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1966

Cyprus
Telecommunications
Authority

CYPRUS TELECOMMUNICATIONS AUTHORITY

**ELEVENTH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1966.

[Price 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
P. O. Box 1929
NICOSIA.

1st July, 1967

Your Excellency,

In pursuance of Section 22 of the Telecommunications Service Law, 1954, and the Amended Service Law of 1963, Section 3(2), I have the honour to submit herewith the 11th Annual Report and Accounts of the Cyprus Telecommunications Authority, for the year ended 31st December, 1966, together with a copy of the Auditors' Report.

Yours faithfully,

J. CL. CHRISTOPHIDES,
Chairman.

His Excellency,
The Minister of Communications
and Works,
Mr. T. Phanos,
Nicosia.

THE AUTHORITY

Chairman :

J. CL. CHRISTOPHIDES, of Gray's Inn,
Barrister - at - Law.

Vice - Chairman :

A. GURSOY

Members :

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

S. JOANNOU

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

V. C. TOUNDJIAN, M.B.E.

L. ZACHARIADES

Legal Adviser: A. C. Hadjioannou,

Degree in Law of Athens University,
of Gray's Inn, Barrister - at - Law.

Auditors: Metaxas, Loizides, Christofides & Scottis.

ADMINISTRATION

General Manager :

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

Secretary :

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

Chief Accountant :

M. E. CHRISTOFIDES, F.A.I.A.

Chief Engineer :

J. K. HOME, C.Eng. M.I.E.E.

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

Telephone : 77111.

Branches :

NICOSIA	— Egypt Avenue	Tel. 77111
LIMASSOL	— 4, Marcos Botsaris Street	Tel. 2500
FAMAGUSTA	— Edison Street	Tel. 2500
LARNACA	— 7, Lord Byron Street	Tel. 2279
PAPHOS	— 36, Adonis Street	Tel. 2148
KYRENIA	— 5A, 28th October Avenue	Tel. 438
MORPHOU	— 18, 25th March Street	Tel. 5555
LEFKA	— Lefka	Tel. 459

CONTENTS

	<i>Page</i>
1. INTRODUCTION	9
2. LAYMAN'S ACCOUNTS	11
3. TECHNICAL SERVICES	13
A. General	13
B. Planning and Development	13
C. Construction	15
D. Maintenance	21
E. General Telecommunication Facilities	22
4. TELEPHONE AND TELEGRAPH OPERATING SERVICES	25
5. STAFF AND ADMINISTRATION	29
6. COMMONWEALTH TELECOMMUNICATIONS BOARD	33
7. FINANCE	34
8. ACCOUNTS	43

INTRODUCTION

The Authority has been established in accordance with Law 302 No. 67 of 1954 under the name of Cyprus Inland Telecommunications Authority and officially assumed responsibility for the inland telecommunications on 1st July, 1956.

Soon after the inauguration of the Republic of Cyprus and as from 1st April, 1961 the Authority took-over from Cable & Wireless Ltd., the responsibility for all overseas telecommunication services and has since been known as the Cyprus Telecommunications Authority.

Since then, various amendments to the original Law were made, the most material one being that of 1963, published in the Official Gazette of the Republic No. 250 of 16th May, 1963, which regulates the authority of the Minister of Communications and Works over the activities of the Authority. The Authority, however, remains a corporate body with the responsibility of providing, maintaining and developing a comprehensive telecommunications system locally and overseas and it is answerable to the Council of Ministers, through the Minister of Communications and Works.

During the year under review the members of the Authority had 17 meetings.

During 1966 general conditions in the Republic improved, but those Turkish employees who had left the service at the end of 1963 continued to be away from duty.



STATEMENT 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENT FOR THE LAYMAN

How the Authority Operated During the Year 1966

	£
The Income from the Authority's Operation was ..	1,360,458
Other Income	18,906
	<u>1,379,364</u>
The Expenses were :	
Total Salaries, Allowances, etc.	811,730
Less : Utilised for Development 89,344	
Utilised for Repayment Works 6,956	<u>96,300</u>
Administration, Operating and Maintenance Salaries	<u>£ 715,430</u>
Administration Expenses	£ 173,037
Telephone Services Expenses	586,024
Telegraph Services Expenses	136,200
Other Services Expenses	55,171
Maintenance of Buildings, etc.	41,093
Members' Travelling Expenses ..	600
Interest and Financing Charges on Borrowings	168,686
Interest to Suppliers	13,294
Provision for Doubtful Debts	14,441
Miscellaneous Financial Charges ..	<u>6,717</u>
	<u>1,195,263</u>
Resulting in a Revenue Balance for the year of	<u><u>£ 184,101</u></u>

STATEMENT 2

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE LAYMAN

What was the Authority's Position at the End of the Year

HOW THE AUTHORITY WAS FINANCED

	£
Borrowings from Government	2,473,475
Surpluses from past years' operations	582,218
Surplus from this year's operation	184,101
Total Financing	<u>£3,239,794</u>

WHAT THE AUTHORITY OWNED

Land, Buildings, Plant & Machinery on 1.1.1966	£ 4,339,671
Spent for Development in the year	£ 371,334
Less: Installation Fees Recovered	<u>25,303</u>
	346,031
	4,685,702
Less: Disposals	<u>9,493</u>
Total: 31.12.1966	4,676,209
Set aside over past years and this year to meet wearing out of the Equipment	<u>1,657,691</u>
	3,018,518
Materials in Stores	744,935
Money owed to the Authority by Subscribers and debit Balances	449,999
Cash in Hand and at Bank (Current Account)	81,800
Cash on Fixed Deposits with Banks	266,422
So altogether the Authority's Belongings were	<u>4,561,674</u>

WHAT THE AUTHORITY OWED

To various Suppliers for Equipment, Services	292,309
To various Suppliers for Equipment, Services (long term)	160,742
To provision for Staff's "Superannuation Back Service Credits"	60,000
To Government for past years' and this year's Interest on Borrowings	<u>808,829</u>
	1,321,880

The Difference between **WHAT THE AUTHORITY OWNED** and **WHAT THE AUTHORITY OWED** was the

Authority's Net Property	<u>£ 3,239,794</u>
----------------------------------	--------------------

3. TECHNICAL SERVICES

A. GENERAL

Particular interest was shown in the modernization of the existing installations and the expansion of the Inland Telephone Network, so as to meet the growing demand for all types of telecommunication services; in parallel, the expansion and improvement of the Overseas Communications received close attention and consideration.

Emphasis was also laid on the introduction and greater use of new techniques, so as to render the services provided by the Authority more efficient and attractive to the public and assist, at the same time, in coping with the increasing amount of traffic.

Demand for telephone connections could not be satisfied everywhere, as they arose, and the quality of the telephone service was affected, in certain areas, because of congestion and the shortage of plant. Due to this, the Authority did not encourage applications for additional telecommunication services.

B. PLANNING AND DEVELOPMENT

During the year under review, the Planning Department finalised the development plans for the year 1967 and completed the preliminary work for the remaining four years (1967 - 1971) of the five year development programme. Weight was given by the Planning Department to the following projects :

I. Subscriber's Trunk Dialing (STD)

The plans for the introduction of this service, which will enable any subscriber to dial direct to any other subscriber in Cyprus, reached an advanced stage and it is hoped that tenders for the purchase of the required equipment and materials will be issued late in 1967.

II. Telex Service

The envisaged introduction of this service in 1967, as mentioned in last year's report, cannot materialize as planned due to delay experienced in the delivery of all the required equipment; however, during the year under review, progress was made on the installation of part of the equipment and it is expected that the service will be operative in 1968.

III. Cyprus - Greece Communications

The Tropospheric Scatter system between Cyprus and Greece,

which was planned and tendered in 1965, was awarded during the year under review and it is estimated that it will be commissioned in Autumn 1967; it will provide initially 23 telephone and 24 telegraph channels, with an ultimate capacity of 58 telephone and 48 telegraph channels. This system will replace the existing High Frequencies one, and it is hoped that with its high efficiency and reliability it will attract in addition to the normal Telephone, Telegraph and Telex traffic, considerable transit traffic as well.

During the year under review plans were also completed for the intermediary Troposcatter System Repeater Station at Pissouri. The main Tropospheric Scatter Station will be situated near Kili (Tsada), Paphos.

IV. Plans for Urban and Rural Development

With a view to increasing the capacity of the telephone exchanges, so that demand from the public for telephone service may be more readily met, plans were completed for the following projects :-

1. URBAN DEVELOPMENT

A. Exchanges

a. Nicosia

- i. Extension of 1000/1500 lines of the Pallouriotissa Satellite.
- ii. Extension of 1000/1500 lines of the Acropolis Satellite.

b. Limassol

- i. Extension of 1000/1500 lines of the Limassol Satellite.
- ii. Extension of 1000 lines of the Limassol Main Exchange.

c. Paphos

A new exchange 1000/1500 lines.

d. Morphou

A new exchange 1000/1500 lines.

e. Kyrenia

Extension by 400/300 lines.

B. Line Plant

Expansion of the telephone network both underground and Overhead for Nicosia, Limassol, Famagusta and Larnaca.

2. RURAL DEVELOPMENT

A. Exchanges

Paralimni, Rizokarpaso, Klirou, Dheftera. Plans were also completed for the conversion of Pedhoulas and Troodos Exchanges into automatic working.

B. Village Call Offices

15 additional Call Offices to be installed all over the Island.

C. Line Plant

Expansion of the underground and overhead line distribution in the following areas :-

Kakopetria	—	Evrychou
Dhali	—	Pera Chorio
Trikomo	—	Boghaz
Deftera	—	Lakatamia
Ayios Demetrianos	—	Stroumbi
Xeros Area.		

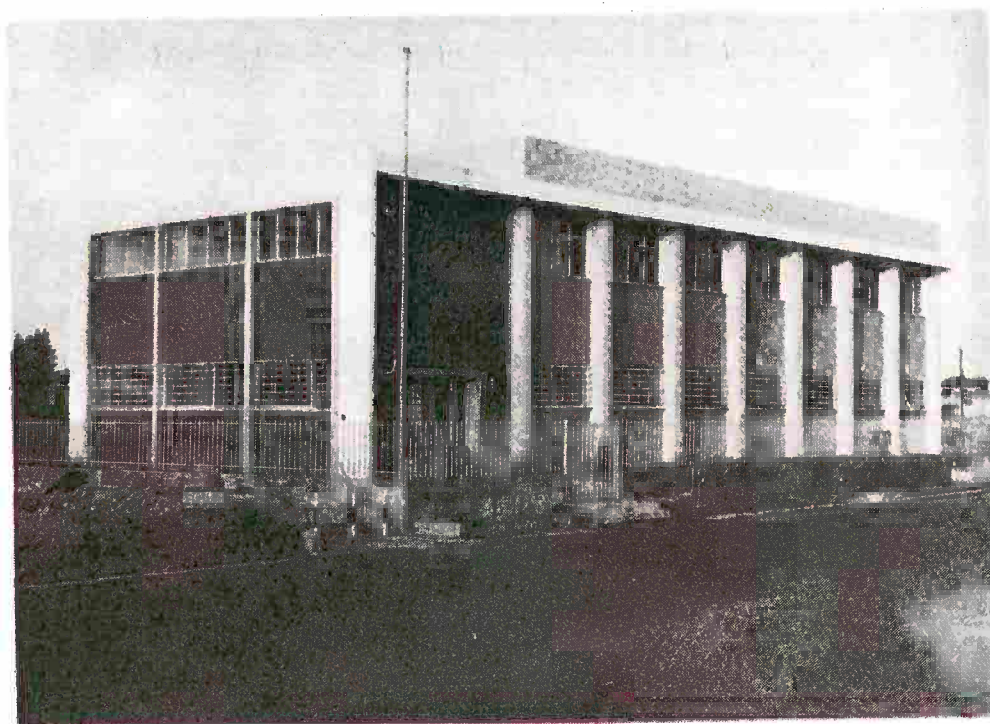
C. CONSTRUCTION

The various projects executed all over the Island during the year under review are summarised in the following tables, with comparative figures for the years 1964 and 1965.

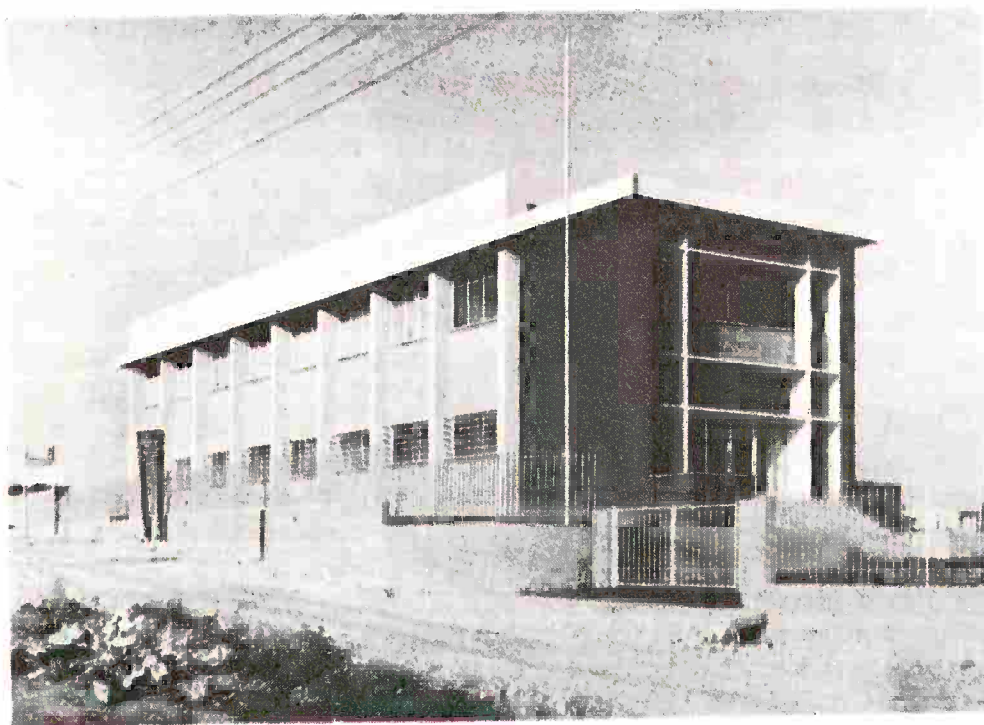
I. Exchanges

Type of Equipment	Position at end of year					
	1964		1965		1966	
	No.	Capacity	No.	Capacity	No.	Capacity
Towns Main Auto Telephone Exchanges	6	19325	6	19965	6	18465
Towns Satellite Auto Exchanges Limassol	1	1500	1	1500	1	1500
Private Automatic Exchanges	34	2918	37	2988	38	3028
Private Manual Exchanges	560	7536	620	8736	670	9836
Rural Exchanges	41	3395	41	3445	41	3520
Mobile Exchanges	1	100	1	100	1	100

In the 1965 Annual Report it had been announced that the construction of new exchanges was in the planning stage. During the year under review work commenced on the Acropolis - Athalassa Avenue and Pallouriotissa satellite exchanges and on the construction of a new exchange at the Civil Airport Terminal.



Pallouriotissa Satellite Telephone Exchange, to be commissioned in 1967.



Acropolis Satellite Telephone Exchange, to be commissioned in 1968.

II. Underground Line Distribution

I T E M		Work executed each year		
		1964	1965	1966
Manholes Constructed	No.	31	103	96
Duct Lines laid	Miles	15	21.5	38.54
Cable laid/drawn	Miles	41.5	41.1	42.42
Above Cable in single wire	Miles	10,439	11,038	7,341

III. Overhead Line Distribution

I T E M		Work executed each year		
		1964	1965	1966
Pole routes installed	Miles	19	23	79
Single Wire installed	"	229	237	606
Pole routes overhauled	"	164	238	28
Single wire overhauled	"	1200	4600	358

IV. Subscribers' Installations

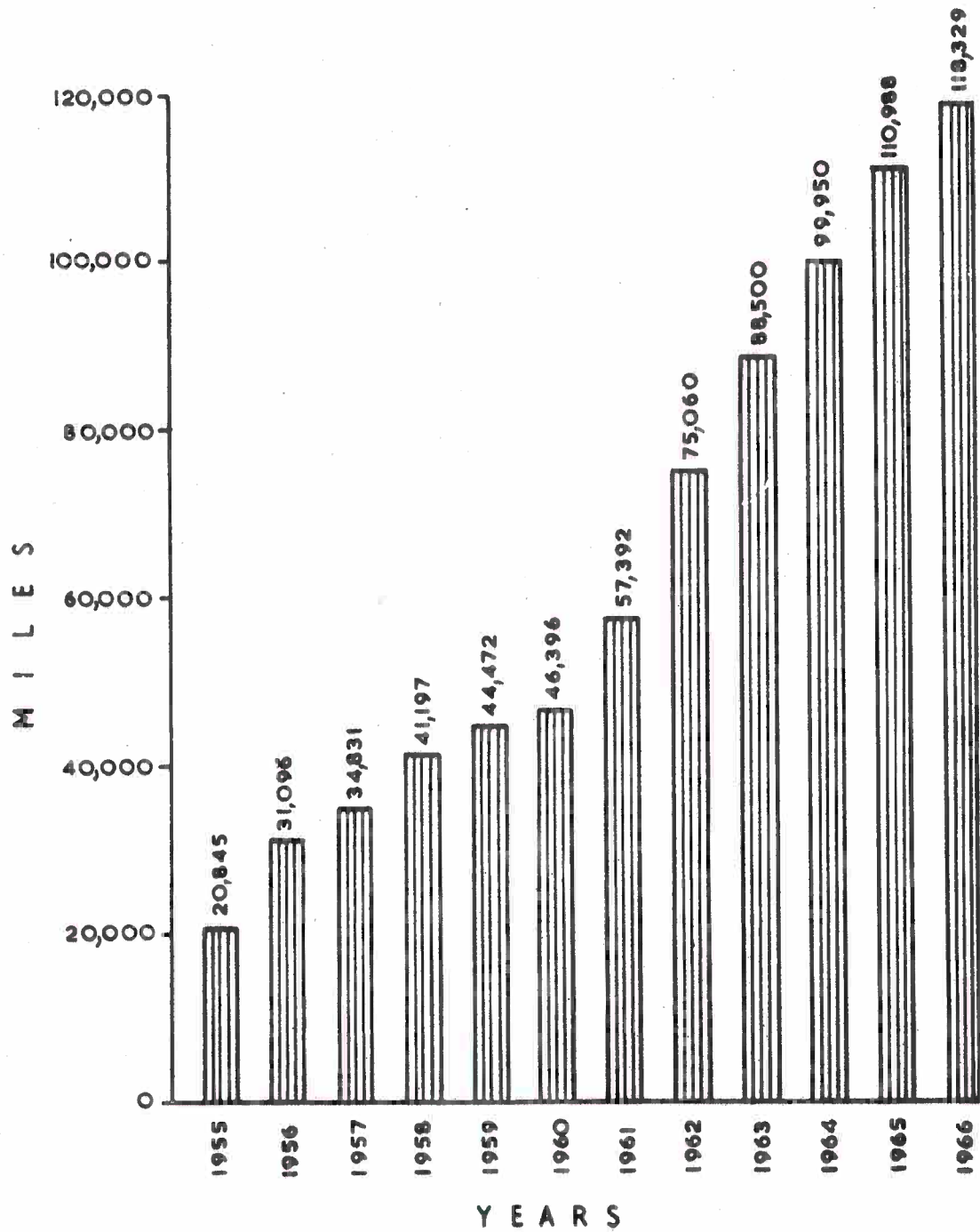
The position regarding applications for telephone service, was as below :-

	1965	1966
Outstanding applications for telephone installation as at the end of the previous year	1074	1410
New applications received during the year	2289	3478
Telephones installed (1268 additional instruments were also installed, such as extensions, parallel telephones etc.)	1815 (860)	2680
Applications cancelled during the year as installations not required	138	182
Balance waiting list as at the end of the year	1410	2026

The waiting list growth is mainly the result of additional responsibilities undertaken by the Authority for the provision of full inland telephone and telegraph services to the National Guard, and the United Nations Force in Cyprus. The number of connections effected for the above are not included in the statistics given.

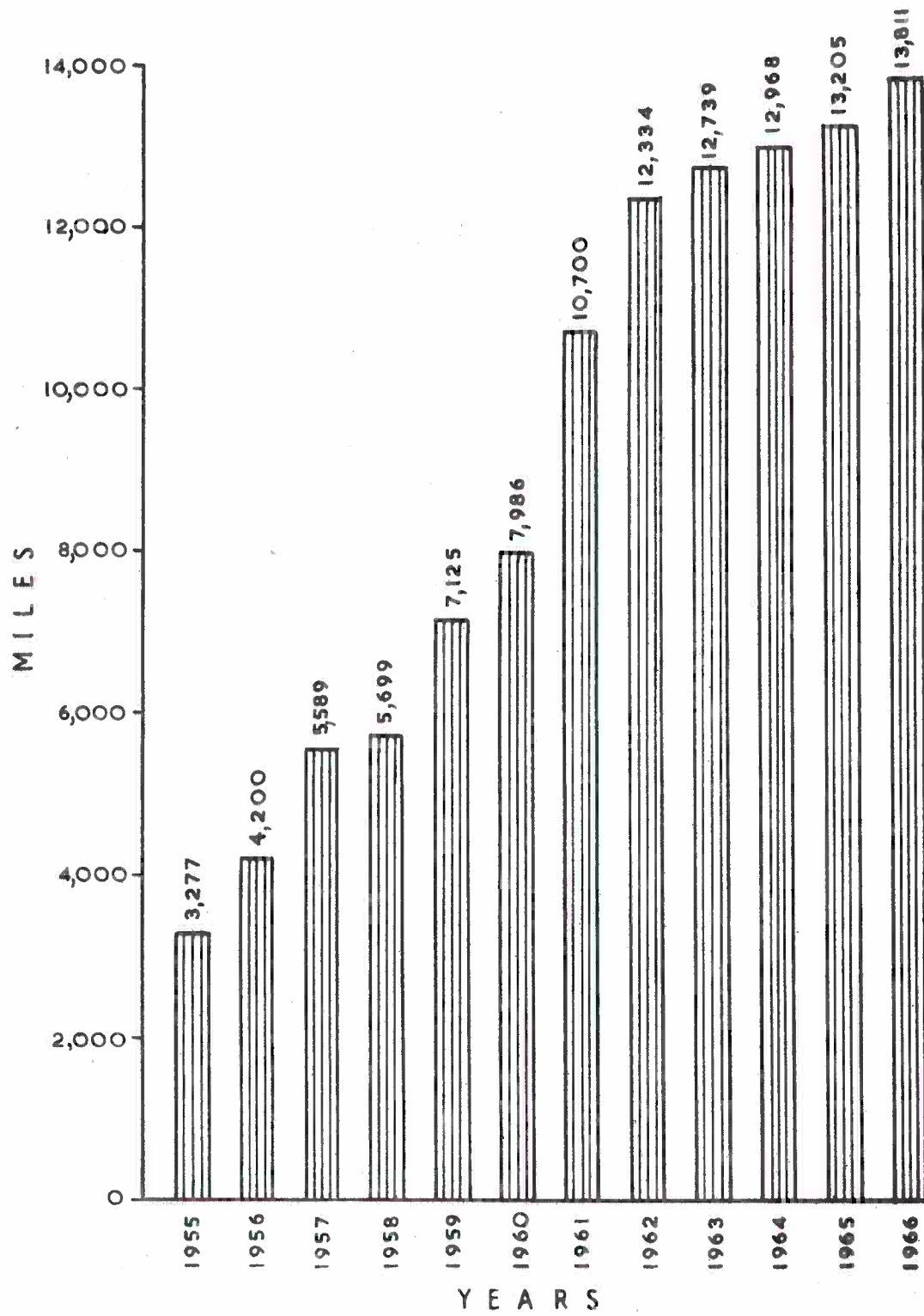
GRAPH A

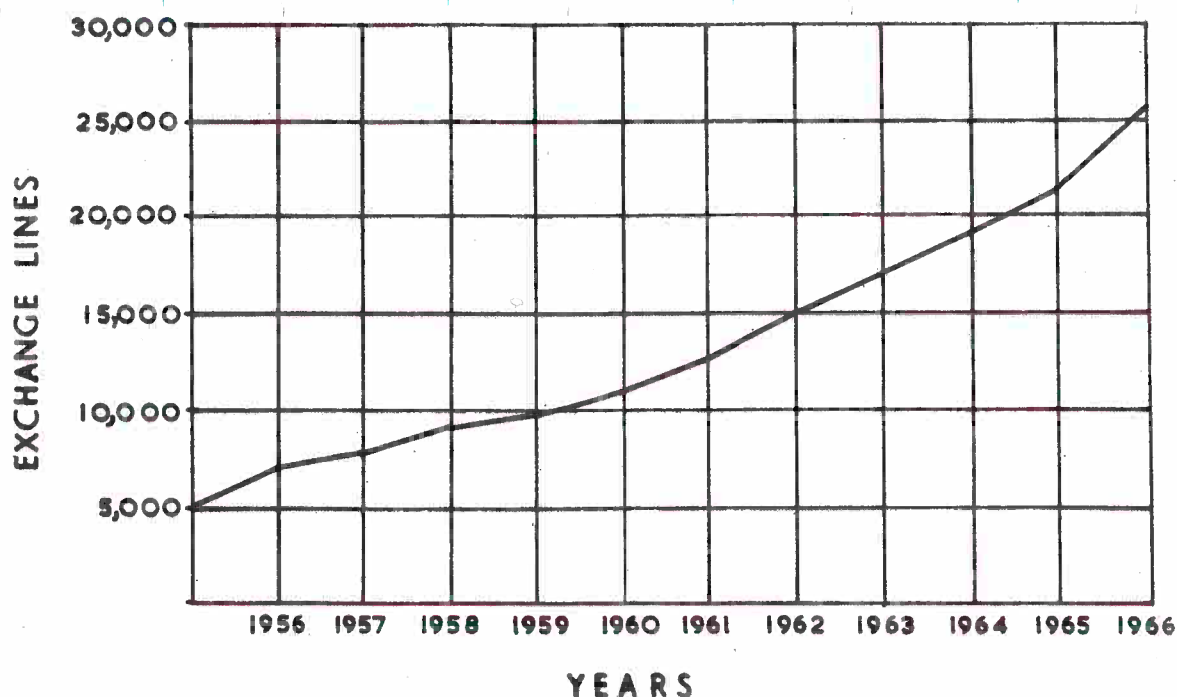
UNDERGROUND CABLES SINGLE WIRE LAID



GRAPH B

OVERHEAD SINGLE WIRE MILEAGE INSTALLED



GROWTH OF DIRECT EXCHANGE LINES INSTALLATION**COMPARATIVE CHART SHOWING NUMBER OF CYPRUS AND NEIGHBOURING COUNTRIES TELEPHONES**

As at 1/1/1965

As at 1/1/1966

	No. of Telephones	Per Cent Population	Per Cent automatic		No. of Telephones	Per Cent Population	Per Cent automatic
CYPRUS	26,290	4.40	99.3		28,105	4.70	99.4
Lebanon	98,802	4.34	89.4		105,000	4.43	90.0
Israel	215,020	8.51	100.0		255,780	9.84	100.0
Iran	181,130	0.78	79.0		207,530	0.88	81.7
Iraq	62,000	0.87	80.0		65,000	0.89	80.0
Kuwait	22,133	6.34	100.0		26,041	5.56	100.0
Syria	71,929	1.32	89.4		78,022	1.38	92.0
Greece	431,292	5.06	95.2		508,262	5.94	95.4
Turkey	308,100	0.99	82.3		351,135	1.12	86.8
Yugoslavia	369,844	1.91	88.3		414,656	2.11	90.4
Roumania	426,502	2.25	78.3		470,000	2.46	80.0
Bulgaria	248,900	3.04	58.9		279,200	3.39	48.6
Italy	5,528,751	10.54	97.4		5,980,702	11.55	97.8
Algeria	139,473	1.13	69.6		140,000	1.24	70.0
U.A.R.	301,405	1.03	85.1		330,000	1.11	75.0
Spain	2,526,843	8.03	79.5		2,788,432	8.79	79.9

Total Number of Telephones in the world as at 1st January 1966 was 195.3 millions.

NOTE: The above information was obtained from "the World Telephone" which is compiled and circulated by the American Telephone & Telegraph Company. The number of telephones shown comprises also the extensions.

V. Communal Installations

During the year under review the undermentioned 36 villages were connected by telephone under the Authority's Rural Development programme :-

Nicosia District	Famagusta District	Limassol District	Larnaca District	Papho District	Kyrenia District
Dhenia	Gastria	Kaminaria	Mosphiloti	Akhelia	Klepini
Mammari	Yerani	Tris Elies	Avdellero	Episkopi	Livera
Ay. Marina (Skylouras)	Dhavlos	Monagroulli		Mesakhorio	
Ay. Vassilios	Tavros	Asgata		Mousere	
Alambra	Vokolida	Akapnou			
Sha	Akanthou	Vassa (Killakiou)			
Episkopio	Limnia	Yerasa			
Politico	Stylli	Spitali			
Livadhia					
Alithinou					
Pendayia					
Platanistasa					
12	8	8	2	4	2

As the installation of communal (village) telephones requires a heavy capital outlay, highly disproportionate to the revenue derived, the Authority decided that expansion of the system in villages could not be but a slow process, depending on the expansion of the system as a whole and on available funds.

VI. Repeater Stations

The Yiaila and Madhari Repeater Stations, which were completed and commissioned in 1965 and the VHF system installed functioned satisfactorily and resulted in great improvement of the telephone service between Cyprus/Lebanon and Cyprus/Israel; it is also expected that in the coming year the telegraph services will be served by this link.

The above Repeater Stations were also utilised during 1966 for the general improvement of the Inland Trunk Services through radio links, whenever this was possible.

D. MAINTENANCE

The overhauling of the various installations of the Authority was carried out efficiently during the year and the preventive maintenance resulted in restricting the technical faults to the minimum.

The average analysis of fault per circuit throughout Cyprus was as follows :-

Town subscribers :	One fault per circuit per year;
Rural Call Offices :	Seven faults per circuit per year.

I. Emergency Alternators

The Emergency standby generating sets installed in every telephone exchange for use in cases of electricity interruptions, have proved most satisfactory in keeping telecommunication services going.

II. Workshops

The Authority's Engineering Workshops carry out repairs to the switchboards, the telephones and dials and also make stock items used in line plant such as metal frames, cable runways, antennae etc. They also carry out the maintenance of the Authority's buildings and furniture and make a variety of items pertaining to the services of the Authority.

III. Transport

The Authority maintained its own mobile fleet of 90 vehicles for providing transport facilities to all services. During the year the Authority's fleet covered 756,575 miles and consumed 34,730 gallons of petrol and 5,590 gallons of diesel fuel. The average cost per mile, including all running and maintenance expenses, and depreciation, but excluding the drivers' wages, is 18.8 mils.

E. GENERAL TELECOMMUNICATION FACILITIES

I. VHF Inland Radiotelephone Services

The increasing demand for this service, which is rented to the Public on permanent or temporary basis, resulted in the purchase of additional sets of equipment, which doubled the existing numbers.

II. Voice Casts

(Programmes for Broadcasting Stations abroad)

	1964	1965	1966
Number of Voice Casts	1490	35	27
Number of Minutes	21243	1039	478

III. Fascimile (Radio Pictures)

Received	79	92	83
Forwarded	1302	140	53

IV. Outside Broadcasts

The Authority's services and plant have been made available to Broadcasting Organisations both in Cyprus and abroad for effecting outside broadcasts from any point in Cyprus. Such broadcasts included church services, theatrical performances, fairs, Christmas festivities, football matches, parades and other events. During 1966 the Authority provided facilities for effecting the following :-

(i) Inland to Inland broadcasts	103
(ii) From Inland to Overseas broadcasts	6

V. Civil Aviation Signals

These services functioned most satisfactorily; they are operated by the Authority on behalf of the Department of Civil Aviation, Ministry of Communications and Works, and provide direct Telegraph and Telephone communications with the following countries :-

Athens	—	Greece	Damascus	—	Syrian Arab Republic
Ankara	—	Turkey	Cairo	—	United Arab Republic
Beirut	—	Lebanon	LOD	—	Israel.

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

During the year under review, a total of 8,355,030 groups were transmitted and received, which shows an increase of 589,690 groups over those for 1965.

With the full implementation of the Civil Aviation Very High Frequency Scheme in 1967, it is anticipated that all Civil Aviation Signals telegraph circuits will be converted to teleprinter working; marked improvement is also expected to the radio/telephone circuits; plans have also been made and documents prepared for tenders to be asked for the supply of the appropriate equipment at the Nicosia Airport to satisfy the Aeronautical Fixed Telecommunications Networks (AFTN) of the International Civil Aviation Organization (ICAO) of which the Republic of Cyprus is a member.

AIR TRAFFIC SERVICE SYSTEM SHOWING AIR ROUTES



S.D.A.

1 Oct. 1963.

4. TELEPHONE AND TELEGRAPH OPERATING SERVICES

I. GENERAL

The direct and main aim of the Authority is obviously the provision of prompt and efficient telephone and telegraph service to the public and this was achieved through the satisfactory functioning of its telephone and telegraph operating sections.

Peaceful conditions in the Island continued and this resulted in a marked improvement of the industrial and commercial activities within the Republic; as a consequence, more telephone calls were handled than ever before and there was also a considerable increase over last year's telegraph traffic.

II. TELEPHONE OPERATING

The following tables show comparative telephone traffic figures.

i. Trunk Calls

Town	1965		1966	
	From Subs	From Public C/B	From Subs	From Public C/B
Nicosia	905,981	20,170	1,012,953	14,400
Limassol	492,596	6,987	545,188	9,050
Famagusta	547,349	14,458	545,932	9,205
Larnaca	369,074	4,494	393,935	4,381
Paphos	189,539	3,243	216,620	3,489
Kyrenia	79,468	1,228	70,845	709
Lapithos	30,429	—	39,157	—
Morphou	53,260	2,886	70,357	4,977
Lefka	51,322	1,595	39,741	1,437
Pedhoulas/Prodromos	29,437	1,360	31,596	1,858
Platres	29,302	992	39,907	1,662
Troodos	6,509	596	7,749	671
Kakopetria	28,006	1,024	24,129	676
Total:	2,812,272	59,033	3,038,109	52,515
Grand Total:	(2,871,305)		(3,090,624)	

ii. Local Calls

33,136,335 calls were effected throughout the Island.

iii. Overseas Operating

a) Direct Circuits

Overseas operating is available with the following countries by direct circuits.

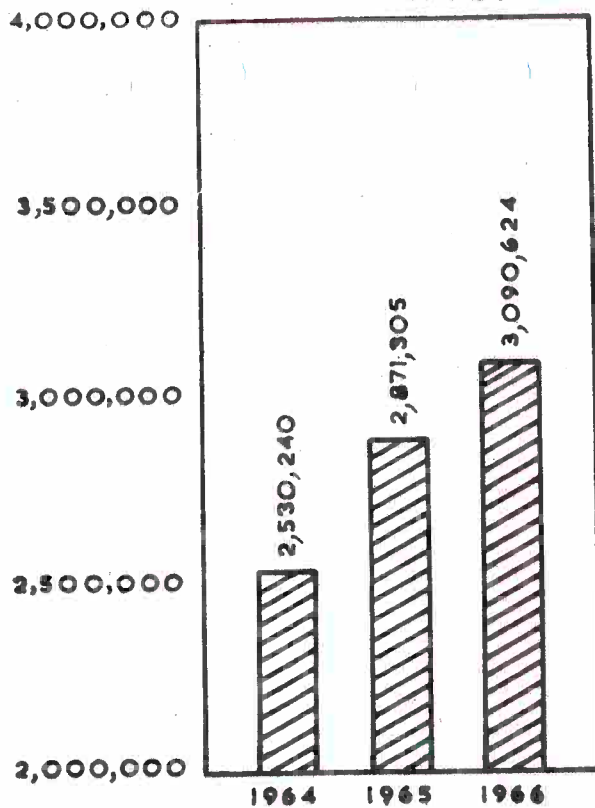
Country	Operating Hours		Number of Channels
	Weekdays	Sundays	
Greece	55	24	3
U.K.	32	14	3
Lebanon	48	48	2
Israel	48	48	2
Turkey	2	—	1
U.A.R.	1	—	1
Syria	1	—	1

Calls to other countries are effected through London.

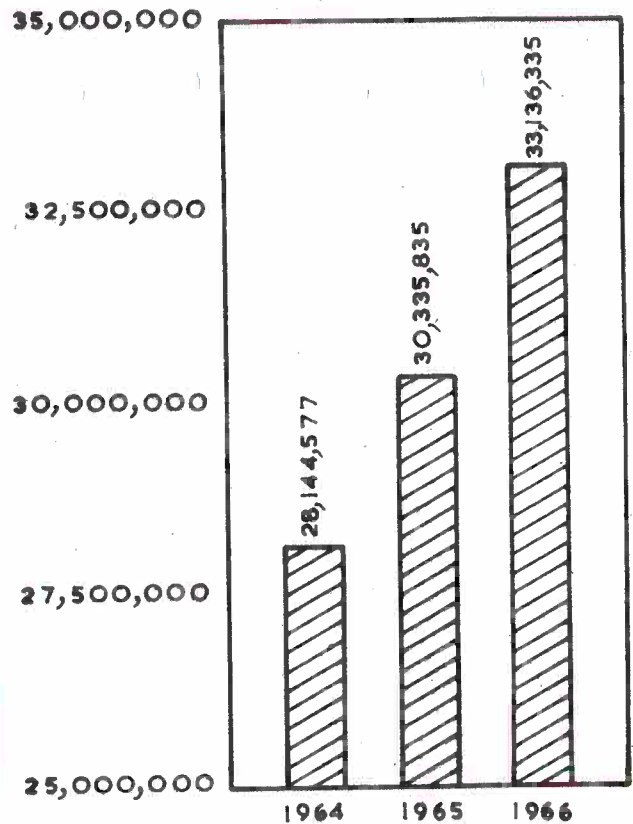
b) Overseas Calls

Type of Calls	1965		1966	
	No. of Calls	No. of minutes	No. of Calls	No. of minutes
Outgoing	35658	153726	44919	194978
Incoming	27747	137355	35792	171177

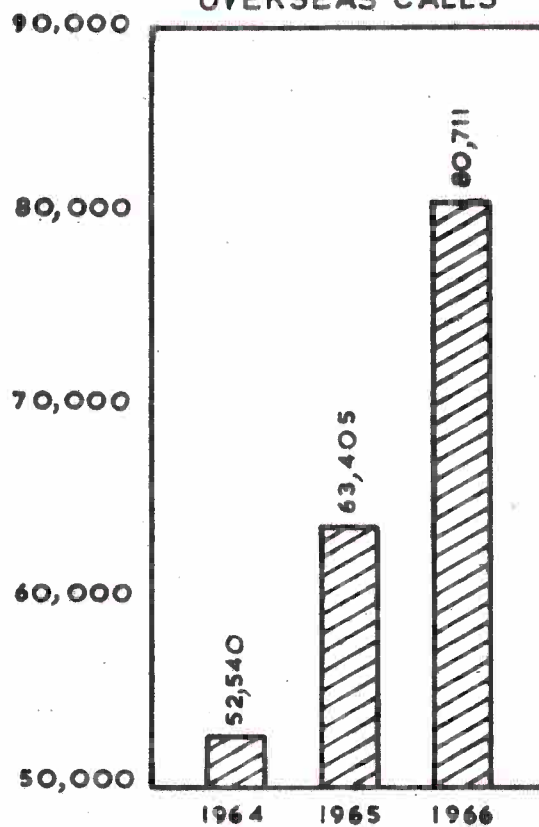
COMPARATIVE TABLE FOR
TRUNK CALLS



COMPARATIVE TABLE FOR
LOCAL CALLS



COMPARATIVE TABLE FOR
OVERSEAS CALLS



iv. Ship to Shore Radiotelephone Service

	1964	1965	1966
Calls	759	623	716
Minutes	2,711	2,330	2,473

v. Annoying Telephone Calls

A close contact was maintained with the public in this connection and out of 132 complaints lodged for annoying telephone calls, 60 were detected and action taken against the offenders.

III. TELEPHONE DIRECTORY

During 1966 there was no issue of a new telephone Directory, but an up to-date one is in the course of preparation and will be distributed to subscribers by the middle of 1967.

IV. TELEGRAPH OPERATING

The same circuits as last year were utilised for this service. The following comparative table shows telegraph traffic during 1964, 1965 and 1966.

i. Number of Inland Telegrams forwarded

	1964	1965	1966
January	4150	6456	5518
February	3310	5008	4062
March	3751	2697	1863
April	3076	2625	5662
May	5924	7231	6166
June	4970	6213	4789
July	5131	6083	5257
August	2979	2290	2507
September	4203	4386	6915
October	3847	7286	7533
November	6611	6291	6273
December	5192	5495	6063
	<u>53143</u>	<u>62061</u>	<u>62608</u>

An increase of 0.88% has been observed in 1966 over the previous year.

ii. Number of Overseas Telegrams forwarded

				1964	1965	1966
January	..	..	..	14380	10600	11313
February	..	..	..	14483	10011	10035
March	..	..	..	15984	11784	11508
April	..	..	..	14635	10670	11672
May	..	..	..	13164	11125	12216
June	..	..	..	12121	10385	11168
July	..	..	..	12552	11112	12020
August	..	..	..	15242	10467	11768
September	..	..	..	11586	11268	12154
October	..	..	..	11448	11692	12229
November	..	..	..	10185	12273	12112
December	..	..	..	11746	12407	13023
				<u>157626</u>	<u>133794</u>	<u>141219</u>

An increase of 5.55% has been observed in 1966 over 1965.

iii. Number of Phototelegrams forwarded

				1964	1965	1966
January	..	..	..	80	8	4
February	..	..	..	110	5	4
March	..	..	..	267	7	9
April	..	..	..	329	4	7
May	..	..	..	131	10	10
June	..	..	..	76	2	10
July	..	..	..	42	4	1
August	..	..	..	156	—	—
September	..	..	..	63	3	2
October	..	..	..	35	4	1
November	..	..	..	3	73	—
December	..	..	..	10	20	5
				<u>1302</u>	<u>140</u>	<u>53</u>

A decrease of 62.14% has been observed in 1966 as compared with 1965.

iv. Ship to Shore Radiotelegraph Service

				1964	1965	1966
Telegrams	..	..	..	3,826	4,111	4,199
Words	..	..	..	56,016	59,526	60,643

5. STAFF AND ADMINISTRATION

A. STAFF RELATIONS AND JOINT COMMITTEES

Negotiations on the claims of the Union, which were still in progress by the end of the previous year, resulted in reaching an agreement in July 1966 which is operative until June 1969. This has been made possible through the good services of the Ministries of Communications & Works and Labour & Social Insurance.

The agreement reached provided, among others, for additional benefits to the staff and the Authority was pleased to accept and implement the agreement, despite the heavy additional cost, in the belief that Management and Staff would be able to settle down to a long period of industrial peace.

It is gratifying to note that, since the date of the agreement, staff relations improved considerably and this resulted in regular meetings being held of the Joint Management/Staff Committees, for the purpose of implementation of the terms of the agreement.

B. JOINT CONSULTATION

The continued desire of the Authority to give close and prompt attention to staff problems and the staff cooperation to this effect resulted in the very satisfactory functioning of the existing Joint Management/Staff Committees.

I. Staff Safety and Welfare

a. Safety

All accidents were promptly investigated and every effort made towards their elimination.

Accidents reported during the year and comparison with the previous year :

	1965	1966
Accidents not necessitating sick leave	17	12
Accidents necessitating 1-3 days sick leave	12	5
Accidents necessitating 4-30 days sick leave	19	18
Accidents necessitating over 30 days	6	11
	<u>54</u>	<u>46</u>

b. Welfare

The existing Welfare Fund, which is voluntarily financed by the Authority and by contributions from employees, rendered financial

assistance to really needy members of the staff. The bulk of the income, however, has been saved, as in previous years for the purpose of organizing in due course various welfare projects, which will benefit employees and/or their families in a general way; in this respect the Committee of Management of the Fund has made considerable progress towards securing a satisfactory camp-site for organizing in due course, a rest camp.

The cash position of the Fund as at 31/12/66 was £4,291.094 mils.

II. Establishment and Promotions

The principle adopted in 1965 for the issue of the establishment in a form showing clearly the functions and responsibilities of all the Authority's organisational services, was followed again in the establishment of 1966, and further improvements were made for giving effect to the policy of the Authority.

The implementation of the establishment resulted in the following promotions and confirmations:

	1966
Promotions	73
Transfers of Temporary Monthly Paid (TMP) to Permanent Staff	81
Transfers of Weekly Paid (WP) to Permanent Staff	13
Promotion of Hourly Paid to T.M.P. category	10
Promotion of Hourly Paid to Permanent Staff	70
Promotion of Hourly Paid to W.P. Staff	84
Various transfers to other categories	32

Comparison of Staff Strength

	1964	1965	1966
Administration and Accounts	196	195	216
Engineering	656	668	795
Telegraph Operating	116	117	126
Telephone Operating	169	197	192
Total:	1137	1177	1329
Monthly Paid	969	1031	1115
Weekly Paid	168	146	214
	1137	1177	1329

Less:

Turkish employees not attending to duty (out of 292 Turks only 22 attended to duty)	270	270	270
-------------------------------------------------------------------------------------------	-----	-----	-----

Actual number of staff	867	907	1059
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Less:

Employees on National Guard	15	15	32
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Actual staff employed	852	892	1027
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Note: Average casual employees		500	407
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III. Pension and Provident Funds

The Rules and regulations of the Draft Pension Fund, which had been agreed upon in principle between the Authority and the Unions, were submitted early in the year to Messrs. Bacon & Woodrow, Actuaries, for their valuation and recommendations.

The abovementioned Actuaries submitted their report by the end of the year, and the Authority is now considering the whole matter and will shortly communicate its final proposals to the Unions.

As soon as a final agreement is reached on the Pension Fund, (the Provident Fund having already been agreed upon), both funds under reference will be submitted to Government for approval, whereafter they will be circulated to the staff, who will be required to elect irrevocably which one of the two Funds they wish to join.

IV. Training

The Authority studied the recommendations of the Management/ Staff Training Committee submitted late in 1965 and decided to adopt a systematic training programme for enabling the existing staff and future recruits to acquire the skill and knowledge necessary to cope with the Authority's activities.

This programme, comprises, inter-alia, the establishment of a Training Centre within the Authority, refresher courses, sponsorships and scholarships; it also retains the existing practice of the Authority of refunding the tuition and examination fees to all employees in respect of courses relative to their work, for which they pass successfully the prescribed examinations. During the year under review the Authority spent for training purposes the sum of £11,097 (£1,537 for Travelling Expenses and Tuition fees and £9,560 Salaries etc.).

V. Medical Fund and Sick Leave

a. Monthly Paid Personnel

All monthly paid employees of the Authority are members of the existing C.Y.T.A. Medical Fund, the main object of which is to extend during sickness, medical aid to members at approved rates in accordance with the rules of the fund.

The Administration of the fund is the responsibility of a Committee composed of three members of the staff and a Chairman appointed by the Authority.

The Fund is jointly subsidised by its members and the Authority, each party contributing 1% of the members' basic salary. During the year under reference the sum of £7,028 was paid out of the Fund as benefits, and the Fund's cash position as at the 31st December, was £1,358.

b. Weekly Paid Personnel

All the Authority's weekly paid employees become members of the Government Social Security Scheme and as such enjoy sick leave and medical benefits as prescribed by the rules of the abovementioned Scheme.

The Authority would like to express its appreciation to all the Staff for their response to the increasing demands of the service.

6. COMMONWEALTH TELECOMMUNICATIONS BOARD

The Chairman of the Authority, Mr. J. Cl. Christophides, who is the appointed representative of the Government of Cyprus to the abovementioned body, attended the Commonwealth Telecommunications Conference, held in London from 1st to 22nd March, 1966 as Head of the Cyprus delegation. This Conference was attended by 21 Commonwealth Countries and studied the External Telecommunication needs of the members and their future co-operation and touched upon financial matters relating to the division of revenue.

7. FINANCE

GENERAL

The expansion in the Island's commercial and industrial activities and the increased usage of the telephone facilities by the general public have contributed to a rise in the revenue of the year under review by £68,647 over that of the previous year.

In parallel, the expenses for the operation and maintenance of the system continued to rise with the expanding network due to the continuing rise of the costs of materials and labour. In particular, staff costs have risen by the normal annual increments and the revision of salary scales and also by the recruitment of additional staff.

DEVELOPMENT EXPENDITURE

The Authority, for the purpose of satisfying the continually growing demand by the public for more telephone and other telecommunication services and for modernising its installations and system, has embarked on an expensive development programme which, in the next five years, including the provision of the Subscribers Trunk Dialling system, is estimated to cost an amount in the region of £3,500,000. The only funds at the Authority's disposal for financing the implementation of this programme are derived from its annual revenue balance plus depreciation, and as these are not adequate for the purpose, additional financing will be required if curtailment or delay in the development is to be avoided.

FINANCING

The discussions with Government on the Authority's financing, in the year under review, have reached an advanced stage and it is expected that the results will be reflected either in the 1967 or 1968 accounts.

After exhausting all practical means, including the implementation of every possible economy, the Authority is giving serious consideration to the necessity of increasing its income. This would enable the Authority to maintain its statutory duty of providing sufficient and efficient telecommunications service by balancing its expenditure, including the repayment of capital borrowings, against its income.

CASH POSITION

It has again been possible in the year under review to maintain,

on short and medium term deposits, funds not immediately required and thus the total bank deposits at the end of the year were £ 266,422 (in 1965 £ 311,566), the Authority making the fullest possible use of credit facilities when interest charges are beneficial.

THE ACCOUNTS

Income for the year from Operating amounted to	£ 1,360,458
which, after deducting Operating Expenses	991,525
Resulted in an Operating Balance of	<u>£ 368,933</u>

A comparison of Operating Revenue 1965—1966 shows :-

	1965	1966
	£	£
Telephone Services		
Rentals	377,440	396,092
Local Calls	233,971	256,644
Trunk Calls	251,472	273,076
Overseas Calls	75,071	92,102
Miscellaneous	7,804	8,260
	<u>945,758</u>	<u>1,026,174</u>
Telegraph Services		
Telegrams	186,626	174,793
Leased Circuits	71,449	68,425
Teleprinter Rentals	10,696	13,635
Miscellaneous	10,303	11,429
	<u>279,074</u>	<u>268,282</u>
Other Services	66,979	66,002
Total	<u>1,291,811</u>	<u>1,360,458</u>

The increase over the 1965 income was £ 68,647. This figure is represented by the rise in telephone rentals and calls from the additional subscribers connected to the system during the year and the increased usage of the telecommunication services; however, there was a drop in the telegrams revenue in the region of £ 12,000. The

"Other Services" income refers to revenue from contract work which in previous years was offset against the relevant expenditure and thus is not considered as an additional income.

OPERATING COSTS

The increase in staff emoluments, the cost of materials and other services have contributed to the rise in the operating costs.

A comparison of Operating Cost between 1965 and 1966 shows :-

	1965	1966
	£	£
System Operational Expenses	758,143	777,395
Establishment Expenses	45,531	41,093
Administrative Expenses	144,141	173,037
	<u>947,815</u>	<u>991,525</u>

Net Revenue

To the Operating Revenue of	.. ..	1,360,458
there was added Other Income of	.. ..	18,906
which made a total of	.. ..	<u>1,379,364</u>

Less :-

Operating Costs	.. ..	991,525
Interest and Financing Charges		
on Borrowings	.. ..	168,686
Other Interest	.. ..	13,294
Members travelling expenses	.. ..	600
Provision for Doubtful Debts	.. ..	14,441
Miscellaneous expenses	.. ..	<u>6,717</u>
Made a total to be deducted of		<u>1,195,263</u>
Which resulted in a Revenue Balance		
for the year of		<u>£ 184,101</u>

The increase of £158,853 in the "Interest due on Capital Borrowings" represents the interest for 1966 together with that on the outstanding balances at 31st December, 1966, excluding the amount of £8,343 being interest paid during the year on the 6% Telecommunications Stock (1964/68) and the £50,000 Loan.

The provision for doubtful debts is in respect of amounts due by subscribers who have not settled their accounts and whose telephones have been disconnected.

APPROPRIATIONS

The Revenue balance of £467,851, on 1st January, 1966, has been increased by £14,063 in respect of revenue relating to prior years and the resultant balance has been appropriated as follows :-

a) Provisions for Staff Superannuation Back	
Service Credits	£ 30,000
b) Transfer to Next Account	451,914
	<hr/>
	£ 481,914

The Revenue balance for the year of £184,101 added to the Revenue balance of £451,914 for prior years makes a total of £636,015 to carry forward to the next account.

FIXED ASSETS

As at 1st January, 1966, the net book value of the Authority's fixed assets was £2,872,363.

The capital works executed during 1966 together with other capital expenditure increased the Fixed Assets as follows :-

	£
Gross Book Value as at 1st January, 1966	4,339,671
Capital Development during year :-	
i. Telecommunications Equipment	£ 330,484
ii. Other expenditure	40,850
	<hr/>
	£ 371,334
Less: Installation and Removal charges recovered	25,303
	<hr/>
	346,031
	<hr/>
	4,685,702
Less: Disposals during the year	9,493
	<hr/>
	4,676,209
Accumulated depreciation 31st December, 1966, which must be deducted	1,657,691
	<hr/>
Resulted in a Net Book Value as at 31st December, 1966, of	£ 3,018,518

CURRENT ASSETS

Stores

The stocks at the end of the year show a marked increase over those of the previous year; the stocks include equipment scheduled for installation in 1967, increased stocks of cables and wires to be utilised in 1967 onward and maintenance materials required to be held due to the expansion in the telecommunications installations.

Debtors

The increase in Debtors is mainly due to the extended period allowed to subscribers for settlement of the November, 1966 accounts because of the Christmas holidays and also to certain substantial debts that were outstanding at the end of the year.

Borrowings

There was no further borrowing during the year but as a result of the second repayment instalment of £3,299 on the £50,000 (1965/76) loan, the Capital structure as at 31st December, 1966, was as follows :-

(i) Long Term	£
Government Loan (1969/71)	1,499,914
" " (1973/75)	400,000
" " (1973/75)	200,000
" " (1961/76)	130,000
" " (1965/76)	43,561
	<hr/>
	2,273,475
(ii) Short Term	
6% Telecommunications (1st Issue) Stock 1964/68	100,000
3% Telecommunications (2nd Issue) Stock 1963	100,000
	<hr/>
	200,000
Total:	<hr/> <hr/> £ 2,473,475

J. CL. CHRISTOPHIDES,
Chairman

A. N. STYLIANIDES,
General Manager

S. A. KOKKINIDES,
Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCING OF THE YEARS' CAPITAL REQUIREMENTS

1955—1966

(£ thousand)

	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
CAPITAL REQUIREMENTS												
Expenditure during year on Fixed Assets	1023.3	314.8	310.4	259.9	230.3	181.2	655.3	592.3	405.1	246	381.1	371.3
Less: Residual value of assets disposed	—	—	61.2	27.7	—	—	—	—	3	24.2	3.6	8.6
	1023.3	314.8	249.2	232.2	230.3	181.2	655.3	592.3	402.1	221.8	377.5	362.7
Government Loan Repayments	—	—	—	—	—	—	—	—	—	—	3.2	3.3
	1023.3	314.8	249.2	232.2	230.3	181.2	655.3	592.3	402.1	221.8	380.7	366
Increase/Decrease in working Capital	547.1	—261.6	120.6	168	262.3	—1.5	—290.4	—302.1	140.6	224	—98.7	155
Total Requirements	1570.4	53.2	369.8	400.2	492.6	179.7	364.9	290.2	261.5	445.8	282	521
FINANCED FROM												
<i>Internal resources :-</i>												
Depreciation	58.4	73.4	86.9	92.9	102.1	109.1	123.2	148.2	166.2	170.1	186.9	191.3
Balance of Revenue for year	—5.1	—41.4	—15	17.7	52.5	11.1	29.1	14.3	2.1	215.6	172.2	184.1
Prior Period Recoveries/Expenses	—	—	15	15.4	8.6	32.7	5.2	8.3	—2.1	—29.7	—31.9	—15.9
Installation fees Recovered	17.2	22.2	32.9	24.2	29.4	26.8	24.6	27.9	27.9	31.4	26.6	25.3
	70.5	53.2	119.8	150.2	192.6	179.7	182.1	198.7	194.1	446.8	353.8	384.8
Capital Reserves	—	—	—	—	—	—	52.8	—	11.6	—	—	—
<i>External Borrowing :-</i>												
Government Loans	1499.9	—	250	250	300	—	130	—	—	50	—	—
Increase/Decrease in long-term creditors	—	—	—	—	—	—	—	91.5	55.8	—51	—71.8	136.2
Total Finance	1570.4	53.2	369.8	400.2	492.6	179.7	364.9	290.2	261.5	445.8	282	521

CYPRUS TELECOMMUNICATIONS AUTHORITY
RETURN ON CAPITAL

1955—1966

(£ thousand)

	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
NET ASSETS												
Fixed Assets less depreciation	947.7	1167.8	1297.3	1412.5	1511.3	1556.5	2064	2480.2	2688.1	2708.4	2872.4	3018.5
Stores in Stock	146.3	167	214	237.7	175.3	202.5	313.6	432	380.1	414.4	380.2	744.9
Other net assets	400.8	118.4	192	336.3	661	632.3	230.8	-281.2	-425.7	-185	-177.7	-523.6
Net total Assets	1494.8	1453.2	1703.3	1986.5	2347.6	2391.3	2608.4	2631	2642.5	2937.8	3074.9	3239.8
RETURN												
Revenue Surplus :-												
i) Before interest on borrowings	27.2	38.2	69.5	113.2	166	132.7	153.3	151.3	143.3	366	332.4	352.8
ii) After interest on borrowings	-5.1	-41.4	-15	17.7	52.5	11.1	29.1	14.3	2.1	215.6	172.2	184.1
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent
<i>Return as % on net total assets</i>												
i) Before interest on borrowings	1.8	2.6	4.1	5.7	7.1	5.6	5.9	5.8	5.4	12.5	10.8	10.9
ii) After interest on borrowings	—	—	—	.9	2.2	.5	1.1	.6	.1	7.4	5.6	5.7

CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING OPERATING REVENUE 1958 - 1966

I. TELEPHONE REVENUE

II. TELEGRAPH REVENUE

III. OTHER REVENUE

(£ THOUSAND)

	I	II
1955	£ 297	£ 20
1956	394	23
1957	499	28

Telephone Revenue

Telegraph Revenue

Other Revenue



CYPRUS TELECOMMUNICATIONS AUTHORITY

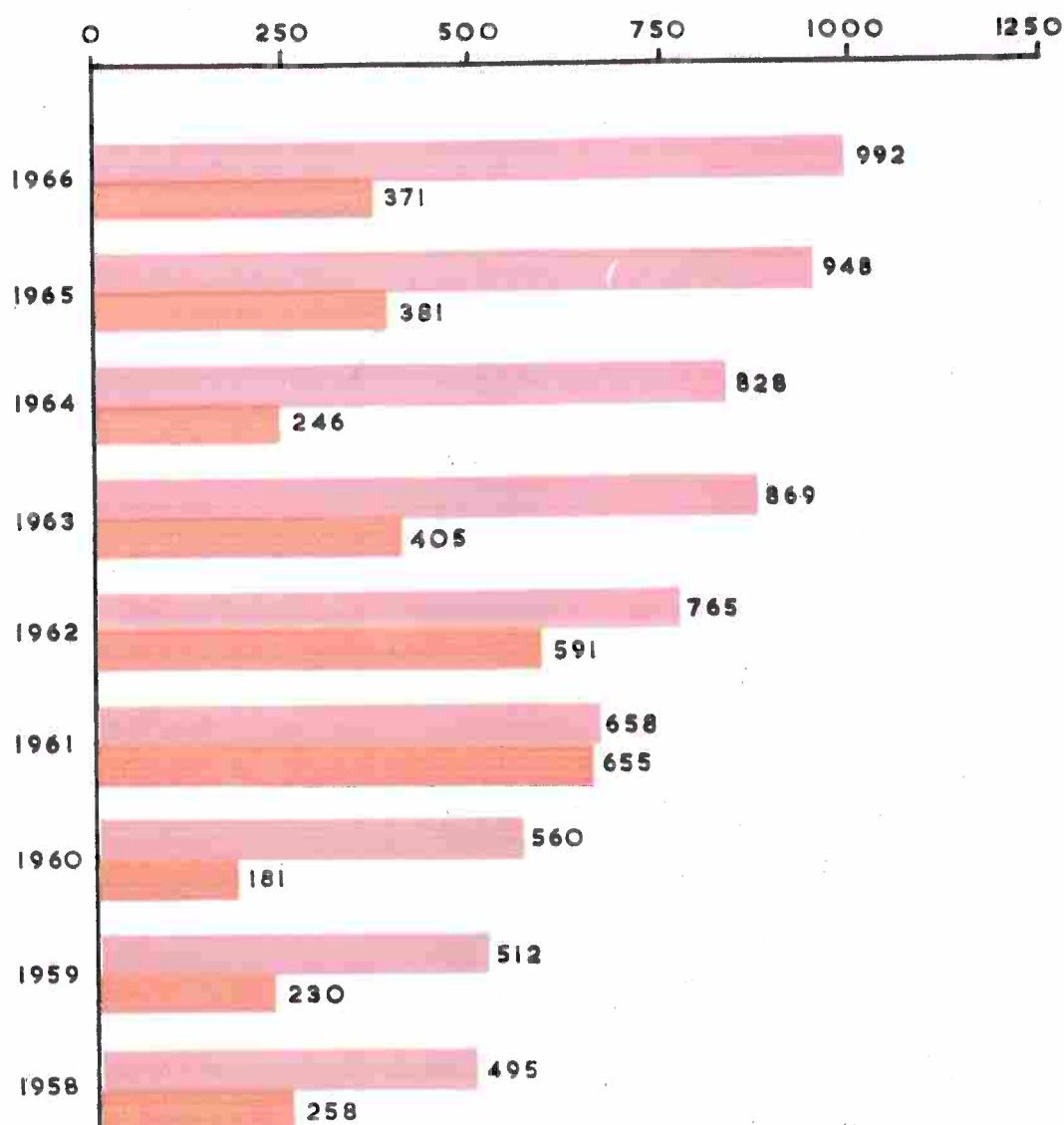
TABLE SHOWING EXPENDITURE 1958-1966

I. OPERATING EXPENDITURE
II. CAPITAL EXPENDITURE

(£ THOUSAND)

	I	II
1955	£290	£205
1956	386	315
1957	453	310

Operating Expenditure
 Capital Expenditure



ACCOUNTS

CYPRUS TELECOMMUNICATIONS AUTHORITY

AUDITORS' REPORT

We have audited the annexed Balance Sheet and Revenue Account and have obtained all the information and explanations which we considered necessary. In our opinion proper books of account have been kept and the Balance Sheet is in agreement therewith.

In our opinion the said Balance Sheet and Revenue Account, together with the Notes thereon, give a true and fair view of the state of affairs of the Authority as at 31st December, 1966 and of the balance of revenue for the year ended on that date.

METAXAS, CHRISTOFIDES, LOIZIDES & SCOTTIS
Certified Public Accountants (Cyprus)

"Pantheon" Building
40, Evagoras Avenue,
Nicosia.

26th June, 1967.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1966.

1. PRESENTATION OF ACCOUNTS

During the year under review there has been a change in the accounting procedures as a result of which these Accounts are presented in a different form than hitherto. The comparative figures have been adjusted, on a basis comparable to 1966.

It was not found practicable to show the comparative figures of the items shown in the Statements.

2. FIXED ASSETS

Fixed assets are, with the exception of those acquired in 1961 and 1962, stated on the basis of cost.

Those fixed assets acquired in 1961 and 1962 are stated on the basis of the Authority's valuation thereof as of date of acquisition. Fixed assets acquired in 1955 are stated in these Accounts at cost, representing the gross book value standing in the books of Cable and Wireless Limited as at the date of their acquisition by the Authority. The depreciation provisions in respect thereof, provided by Cable and Wireless Limited prior to their acquisition, have been brought into account and are reflected in the aggregate depreciation provision of the Authority.

Provisions for depreciation of fixed assets have been made, with minor exceptions, on the same basis as in the previous years.

3. STORES

The stores have been physically verified by continuous stock takings carried out throughout the year; they have been valued at cost.

4. PROVISION FOR STAFF SUPERANNUATION BACK SERVICE CREDITS

There are certain liabilities to make payments over a period of years towards funding of staff superannuation back service credits. This fund is administered by trustees to whom the Authority has agreed to make such payments as may be required in order that due provision shall be made for the payment of

superannuation benefits afforded to the employees by the Authority in respect of past services.

An additional amount of £30,000 (1965 — £30,000) has been provided for in respect of these benefits. This amount does not purport to cover the full amount which would be required, as the extent of this liability cannot at present be determined until an actuarial valuation of the fund has been made.

5. CAPITAL BORROWINGS

Pending finalisation of the negotiations between the Authority and the Government for the determination of the Authority's ultimate obligations in respect of its borrowings, and the determination of the Authority's capital structure in general, no amounts are being set aside in order to provide, with the exception of the Cyprus Government Loan 1965/76, the requisite funds for the repayment and redemption of these borrowings.

The amount required to pay accrued interest on these borrowings has been provided for through the years to 31st December, 1966.

6. AMORTISATION OF FINANCING CHARGES

The financing charges in respect of capital borrowings are amortised annually over the period of the relative borrowings. For the year under review £1,490 (1965—£1,490) has been written off for this purpose and is included in the Financial and Other Expenses shown in the Revenue Account.

7. TAXATION

No amount has been set aside to provide for taxation as the taxation position of the Authority is under discussion with the Inland Revenue.

8. CONTRACTUAL COMMITMENTS

Contractual commitments, repayable over a period of five years, amounted to approximately £646,375 as at 31st December, 1966 (1965 — £564,000).

9. CONTINGENT LIABILITIES

Contingent Liabilities in respect of claims against the Authority amounted to approximately £10,425 as at 31st December, 1966 (1965 — £2,525).

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET AS AT 31ST DECEMBER, 1966

1965 £		£	£
	FIXED ASSETS (Note 2)		
4,339,671	At cost or valuation	4,676,209	
1,467,308	Less: Depreciation	1,657,691	
<u>2,872,363</u>	(Statement 8)		3,018,518
	NET CURRENT ASSETS		
	CURRENT ASSETS		
380,223	Stores (Note 3)	744,935	
355,244	Debtors and debit balances less provision	449,999	
311,566	Cash on deposit with bankers	266,422	
93,725	Bank balances and cash in hand	81,800	
<u>1,140,758</u>		<u>1,543,156</u>	
	Deduct		
	CURRENT LIABILITIES AND PROVISIONS		
233,769	Creditors and accrued charges	292,309	
649,976	Interest accrued on capital borrowings	808,829	
30,000	Provision for staff superannuation back service credits (Note 4)	60,000	
<u>913,745</u>		<u>1,161,138</u>	
227,013			382,018
<u>3,099,376</u>			<u>3,400,536</u>
24,448	Deduct		
<u>3,074,928</u>	LONG-TERM LIABILITIES		160,742
	NET TOTAL ASSETS		<u>£3,239,794</u>

FINANCED FROM

CAPITAL BORROWINGS (Note 5)

2,276,773	Loans from Government of Cyprus	2,273,475	
100,000	6% Telecommunications (First Issue) Stock 1964/68	100,000	
100,000	3% Telecommunications (Second Issue) Stock 1963	100,000	
<u>2,476,773</u>			2,473,475

64,304

CAPITAL RESERVE

64,304

66,000

GENERAL RESERVE

66,000

467,851

REVENUE BALANCE

636,015

£3,074,928

£3,239,794

The Notes on pages 48 and 49 are an integral part of these Accounts.

J. CL. CHRISTOPHIDES
Chairman

A. N. STYLIANIDES
General Manager

M. E. CHRISTOFIDES
Chief Accountant

CYPRUS TELECOMMUNICATIONS AUTHORITY

REVENUE ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1966.

1965		£	£
	OPERATING REVENUE		
	Telephone services :-		
377,440	Rentals	396,092	
233,971	Local calls	256,644	
251,472	Trunk calls	273,076	
75,071	Overseas calls	92,102	
7,804	Miscellaneous	8,260	
<u>945,758</u>			1,026,174
	Telegraph Services :-		
136,626	Telegrams	174,793	
71,449	Leased circuits	68,425	
10,696	Teleprinter rentals	13,635	
10,303	Miscellaneous	11,429	
<u>279,074</u>			268,282
66,979	Other Services		66,002
<u>1,291,811</u>			1,360,458
	Deduct		
	OPERATING EXPENSES		
758,143	System operational (Statement 1)	777,395	
45,531	Establishment (Statement 2)	41,093	
144,141	Administration (Statement 3)	173,037	
<u>947,815</u>			991,525
<u>343,996</u>	NET OPERATING REVENUE carried forward		368,933

£	NET OPERATING REVENUE brought forward	£
343,996		368,933
	OTHER INCOME	
15,122	Bank interest	18,126
1,230	Miscellaneous	780
16,352		18,906
360,348		387,839
188,154	FINANCIAL AND OTHER EXPENSES (Statement 4)	203,738
172,194	REVENUE BALANCE, 1st January, 1966	184,101
327,590	REVENUE BALANCE 1st January, 1966	467,851
	Add	
172,194	Revenue balance for year	184,101
	Net revenue relating to prior years	14,063
172,194		198,164
499,784		666,015
	Deduct	
1,933	Net expenses relating to prior years	—
	Provision for staff superannuation back	
30,000	service credits (Note 4)	30,000
31,935		30,000
£467,851	REVENUE BALANCE 31st December, 1966	£636,015

The Notes on pages 48 and 49 are an integral part of these Accounts.

STATEMENT 1

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966

OPERATING EXPENSES

S y s t e m O p e r a t i o n a l

	£	£
Telephone Services		
Operating salaries, etc.	118,688	
Maintenance salaries, etc.	108,730	
Other salaries, etc.	124,086	
Materials	12,350	
Electricity	7,251	
Transport	18,957	
Depreciation	150,270	
Radio and Repeater Stations Expenses	45,016	
Miscellaneous	676	
		586,024
Telegraph Services		
Operators salaries, etc.	85,001	
Maintenance salaries, etc.	7,830	
Other salaries, etc.	6,446	
Materials	484	
Electricity	418	
Transport	106	
Depreciation	3,601	
Radio and Repeater Stations Expenses	29,905	
Miscellaneous	2,409	
		136,200
Other Services		
Operators salaries, etc.	33,789	
Maintenance salaries, etc.	4,238	
Other salaries, etc.	3,874	
Materials	236	
Transport	230	
Depreciation	1,492	
Radio and Repeater Stations Expenses	10,903	
Miscellaneous	409	
		55,171
As per Revenue Account		<u><u>£777,395</u></u>

STATEMENT 2

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966

OPERATING EXPENSES**E s t a b l i s h m e n t**

	£
Salaries, etc.	17,915
Maintenance of buildings	1,739
Maintenance of F.F. & O.E.	985
Transport	119
Rents, rates and taxes	5,231
Light, heat and water	4,332
Insurances	2,027
Depreciation	7,989
Miscellaneous	756
	<hr/>
As per Revenue Account	£41,093
	<hr/>

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966

OPERATING EXPENSES**A d m i n i s t r a t i o n**

	£
Administration and Accounts Salaries, etc.	136,969
Printing and Stationery	10,777
Telephones, Telegrams and Postages	8,668
Travelling and Transport	4,553
Office machinery rental	3,517
Training expenses	1,537
Newspapers and Periodicals	1,018
Advertisements	852
Miscellaneous	5,146
	<hr/>
As per Revenue Account	<u>£173,037</u>

STATEMENT 4

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966

FINANCIAL AND OTHER EXPENSES

Financial :-

	£
Interest on Capital Borrowings	167,196
Financing charges on Capital Borrowings	1,490
Other Interest	13,294
Provisions for bad and doubtful debts	14,441
Miscellaneous	5,455
	<u>£201,876</u>

Other :-

Authority's Members travelling expenses	600
Miscellaneous	1,262
	<u>£1,862</u>
As per Revenue Account	<u>£203,738</u>

STATEMENT 5

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966
RADIO AND REPEATER STATIONS EXPENSES

	£
Operators salaries, etc.	27,304
Maintenance salaries, etc.	10,050
Other salaries, etc.	11,862
Materials	3,349
Electricity	7,601
Transport	1,782
Depreciation	23,808
Miscellaneous	68
	<hr/>
Total allocated to System Operational	<u>£85,824</u>

Allocated to :-

Telephone Services	45,016
Telegraph Services	29,905
Other Services	10,903
	<hr/>
	<u>£85,824</u>

STATEMENT 6

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966

MOTOR TRANSPORT EXPENSES

	£	£
Drivers, Garage and Other salaries		18,648
Licences		2,053
Insurances		1,524
Fuel		2,645
Spares and accessories		3,785
Depreciation		4,155
Miscellaneous		1,388
		<u>£34,198</u>

Allocated to :-

Capital Works	9,682
Recoverable Works	876

Operating expenses :-

System Operational	19,293	
Establishment	119	
Administration	<u>2,446</u>	
		21,858
Radio and Repeater Stations Expenses		<u>1,782</u>
		<u>£34,198</u>

STATEMENT 7

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966

STAFF COSTS

	£	£
Salaries, Wages, Allowances, etc.		811,730
<i>Less:</i> Amount charged to :-		
Capital works	89,344	
Recoverable works	6,956	
		<u>96,300</u>
		<u>£715,430</u>

Allocated to :-

Operating Expenses —		
System Operational	£492,682	
Establishment	17,915	
Administration	<u>136,969</u>	
		647,566
Radio and Repeater Stations		49,216
Motor Transport Expenses		<u>18,648</u>
		<u>£715,430</u>

STATEMENT 8

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1966

FIXED ASSETS

	Cost or Valuation as at 1.1.1966	Additions at Cost Less Disposals	Cost or Valuation as at 31.12.1966	Aggregate Depreciation	WRITTEN DOWN VALUE 31.12.1966	31.12.1966
	£	£	£	£	£	£
Land	91,428	416	91,844	—	91,844	91,428
Freehold Buildings	248,723	4,444	253,167	52,817	200,350	200,970
Leasehold Buildings	55,369	—	55,369	9,271	46,098	47,204
Exchanges, Line Plant and Subscribers Apparatus	3,428,089	186,256	3,614,345	1,337,891	2,276,454	2,234,286
Telegraph Plant	66,853	806	67,659	31,078	36,581	39,079
Radio Stations	192,389	6,030	198,419	81,219	117,200	129,712
Repeater Stations	76,230	1,644	77,874	14,063	63,811	66,060
Motor Vehicles	55,921	7,333	63,254	55,473	7,781	4,604
Furniture and Office Equipment	89,754	5,066	94,820	46,034	48,786	50,458
Tools and Miscellaneous Equipment	34,915	5,217	40,132	29,845	10,287	8,562
Assets Under Construction :-						
Buildings	—	18,000	18,000	—	18,000	—
Exchanges, Line Plant and Subscribers Apparatus	—	44,105	44,105	—	44,105	—
Radio Stations	—	54,457	54,457	—	54,457	—
Repeater Stations	—	2,764	2,764	—	2,764	—
	<u>£4,339,671</u>	<u>£336,538</u>	<u>£4,676,209</u>	<u>£1,657,691</u>	<u>£3,018,518</u>	<u>£2,872,363</u>

The Depreciation of Fixed Assets for the year ended 31st December, 1966, has been allocated as follows :-

Operating Expenses :-	
System operational	£155,363
Establishment	7,989
Radio and Repeater Stations Expenses	23,808
Motor Transport Expenses	4,155
	<u>£191,315</u>

