)

III OPERATING COSTS

IV CAPITAL DEVELOPMENT



STAFF

1. Re-organisation of the Services and Establishment.

The Authority, after careful study, issued a revised Staff Establishment showing clearly the organisation of the services, their precise responsibility and the number of personnel required in each service.

Apart from a number of promotions and confirmations of staff indicated hereunder, as a direct result of the above-mentioned re-organisation the following six Senior posts were created and filled from personnel in the service of the Authority;

The Accountant

Three Senior Engineers

One Internal Auditor

One Administrative Officer (Engineering).

2. Comparison of Staff Strength for the year 1963-1964.

	<u>1963</u>	<u>1964</u>
Administration and Accounts	204	196
Engineering	621	656
Telegraph Operating	153	116
Telephone Operating	<u>173</u>	<u>169</u>
TOTAL	1,151	1,137
Monthly Paid	980	969
Weekly Paid	171	168
Note:- Out of 292 Turks only 22 attended to duty		<u>270</u>
15 employees joined the National Guard (6 Permanent, 6 T.M.P. and 3 Weekly Paid)		<u>15</u>
Actual Staff employed		<u>852</u>

During the year, 28 Temporary Monthly Paid employees were transferred to permanent staff and 146 were promoted to higher grades.

Sixty three employees, mainly telephonists and Technical Probationers, were recruited on a daily paid basis and continued working throughout the year.

3. Staff Relations, Joint Committees etc.

The various Management/Union Joint Committees, which are negotiating on staff matters, had eighteen meetings, during the year.

4. Staff Safety and Welfare.

Safety.

Fifty accidents against 72 of last year were reported as per analysis hereunder:-

	<u>No.</u>
Accidents not necessitating sick leave	11
Accidents necessitating 1-3 days sick leave	12
" " 4-30 " " "	21
" " over 30 days	<u>6</u>
Total	50

Two employees lost their lives whilst in the service of the Authority and 3 seriously wounded due to causes not connected with the business of the Authority.

All accidents were promptly investigated and the attention of all concerned was drawn with a view to avoiding their repetition. It was emphasised to all concerned that although accidents, due to the nature of the Authority's business, may not be altogether avoided, yet adherence to the

Welfare.

There exists within the Authority a Welfare Fund supported by the voluntary contributions of employees and of the Authority; the objects of the Fund are the organisation of welfare projects and the rendering of financial assistance to needy cases among the staff.

Due to the continued abnormal situation in the Republic, the problem of accommodating the Engineering Personnel, who had to abandon their premises, at Votsis Street, Neapolis, continued to be acute, although ad hoc arrangements had eased somewhat the inevitable congestion of staff at Electra House.

Provident Fund and Pension Fund.

The terms and regulations of the Provident Fund were agreed upon between the Authority and Staff and were ready for circulation by the end of the year under review. The regulations of the Pension Fund were also agreed upon in principle, but its finalisation and circulation was postponed until 1965 pending important actuarial calculations.

Medical Fund.

This Fund is jointly maintained by the Authority and staff. The Fund was in previous years facing difficulties in meeting claims by its members and the Authority in its desire to strengthen the resources of the Fund agreed to double its contributions as from the beginning of the year under review; similar increased contributions were made by the staff.

The Administration of the Fund is carried out by a Committee composed of three members of the staff and a Chairman appointed by the Authority.

The increased contributions to the Fund resulted in ameliorated benefits to members and in wiping out outstanding claims on its resources from

Training

The Authority continued to show a great interest in the training of its staff.

(a) The teaching fees and correspondence expenses were reimbursed to all employees who followed approved courses and succeeded in their examinations.

(b) The Authority undertook the expenses of the following:-

6 Technicians - 4 months training on various types of equipment scheduled for use on the Very High Frequency Multi-Channel Scheme of the Authority.

2 Technicians - Received specialised training for one month in U.K. on equipment used for Aeronautical communication (Very High Frequency Omni-directional, Radio Range Equipment).

2 Technicians - were trained for three weeks in Berne on Automatic Error Correcting (ARQ) Equipment.

40 Technicians - part-time courses at the Technical Institute leading to City and Guilds Examinations.

A number of employees attended Supervisory Courses organised by the Ministry of Labour.

On the job training was given to seventy Technical Probationers and others.

Finally the Joint Training Committee was instructed to study the question of organised training and submit a comprehensive report.

ANNUAL

ACCOUNTS

CYPRUS TELECOMMUNICATIONS AUTHORITYAUDITORS' 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, 1964 and of the Surplus on Revenue Account for the year ended on that date.

METAXAS, CHRISTOFIDIS, LOIZIDES
AND TIMINIDES

CERTIFIED PUBLIC ACCOUNTANTS (CYPRUS)

"PARTHEON" BUILDING,
40 EVAGORAS AVENUE,
NICOSIA.

CYPRUS TELECOMMUNICATIONS AUTHORITYNOTES ON THE ACCOUNTSFOR THE YEAR ENDED 31ST DECEMBER, 1964.

1. These Notes form an integral part of the Annual Statement of Accounts prepared in accordance with Section 20 (i) of the 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 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. Stocks in Hand and in Transit

It has not been practicable to have the Stocks in Hand as at 31st December, 1964, physically verified.

Complete Inventories, however, of these Stocks amounting to 2414,072 were prepared from the Authority's Stores Records.

4. Depreciation on Fixed Assets

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

5. 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 £150,478 shown in the Revenue Account as "Interest and Financing Charges on Capital Borrowings".

CYRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1964 (CONT'D)

6. Capital Commitments

Capital Commitments outstanding as at 31st December, 1964, amounted to approximately £151,000 (At 31st December, 1963, £185,000)

7. Contingent Liabilities

Contingent Liabilities in respect of claims against the authority amounted as at 31st December, 1964, to approximately £525 (At 31st December, 1963, £8,000).

CYPRUS TELECOMMUNICATIONS AUTHORITY

OPERATING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1964.

1963

£

£

£

INCOME

Telephone Income:-

346,189	Rentals	364,146
232,001	Trunk Calls	211,962
201,800	Local Calls	213,166
44,305	Radio-telephone Calls	74,368
2,161	Miscellaneous	1,383
<u>826,456</u>		<u>865,025</u>

Deduct: Provision for
Doubtful Debts

<u>2,672</u>		<u>18,942</u>
823,773		846,083

Telegraph Income:-

159,950	Telegrams	295,112
3,768	Teleprinter Rentals	7,327
30,266	Leased Circuits	60,088
<u>1,966</u>	Miscellaneous Services	<u>2,564</u>
<u>195,950</u>		<u>365,111</u>
1,019,723		1,211,194

Deduct:EXPENDITURE

Staff Costs:-

861,276	Salaries, Wages, Allowances etc.	785,283
---------	----------------------------------	---------

Deduct: Allocations to:-

129,124	Capital	98,147
---------	---------	--------

244,102	Maintenance and Recoverable Works	<u>225,094</u>
---------	-----------------------------------	----------------

<u>873,226</u>		<u>323,241</u>
----------------	--	----------------

488,050		442,042
---------	--	---------

STATEMENT 4CYPRUS TELECOMMUNICATIONS AUTHORITYREVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1964.

<u>1963</u>			
£		£	£
317,039	Operating Surplus from Operating Account		553,050
	<u>Add: Other Income:-</u>		
820	Rents	738	
1,348	Bank Interest	2,091	
435	Profit on Sale of Fixed Assets	<u>305</u>	
<u>2,603</u>			<u>4,084</u>
319,642			557,134
	<u>Deduct:</u>		
	Interest and Financing Charges on Capital Borrowings (See Note 5)	150,478	
141,176			
8,697	Other Interest	7,380	
	Chairman's and Other Members' Traveling Expenses	500	
586			
	Depreciation on Fixed Assets (See Note 4)	170,129	
166,238			
115	Obsolete Stores Written off	11,062	
	Miscellaneous Financial Charges	<u>2,043</u>	
734			
<u>317,546</u>			<u>342,192</u>
2,096	Revenue Surplus for year		215,542
	<u>Add:</u>		
	Balance brought forward from previous year	82,310	
82,337			
=	Net Recoveries relating to prior years	<u>29,739</u>	
<u>82,337</u>			<u>112,049</u>
	<u>Deduct: Net Expenses relating to prior years</u>		
<u>2,123</u>			
<u>80,214</u>			<u>112,049</u>
82,310	Balance carried forward to next Account		2327,591
=====			=====

CYPRUS TELECOMMUNICATIONS AUTHORITY

STATEMENT 5

BALANCE SHEET AS AT 31ST DECEMBER, 1964

1963 £	1963 £	1963 £	1963 £	1963 £	1963 £
CAPITAL BORROWINGS (See Note 2)				FIXED ASSETS	
Loans from Government of Cyprus	2,229,914	2,279,914	2,688,131	As per attached Statement	
6% Telecommunications (First Issue) Stock 1964/68	100,000	100,000		CURRENT ASSETS	
3% Telecommunications (Second Issue) Stock 1963	100,000	100,000	380,086	Stocks in Hand and in Transit, at cost (See Note 3)	414,377
			2,479,914	Debtors, Prepayments and Deferred Revenue Expenditure, less Provision	426,716
RESERVES AND NET REVENUE ACCOUNT				Cash on Short and Medium Term Deposits	100,207
Capital Reserve	64,304	64,304		Cash at Bank, in Hand and in Transit	104,113
Revenue Reserve	66,000	66,000			
Net Revenue Account	82,310	327,591	6,342		
			457,895		1,045,413
CURRENT LIABILITIES AND PROVISIONS					
Creditors, Accrued Charges and Provisions	293,378	316,305		N.M. Miltioudou - CHAIRMAN	
Interest due on Capital Borrowings	372,874	499,725		J.C. Christophides - MEMBER.	
			816,030		
			£3,753,839		
	3,308,580				£3,753,839

The Notes on the accounts form an integral part of these Accounts.

CYPRUS TELECOMMUNICATIONS AUTHORITY

STATEMENT OF FIXED ASSETS AS AT 31ST DECEMBER, 1964.

	As at 1st January, 1964 (See Notes below)		During 1964		As at 31st December, 1964				
	Cost or Valuation £	Aggregate Depreciation £	Written Down Value £	Additions at cost less Disposals £	Depreciation on disposed Assets £	Deprec. for year £	Cost or Valuation £	Aggregate Depreciation £	Written Down Value £
Land and Buildings	371,390	44,400	326,990	1,185	-	5,773	372,575	50,173	322,402
Telephone Exchanges, Subscribers Circuits and Trunk Services	2,073,923	934,866	2,139,737	149,971	503	128,371	3,223,894	1,032,172	2,190,722
Telegraph and Wireless Equipment	200,616	49,949	150,667	17,005	-	19,021	224,221	38,970	185,251
Motor Vehicles and Mechanical Equipment	67,910	42,062	25,848	-734	903	9,307	67,156	50,521	16,635
Furniture, Fixtures, Fittings and Office Equipment	64,318	27,526	36,792	3,131	23	5,062	67,499	32,565	34,934
Loose Tools	15,637	14,110	1,527	1,634	-	2,086	17,301	16,196	1,105
V.H.F. Scheme Work in Progress:-									
Equipment	1,271	51	1,220	4,474	-	- 51	5,745	-	5,745
Buildings	-	-	-	11,632	-	-	11,632	-	11,632
	£2,801,065	£1,112,964	£2,688,101	£138,928	£1,496	£170,129	£3,990,023	£1,281,597	£2,708,426

Notes: 1. Included in the figures of Cost or Valuation and Aggregate Depreciation as at 1st January, 1964, are the original cost less disposals of Fixed Assets taken over from and depreciation previously provided by Cable and Wireless Limited. These assets were taken over on 1st January, 1953.

2. The Cost or Valuation of Fixed Assets as at 1st January, 1964, includes at a valuation of £172,717, certain Fixed Assets purchased in 1961 and 1962 at the cost of £108,419.