

**CYPRUS
TELECOMMUNICATIONS
AUTHORITY**

**ANNUAL
REPORT
1967**

CYPRUS TELECOMMUNICATIONS AUTHORITY

**TWELFTH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1967.

[Price 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Chairman . . . : J. Cl. Christophides, of Gray's Inn,
Barrister - at - Law.

Vice-Chairman : A. Gursoy .

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General Manager : A. N. Stylianides, B.Sc., M. - A.S.M.E.

Secretary . . . : S. A. Kokkinides, A.C.C.S.
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FAMAGUSTA	— Edison Street	Tel. 62500
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PAPHOS	— 36, Adonis Street	Tel. 2148
KYRENIA	— 5A, 28th October Avenue	Tel. 438
MORPHOU	— 18, 25th March Street	Tel. 5555
LEFKA	— Lefka	Tel. 459

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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.

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.

The Authority has 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, whose powers over the activities of the Authority are regulated by the Amended Service Law of 1963.

There was no change in the Authority's Membership during the year except for the continued absence of its Turkish Vice-Chairman. The Authority's policies were decided and normal business transacted in 20 regular meetings.

The main tasks in 1967 were to maintain and improve the quality of the service, to increase efficiency, to meet growth, to prepare for further expansion and to finalize plans for the modernisation and automatisisation of the services. Turkish employees who had left the service in 1963 continued to be away from duty; their absence, however, did not but slightly affect the development plans and the services of the Authority.

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENT FOR THE LAYMAN

How the Authority Operated During the Year 1967.

	£
The Income from the Authority's Operation was ..	1,584,835
Other Income	18,663
	<u>1,603,498</u>

The Expenses were :

Total Salaries, Allowances, etc.	990,379
Less: Utilised for Development	97,157
Utilised for Repayment Works	<u>7,814</u>
	<u>104,971</u>
Administration, Operating and Maintenance Salaries	<u>£ 885,408</u>
Administration Expenses	206,067
Telephone Services Expenses	729,944
Telegraph Services Expenses	174,197
Other Services Expenses	61,731
Maintenance of Buildings, etc.	61,617
Members' Travelling Expenses ..	600
Interest and Financing Charges on Borrowings	177,551
Interest to Suppliers	19,697
Provision for Doubtful Debts	7,632
Miscellaneous Financial Charges ..	<u>1,056</u>
	<u>1,440,092</u>
Resulting in a Revenue Balance for the year of	<u>£ 163,406</u>

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	2,470,012
Surpluses from past years' operations	785,644
Surplus from this year's operation	163,406
Total Financing	<u>£ 3,419,062</u>

WHAT THE AUTHORITY OWNED

Land, Buildings, Plant & Machinery on 1.1.1967	£ 4,676,209
Spent for Development in the year	£ 881,136
Less: Installation Fees Recovered	<u>34,045</u>
	847,091
	5,523,300
Less: Disposals	<u>25,728</u>
Total: 31.12.1967	5,497,572
Set aside over past years and this year to meet wearing out of the Equipment	<u>1,859,393</u>
	3,638,179
Materials in Stores	786,346
Money owed to the Authority by Subscribers and debit Balances	527,831
Cash in Hand and at Bank (Current Account)	139,918
Cash on Fixed Deposits with Banks	<u>205,254</u>
So altogether the Authority's Belongings were ..	5,297,528

WHAT THE AUTHORITY OWED

To various Suppliers for Equipment, Services	400,091
To various Suppliers for Equipment, Services, (long term)	411,662
To provision for Staff's "Superannuation Back Service Credits"	90,000
To Government for past years' and this year's Interest on Borrowings	<u>976,713</u>
	1,878,466

The Difference between **WHAT THE AUTHORITY OWNED**
and **WHAT THE AUTHORITY OWED** was the
Authority's Net Property £ 3,419,062

3. TECHNICAL SERVICES

A. GENERAL.

The year 1967 was a period of steady growth and expansion of the Authority's services. However, due to the unprecedented high level of demand for services coupled with the long delivery dates for the supply of telecommunication equipment, the Authority could not always meet the requirements of the public to the extent that it would have wished. A number of large-scale projects in course of execution and due to be commissioned shortly, or receiving active consideration under long-term planning, should ensure in due course that all requirements are adequately met in the not distant future.

B. PLANNING AND DEVELOPMENT.

During the year under review, plans for the introduction of the undermentioned projects were completed and the Authority will now be able to proceed with the issue of international tenders in 1968, after these plans are examined by a Firm of Internationally known Telecommunication Consultants.

The completion of these plans was somewhat delayed as the Authority had wished to avail itself of all latest developments in the systems and equipment involved. With this in mind, the Authority effected a number of changes to the projects, which had appeared as planned in the 1966 Annual Report.

I. National Communications Network.

This will be a large scale project which will provide high grade trunks between the main towns; in addition, the trunk circuits between the dependent exchanges and their respective zone centres will be considerably increased.

II. Subscribers' Trunk Dialling (STD).

This project will enable any subscriber to dial direct any other subscriber anywhere in the island, without the intervention of the operator.

III. Telephone Exchanges.

This project caters for the provision of new exchanges, and for the increase in the capacity of existing telephone exchanges as indicated below :-

- a. **Nicosia.** An increase of 8600 lines, bringing the total direct exchange lines to 22,000.
- b. **Limassol.** An increase of 2700 lines, bringing the total to 7000 direct exchange lines.
- c. **Paphos.** A new exchange of an initial capacity of 1200 lines.
- d. **Kyrenia.** A new exchange of an initial capacity of 1200 lines.
- e. **Morphou.** A new exchange of an initial capacity of 1200 lines.

IV. Rural Exchanges.

Plans were completed for the increase in capacity of most of these exchanges and for the Lapithos and Polis Exchanges to be converted to automatic working.

V. Line Plant Development.

a. Urban Development.

Plans were completed for the expansion of the telephone network in Nicosia, Limassol, Famagusta and Larnaca towns.

b. Rural Development.

The completed plans mainly call for the expansion of the local distribution at Lapithos and Lefkoniko and the installation of 14 additional village call offices, throughout the island.

VI. Aeronautical Services.

a. Aeronautical Fixed Telecommunication Network-Public Telegraph Service.

In 1967 plans were completed and an order placed for the provision of a computer based system for the automatic transmission and relay of telegraph messages, both for civil aviation and commercial purposes, in accordance with the latest recommendations of the International Civil Aviation Organisation and the International Telecommunication Union. It is estimated that the equipment for the Aeronautical Services will be installed and be operative during the last quarter of 1968, and for the Public Telegraph Service in 1969.

b. VOR/DME (Very High Frequency Omni Directional Range/Distance Measuring Equipment.)

All plans for the introduction of this service were finalised and an order for the provision of the necessary equipment

placed; this equipment is expected to be commissioned during 1968 and will replace the existing obsolete VOR facilities.

For both a & b above, the Authority acted as agent of the Ministry of Communications and Works, Department of Civil Aviation, and was refunded all sums incurred in connection with Civil Aviation Services.

VII. Radiotelephone Service.

To enable the Authority to expand further its radiotelephone service, orders were placed for the provision of additional radiotelephone terminal equipment which is scheduled for delivery and installation during 1968.

C. CONSTRUCTION.

A summary of the extensive and varied construction works, which were executed during 1967, is given herebelow :-

I. Exchanges.

The following major Exchange installations were completed during 1967.

- a. Nicosia :
 - I. The Pallouriotissa Satellite Exchange with an initial capacity of 1500 lines.
 - II. The New Airport Exchange of an initial capacity of 300 lines.
- b. Famagusta : 600 lines extension; work also commenced on another extension of 2,900 lines.
- c. Morphou : Exchange extended by 50 lines.
- d. Kakopetria : New Exchange installed of 100 lines replacing a 50 lines one.

Herebelow a comparative table for 1966, 1967 detailing the growth of the various types of Exchanges :-

Type of Equipment	1 9 6 6		1 9 6 7	
	No.	Capacity	No.	Capacity
Towns Main Auto Telephone Exchanges	6	18465	6	18835
Town Satellite Auto Exchanges	1	1500	2	3000
Private Automatic Exchanges	38	3028	47	3527
Private Manual Branch Exchanges	670	9836	741	10434
Rural Exchanges	41	3520	41	3520
Mobile Exchanges	1	100	1	100

II. Buildings.

- a. The Pallouriotissa and Acropolis Telephone Exchange Buildings — Nicosia, were completed.
- b. In the Nicosia Main Offices extensive constructural changes were effected to allow for the installation of additional equipment and for the Telex Exchange.
- c. The Famagusta and Limassol Main Office buildings were renovated and modified, so as to make room for additional office accommodation, the installation of new equipment and telephone manual positions.
- d. The Kili Tropospheric Link building was nearly completed and the installation of equipment commenced.
- e. The new repeater station building at Pissouri was completed.

III. Cyprus-Greece Communications. (Tropospheric Scatter Link).

Extensive work was carried out on this project and by the end of the year the terminal station of the link at Kili was completed by 95% and the two 60 ft. dishes with their associated equipment were installed. Further, the towers required for the support of the Inland V.H.F. link were erected at Kili (200 ft.), Pissouri (150 ft.) and Limassol (100 ft.), the Pissouri Repeater Station was completed and the V.H.F. equipment installed.

It is anticipated that the Link will be commissioned early in 1968 and it is expected that reliable, efficient and extensive communications will be ensured between Cyprus and Greece which could attract, inter alia, considerable transit traffic.

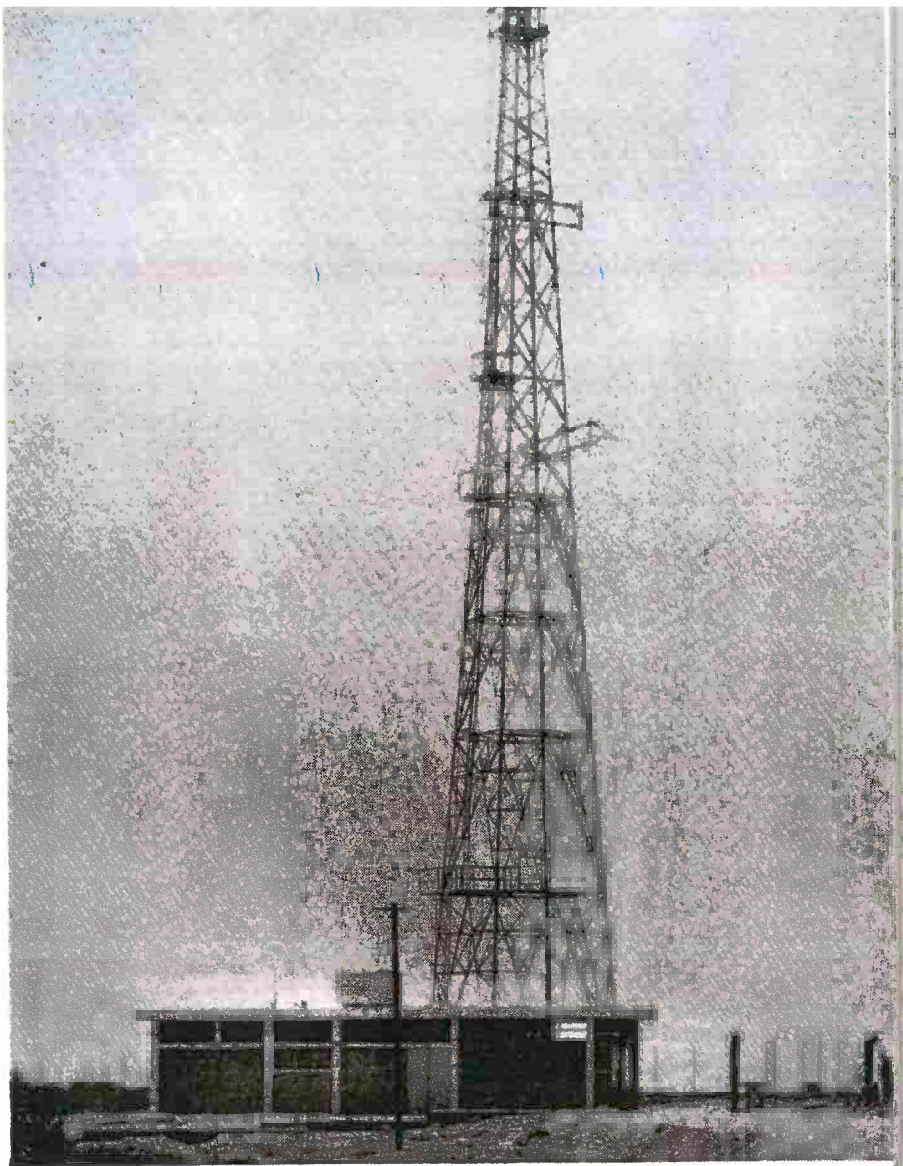
IV. Telex.

Further progress was made on the introduction of this service; most of the equipment was installed and as announced in the 1966 Report the project will be commissioned in 1968.

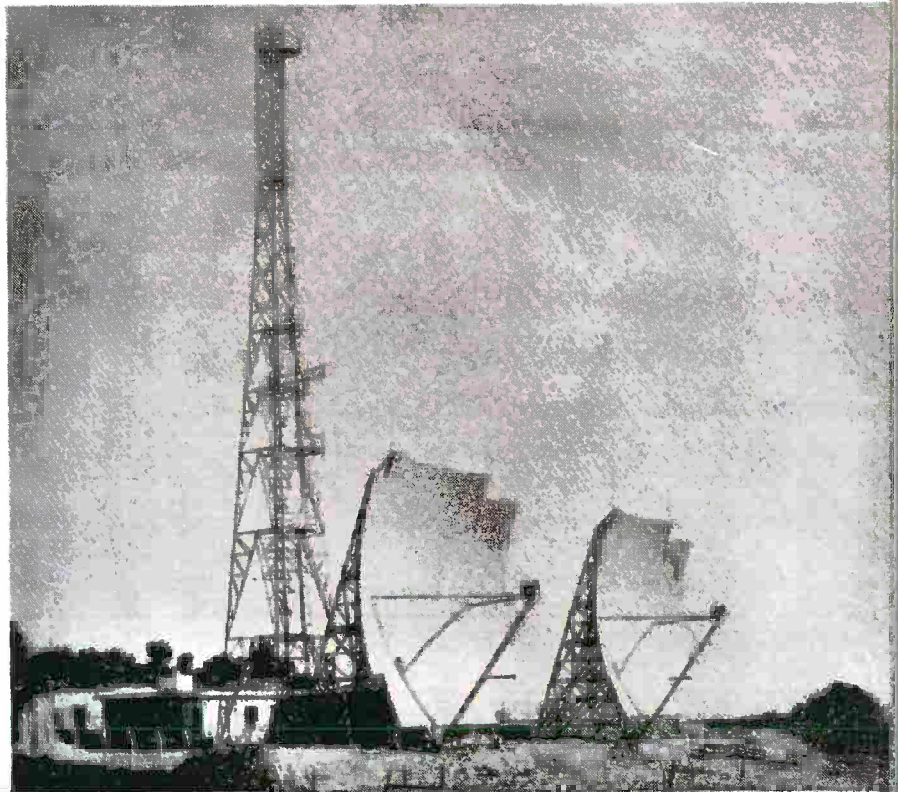
V. Line Plant.

The various works completed during the year by the Over-head and Underground services of the Authority are summarised in the following tables :-

Pissouri Repeater Station.



Kili Tropospheric Scatter Station.

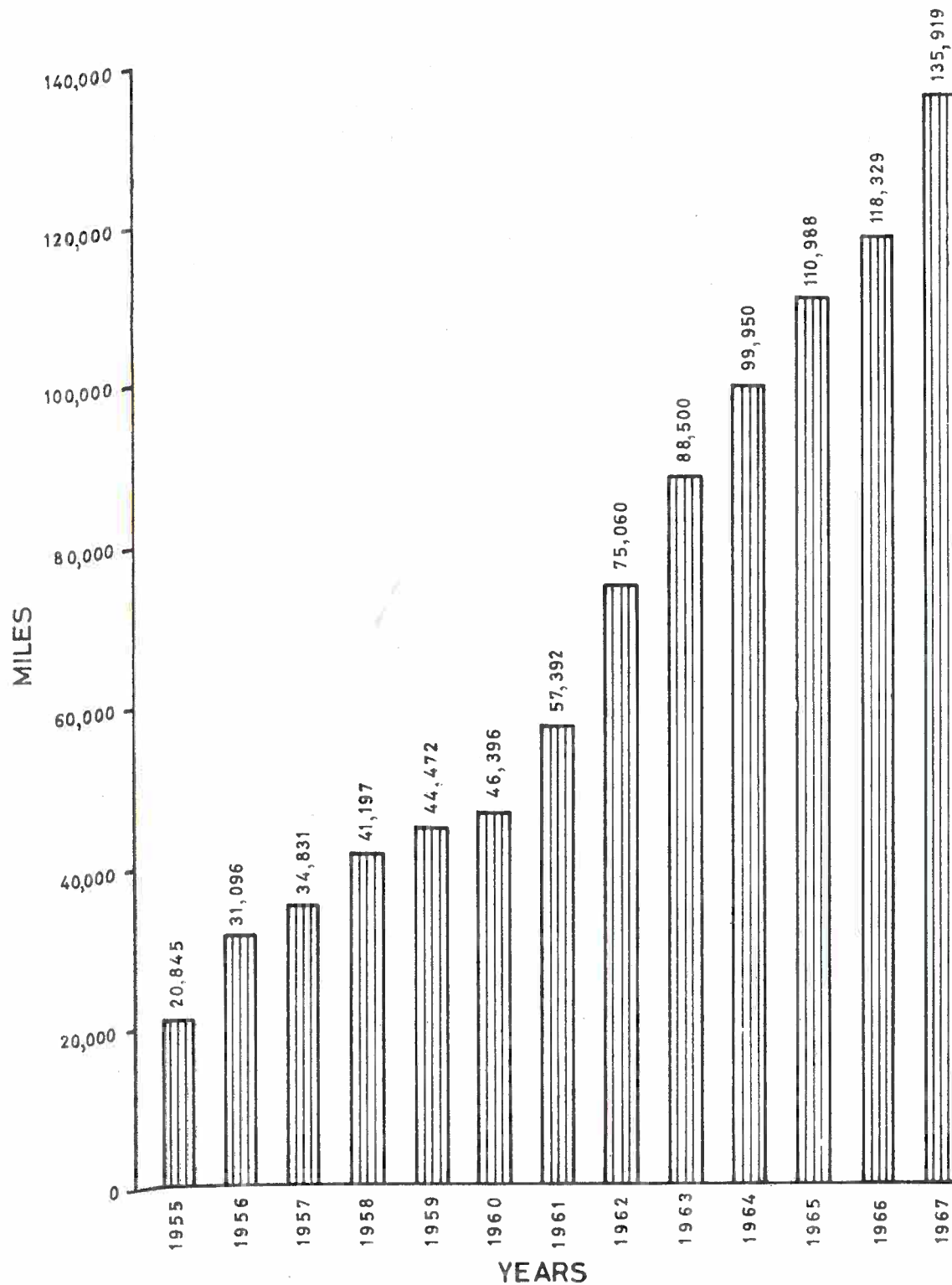


a. Underground Line Distribution.

I t e m	Unit	1965	1966	1967
Manholes Constructed	No.	108	96	118
Duct Lines laid	Miles	21.5	38.54	29.20
Cables Laid/Drawn	"	41.1	42.42	70.17
Above cables single Wire (in thousand miles)		11,038	7,341	17,590

UNDERGROUND CABLES SINGLE WIRE LAID

GRAPH A

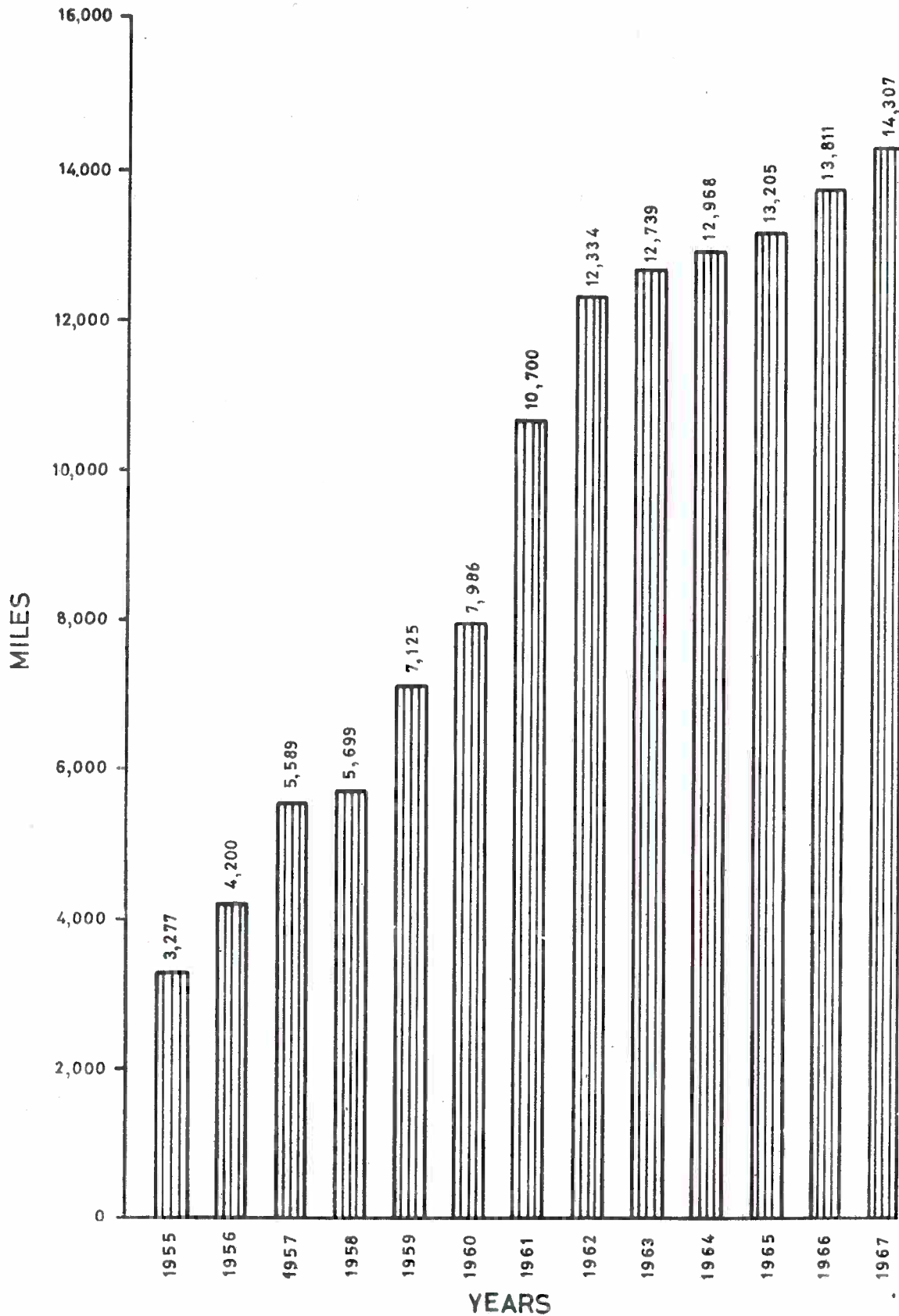


b. Overhead Line Distribution.

I t e m	Unit	1965	1966	1967
Pole route installed	Miles	23	79	40
Single wire installed	"	237	606	496
Pole route O/Hauled	"	238	28	285
Single wire O/Hauled	"	4600	358	4110

OVERHEAD SINGLE WIRE MILEAGE INSTALLED

GRAPH B



VI. Subscribers' Installations.

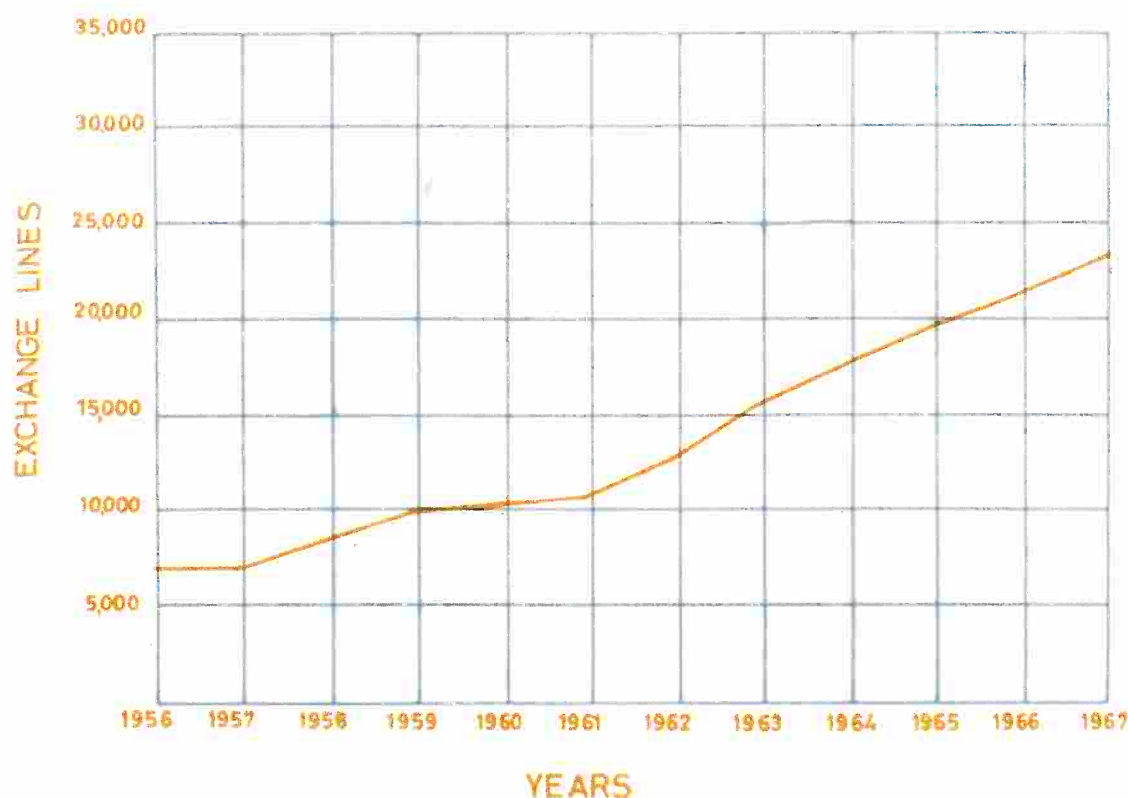
The table below indicates the position of applications for the provision of telephone service and the telephones installed.

	1965	1966	1967
Outstanding applications for telephone installation as at the end of the previous years	1074	1410	2026
New applications received during the year	2289	3478	3902
Telephones installed	1815	2680	2896
Applications cancelled during the year as installations not required	138	182	566
Balance waiting list as at the end of the year	1410	2026	2408

The Authority was again this year heavily committed for the provision of prompt and efficient service to the National Guard and the United Nations Force in the Island and these connections are not included in the statistics given.

GRAPH C

GROWTH OF DIRECT EXCHANGE LINES INSTALLATIONS



GRAPH "C" shows the total growth of Direct Exchanges Lines.

Note:- The previous years' figures have been adjusted to reflect the actual number of Direct Exchange Lines in service.

VII. Communal Installations.

Thirty villages were connected to the public telephone system as hereunder bringing the total of village Call Offices to 477 :-

Nicosia District	Famagusta District	Limassol District	Larnaca District	Papho District	Kyrenia District
Apliki Ay. Trimithias Yeradjes Korakou Tembria Katidhada Ghour Mitsero Agrokippia Nikitari	Makrasika	Ay. Athanasios Dhora Akrotiri Limnatis Korphi Ay. Mamas	Ay. Vavatsinias	Ay. Marina (Kelokedaron) Phiti Panayia Psathi Dhrynia Kannaviou Lasa Asproyia Kritou Marotou Pittargou Drymou	Trimithi
Total Rural Call Offices connected and working					
as at the end of 1966					447
Connected during 1967					30
Total as at the end of 1967					477

The installation of communal (village) telephones continues to require a heavy capital outlay, whereas the revenue remains disproportionately low to the expenses incurred and therefore the Authority has to plan such installations having regard to its general responsibilities to the public and the funds available for expenditure, as well as to such criteria as remoteness of the village, other available means of communication (Forest telephone), size of community, hazards involved in the installation on account of the prevailing situation in the Island and actual cost of each installation.

VIII. Public Kiosks.

Telephone Public Kiosks are installed in towns, free of any charge to the town Authorities, for use by the public on the normal rates. Additional kiosks installed in 1967 are shown herebelow :-

		Total
Nicosia	6	44
Limassol	5	19
Famagusta	5	20
Larnaca	3	7
Kyrenia	2	7
Paphos	2	5
Morphou	2	6

**IX. COMPARATIVE CHART SHOWING TELEPHONES OF CYPRUS
AND NEIGHBOURING COUNTRIES**

	As at 1/1/1966			As at 1/1/1967		
	No. of Telephones	Per Cent Population	Per Cent automatic	No. of Telephones	Per Cent Population	Per Cent automatic
CYPRUS	28,105	4.70	99.4	30,338	5.00	99.4
Lebanon	105,000	4.43	90.0	120,323	4.84	90.0
Israel	255,780	9.84	100.0	301,008	11.33	100.0
Iran	207,530	0.88	81.7	213,420	0.83	82.7
Iraq	65,000	0.89	80.0	76,000	0.90	80.0
Kuwait	26,041	5.56	100.0	31,528	6.31	100.0
Syria	78,022	1.38	92.0	85,911	1.55	91.4
Greece	508,262	5.94	95.4	579,076	6.69	95.6
Turkey	351,135	1.12	86.8	385,560	1.17	82.5
Yugoslavia	414,656	2.11	90.4	452,248	2.27	92.7
Roumania	470,000	2.46	80.0	510,000	2.66	80.0
Bulgaria	279,200	3.39	48.6	306,361	3.70	53.3
Italy ...	5,980,702	11.55	97.8	6,467,597	12.44	99.2
Algeria	140,000	1.24	70.0	140,000	1.15	70.0
U.A.R.	330,000	1.11	75.0	335,000	1.10	86.0
Spain	2,788,432	8.79	79.9	3,072,214	9.60	80.7

Total number of telephones in the world as at 1st January, 1967 was 208.5 millions.

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

X. TELEPHONES IN THE PRINCIPAL CITIES OF NEIGHBOURING COUNTRIES

	No. of Telephones	Population (thousands)	Telephones per 100 pop.
Nicosia	16,228	106	15.3
Beirut	87,558	651	13.4
Tel Aviv & Jaffa	139,618	751	18.6
Teheran	106,000	2,804	3.8
Damascus	38,398	600	6.4
Athens	392,472	2,140	18.3
Ankara	68,829	902	7.6
Belgrade	90,056	703	12.9
Rome	805,750	2,440	33.5
Madrid	687,622	2,800	24.6

D. MAINTENANCE.

I. Routine & Preventative Maintenance.

Systematic routine and preventive maintenance was carried out during the year, thus keeping the plant and the various installations of the Authority to a reasonably high standard of efficiency.

The average analysis of fault per circuit was, as in 1966, one per circuit per year in the case of Town Subscribers and seven per circuit per year in the case of Rural Call Offices.

The Emergency Alternators, which are installed at all main and most of the rural exchanges and radio repeater stations, were kept in excellent working condition and functioned satisfactorily on mains failures and interruptions during 1967.

II. Workshops.

The Engineering Workshops offered valuable services to all Departments of the Authority. These included the making of switchboard and instrument cords, modification of telephone instruments, repairs to telephones, dials, coin collecting boxes, and construction of metal work frames, cable runways, antennae, office furniture etc. Furthermore the workshops maintained woodwork in all exchanges and the Authority's buildings as required.

III. Transport.

The Authority's mobile fleet increased from 90 to 107 vehicles. These vehicles were allocated to the various Departments for prompt attention to the Authority's business requiring transport; an efficient garage service was also maintained.

During the year 846,000 miles were covered, the average cost per mile including all expenses being 19.8 mils; (756,575 miles were covered in 1966, @ 18.8 mils per mile). ✓

E. GENERAL TELECOMMUNICATION FACILITIES.

I. Mobile Radiotelephone Service.

The continued provision by the Authority of this service, is under current consideration.

II. Voice Casts.

Programmes effected for broadcasting stations abroad are as hereunder :-

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Number of Voice Casts	35	27	209
Number of minutes	1039	478	4121

III. Fascimile (Radio Pictures).

Received	92	83	66
Forwarded	140	53	220

IV. Broadcasts.

Broadcasting organizations both local and overseas were facilitated in effecting broadcasts abroad from any point in Cyprus. The broadcasts dealt mainly with such subjects as services, theatrical performances, fairs, religious celebrations, football matches etc. The following broadcasts were effected throughout the Authority's network :-

(i)	Inland to Inland	..	..	..	117
(ii)	Inland to Overseas	..	..	..	22

V. Civil Aviation Signals.

The Authority is operating these services on behalf of the Ministry of Communications and Works, Department of Civil Aviation. The main function of the Civil Aviation Signals is to serve by direct telephone and telegraph communication the Airports and countries mentioned below and to provide direct telephone communication with aircraft in flight within the Cyprus Flying Information Region.

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

Various improvements were effected in this service as hereunder :-

- a. A modern control console commenced operation as from 1st November and all relative services operated from new accommodation as from the middle of November.
- b. Traffic to and from Cairo and Damascus was relayed via Beirut as from 7th May, as per ICAO Routing Directory.
- c. The AFWIT circuit (morse) was converted to VHF RTT (Teleprinter) on 30th March. The only circuit operating by morse is now that of Nicosia Rhodes/Ankara which will be converted to RTT (teleprinter) in due course.

As a result of the abovementioned improvements the service was in a position to accept part of the predetermined responsibilities for traffic relay, as per the new ICAO Routing Directory.

The Traffic handled during the year under review is almost doubled i.e.,

1966	8.355.030	groups transmitted and reviewed.
1967	14.433.260	groups transmitted and reviewed.

About 15% of the above traffic was handled by hand-speed Wireless Telegraph (Morse) circuits, the remaining 85% by High and Very High Frequency Radio Teletype circuits.

With the full implementation of the Civil Aviation VHF Scheme and the consequent installation and operation of the new A.F.T.N. Automatic message Switching Equipment, it is anticipated that all circuits will improve and thus be able to carry the full load of traffic which Cyprus, as a Relay Centre, will have to carry.



A Telex Unit.

4. TELEPHONE AND TELEGRAPH OPERATING SERVICES

I. GENERAL.

Employees in these Sections come into direct contact with the public for the provision of telephone and telegraph service and therefore every effort was made to staff the Exchanges with well trained and efficient operators.

Both telephone and telegraph traffic have again reached record levels and comparative statistics are given herebelow.

II. TELEPHONE OPERATING.

a. Trunk Calls.

T O W N	1 9 6 6		1 9 6 7	
	From Subs	From Public C/B	From Subs	From Public C/B
NICOSIA	1,012,953	14,400	1,032,314	14,461
LIMASSOL	545,188	9,050	607,221	10,824
FAMAGUSTA	545,932	9,205	600,248	9,073
LARNACA	393,935	4,381	423,564	6,545
PAPHOS	216,620	3,389	222,032	5,492
KYRENIA	70,845	709	99,184	1,527
LAPITHOS	39,157	—	41,524	—
MORPHOU	70,357	4,977	70,374	7,402
LEFKA	39,741	1,437	41,765	1,259
PEDHOULAS/PRODROMOS	31,596	1,858	20,565	1,567
PLATRES	39,907	1,662	40,228	1,931
TROODOS	7,749	671	8,277	—
KAKOPETRIA	24,129	676	24,876	1,574
Total:	3,038,109	52,515	3,232,172	61,655
GRAND TOTAL:	(3,090,624)		(3,293,827)	

	1966	1967
b. Local Calls	33,136,500 ✓	36,232,000 ✓

c. Overseas Calls.

1 9 6 6		1 9 6 7	
OUTGOING CALLS	MINUTES	OUTGOING CALLS	MINUTES
44919	194978	56368	242881

d. Overseas Service.

There has been a marked general increase in radiotelephone traffic during the year under review, especially in the case of Lebanon and Israel where an increase of about 50% over 1966 was recorded. This is largely attributed to the longer hours

and better quality of service provided by the improved network (VHF).

The following chart shows comparative figures of the service effected with the countries connected onto the Authority's network by direct circuits; relative extension of the service over that of 1966 is also indicated.

Country	Number of Channels		Hours of operation per week		Traffic Figures in minutes	
	1966	1967	1966	1967	1966	1967
Greece	3	5	368	594	169120 ✓	200824 ✓
U.K.	3	3	181	201	104794 ✓	150640 ✓
Lebanon	2	2	336	336	56470 ✓	81580 ✓
Israel	2	2	336	336	20482 ✓	31346 ✓
Turkey	1	1	12	12	12655 ✓	11251 ✓
U.A.R.	1	1				1741 ✓
Syria	1	1				1278 ✓
<div style="display: flex; justify-content: space-between; margin-top: 10px;"> 13 / 15 1233 4471 303521 178600 </div>						

e. Ship to Shore Radiotelephone Service.

Although contact with ships around the South Western coast of Cyprus was, in some cases, difficult due to mountainous terrain, traffic figures are continuing to increase as shown in the following comparative chart :-

							1965	1966	1967
Calls	..	..	..	..	..	..	623	716	801
Minutes	..	..	..	..	..	..	2330	2473	2977

f. Annoying Telephone Calls.

162 complaints for annoying telephone calls were received and in nearly $\frac{1}{3}$ of the cases the origin of the annoying calls was detected through "the malicious calls trap equipment" installed and necessary action taken.

III. TELEGRAPH OPERATING.

In addition to the 12 internal and the two external (London and Athens) Teleprinter circuits, in operation during 1967 another two external circuits were established directly with Israel (Telaviv) and Lebanon (Beyrouth) as from 6.11.67 and 16.11.67 respectively. These circuits are carried over the VHF link with the two countries and are replacing the H.F. route via London. This has naturally reduced transit time enormously.

Statistical information as hereunder shows an overall increase in the work of this service.

a. Number of Inland telegrams forwarded :

				1965	1966	1967
January	..	..	..	6456	5518	7145
February	..	..	..	5008	4062	4027
March	..	..	..	2697	1863	4613
April	..	..	..	2625	5662	3277
May	..	..	..	7231	6166	9330
June	..	..	..	6213	4789	6262
July	..	..	..	6083	5257	6036
August	..	..	..	2290	2507	3478
September	..	..	..	4386	6915	7702
October	..	..	..	7286	7533	9304
November	..	..	..	6291	6273	6969
December	..	..	..	5495	6063	11664
				62021	62608	79807

An increase of 27.47% has been observed in 1967.

b. Number of Overseas telegrams forwarded :

				1965	1966	1967
January	..	..	..	10600	11313	12948
February	..	..	..	10011	10035	11621
March	..	..	..	11784	11509	12334
April	..	..	..	10670	11672	12334
May	..	..	..	11125	12216	13969
June	..	..	..	10385	11168	15108
July	..	..	..	11112	12020	12843
August	..	..	..	10467	11768	12486
September	..	..	..	11268	12154	12687
October	..	..	..	11692	12229	12787
November	..	..	..	12273	12112	15438
December	..	..	..	12407	13023	14521
				133794	141219	159576

An increase of 13.00% has been observed in 1967.

c. Number of Phototelegrams forwarded :

				1965	1966	1967
January	..	..	..	8	4	7
February	..	..	..	5	4	3
March	..	..	..	7	9	39
April	..	..	..	4	7	42
May	..	..	..	10	10	—
June	..	..	..	2	10	13
July	..	..	..	4	1	—
August	..	..	..	—	—	2
September	..	..	..	3	2	—
October	..	..	..	4	1	8
November	..	..	..	73	—	78
December	..	..	..	20	5	28
				140	53	220

An increase of 315.09% has been observed in 1967.

5. ADMINISTRATION AND STAFF

I. TRADE UNIONS - STAFF RELATIONS AND JOINT COMMITTEE.

a. During the year the Authority had to face a demand for the recognition of two new Employees Unions, one formed by the Pancyprrian Federation of Labour (PEO) and the other by employees of "External Communications" claiming affiliation with "SEK". The latter's demand was finally withdrawn, after mutual agreement of the Unions under SEK i.e. EPOET & EPET (External Telecommunications) to be represented by the Federation of Semi-Government Employees (SEK), recognized by the Authority.

b. As reported in the 1966 Annual Report an agreement expiring in June 1969 had been reached with the Unions resolving all the then existing differences and regulating the Authority/Staff relations.

In general, staff relations were satisfactory and the Management/Staff Committees continued to function successfully.

II. JOINT CONSULTATION.

The desire of the Authority to give close and prompt attention to staff problems and the staff cooperation to this effect, resulted in the satisfactory working of the Joint Management/Staff Committees as hereunder :-

a. Staff Safety and Welfare.

1. Safety:

The Safety Committee made every effort during the year towards the elimination of accidents. To this effect the following action was taken :-

- 1a. New "Safety Notice Boards" were constructed and properly maintained by the exhibition of illustrated Posters against accidents.
- 1b. A safety week was organized and the committee members, at various gatherings of the staff, commented on the importance of safety.

- 1c. The First Aid Boxes provided by the Authority, were properly maintained with prescribed contents and at the request of the Safety Committee "First Aid" Training Courses were given by St. John Ambulance Association to 34 employees.
- 1d. All accidents were promptly investigated and employees involved were interviewed in an effort to establish the cause of the accident and avoid repetition.
- 1e. Accidents reported during the year and comparison with the previous year :

	1966	1967
Accidents not necessitating sick leave	12	16
Accidents necessitating 1-3 days sick leave	5	8
Accidents necessitating 4-30 days sick leave	18	26
Accidents necessitating over 30 days sick leave	11	3
	<u>46</u>	<u>53</u>

The major accidents were confined to three and in the opinion of the Committee two of them (the third one was a Traffic Accident of an employee returning home from his duty on motorcycle) were purely due to the negligence of the employees concerned and for this they were severely reprimanded.

2. Welfare:

The Welfare Fund, which is voluntarily financed by contributions made by the Authority and employees, rendered during the year financial assistance to a number of needy cases among the staff.

Most of the income, however, as in previous years, was put aside for the purpose of organizing major welfare projects in the future.

The Committee of Management of the Fund was actively working, during the year, towards the achievement of the Major Welfare Project, which is the organization of a rest camp for the employees and their families, and in this respect further progress was made towards the securing of a satisfactory camp-site.

The Welfare Committee organized "Christmas Parties" for the employees and "New Year's Children Parties" for the employees' children between the ages of 3 and 10 in all the Authority's town Offices. The expenses incurred for both parties were covered by the Authority.

III. ESTABLISHMENT AND PROMOTIONS.

The Establishment is issued every year in a form showing clearly the functions and responsibilities of the various services (Organizational Divisions, Departments and Sections). For coping with the increasing responsibilities, the following promotions and confirmations of staff to posts were effected after satisfactory probationary service.

	1967
Promotions	58
Transfers of Temporary Monthly Paid to Permanent Staff ..	6
Transfers of Weekly Paid to Permanent Staff	64
Promotion of Hourly Paid to Permanent Staff	54
Promotion of Hourly Paid to Weekly Paid Staff	31
Various transfers to other scales	37

Comparison of Staff Strength for the year 1966-1967

	1966	1967
Administration and Accounts	216	222
Engineering	765	844
Telegraph Operating	126	132
Telephone Operating	192	188
Total :	1329	1386

Weekly Paid	214	171
Monthly Paid	1115	1215
	1329	1386

Less

Turkish employees not attending to duty (Out of 292 Turks for 1966 and 291 for 1967 only 22 attended to duty)	270	269
---	-----	-----

Actual number of staff	1059	1117
--------------------------------	------	------

Less

Employees on National Guard (The actual No. of employees on National Guard in 1967 was 46. However, after special arrangement made between the Authority and the National Guard, 41 employees were working)	32	5
---	----	---

Actual staff employed	1027	1112
-------------------------------	------	------

Note: Average number of casual employees during the year	407	328
---	-----	-----

Total staff strength	1434	1440
------------------------------	------	------

IV. FORM OF AGREEMENT.

A joint Management/Staff Committee undertook the compilation of all existing conditions of service in a comprehensive Form of Agreement and it is hoped that this task will be completed in 1968.

V. PENSION AND PROVIDENT FUNDS.

The Actuarial Valuation and the recommendations of the Actuaries (Messrs. Bacon & Woodrow) were studied and the proposals of the Authority were communicated to the Unions. However, discussions on the Pension Fund were still in progress by the end of the year and a final agreement is expected to be concluded in 1968, after which it will be submitted together with the Provident Fund, already agreed upon, for Government approval. Finally the rules of both Funds will be circulated to the staff, who will be required to opt to join either of the funds.

VI. TRAINING.

The continuous desire of the Authority to enable the existing staff and new recruits to acquire the skills and knowledge necessary for coping with the Authority's needs, resulted in the implementation of the Training Programme which had been approved by the Authority in 1966.

During the year under review the Authority's expenses for training amounted to £18,657 — (£6,216 for travelling expenses and tuition fees and £12,441 salaries etc.) — (£11,097 were spent in 1966) and included the following :-

- a. Training Abroad — 18 employees.
- b. Training in C.Y.T.A.'s Training School.

A Training School has been established within the Authority with a permanent teaching staff of two qualified engineers assisted by other qualified employees as required.

Induction and other courses were organized for 145 newly engaged employees.

- c. Courses organized by the Ministry of Labour & Social Insurance — Cyprus Productivity Centre.

A number of senior employees were facilitated to attend various courses organized by the C.P.C. at the Authority's expense.

- d. Payment of Tuition and Examination Fees.

Tuition and Examination fees were refunded to all employees,

who attended courses relative to their work and had passed the prescribed examination.

VII. MEDICAL FUND - MEDICAL TREATMENT - SICK LEAVE.

a. Monthly Paid Personnel.

All monthly paid employees of the Authority are members of the existing CY.T.A. Medical Fund, which provides medical aid to members at approved rates, in accordance with the rules of the Fund.

The administration of the Fund is carried out by a Joint Committee and it is financed jointly by its members and the Authority, each party contributing 1% of the members' basic salary. During the year 1967 the sum of £9,037.550 was paid out of the Fund as benefits and the Fund's cash position as at 31st December 1967 was £2,415.793.

b. Weekly Paid Personnel.

All the weekly paid employees are members of the Government Social Security Scheme and enjoy sick leave and medical treatment in accordance with the rules of the Scheme.

Each member of the fund contributed 1% of his wages and equal amount is contributed by the Authority.

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 410th Meeting held in London on 4th May 1967.

In his capacity as the appointed Representative of the Government of Cyprus to the New Commonwealth Telecommunications Council established as from 1st April 1967, which as from 1st April 1969 will take over the functions of the above C.T. Board on the termination of the existing Telegraphs Agreements of 1948 and 1963, Mr. Christophides also attended the First Meeting of the Commonwealth Telecommunications Council held in London from 17/4/68 to 28/4/68.

A Second Meeting of the C.T. Council was held in Sydney from 20/11/67 to 2/12/67, at which Mr. Christophides was represented by another C.T.B. Member through whom Cyprus's views on the various subjects were expressed. During this Meeting, inter alia a New Draft Financial Agreement was agreed and recommended for acceptance by the Commonwealth Partner Governments.

7. FINANCE

GENERAL.

The Authority's financial results of the year under review, from its operations, show an increase of £224,377 in the Revenue and a sum of £242,031 in the Expenditure which is 16.5% and 24.4% respectively over that of the previous year. There was also an increase in the Financial expenses of £2,798 and a decrease in the Other income of £243.

The rise in Expenditure was higher in proportion to that of the Revenue increase and thus the balance of Revenue fell slightly from the 1966 level by £20,695 to £163,406.

The bulk of the additional revenue was from the substantial rise in the telephone rentals, calls and telegrams, whilst in the case of the extra expenditure the main items were the recruitment of additional staff to cope with the increased demands of the service, the employees annual increments and promotions, the impact of the consolidation of the 20% Cost of Living Allowance into Salaries and the increase of the Cost of Living Allowance by 3½% over that of 1966. In comparison with other organisations in the same field the Authority's Staff Costs percentage on total expenditure is considered reasonable.

The following table shows details of the 1967 increases to the nearest thousand.

	£
Additional Staff	55,000
Annual Increments	49,000
Promotions	32,000
Effect of 20% Consolidation of C.O.L.A.	20,000
Effect of increase in C.O.L.A. by 3½%	22,000
	<hr/>
Total increase in 1967	£178,000
	<hr/>

(part of the above was expended and
allocated to Development)

DEVELOPMENT.

The substantial amount of £881,136 (£371,334 — 1966) was spent in developing and modernising the Authority's installations.

This expenditure is the highest ever in the history of the Authority's development and it includes £24,000 on the buildings and £162,925 on the equipment for the new Radio Stations at Kili and Pissouri (these costs do not include the cost of Land at Kili as the purchase price was still under negotiation at the end of the year); these installations will provide adequate and high quality circuits to Greece, for the Telephone, Telegraph and Telex Services, which are expected to increase both direct and transit traffic and earn additional revenue.

The other major item of expenditure totalling £521,574 was on the Telephone, Telex Exchanges and the Subscribers Line Plant and Apparatus; the cost of the Acropolis Satellite Exchange Land is not included in this expenditure as the price was agreed to and registered in the name of the Authority early in 1968.

CASH POSITION.

The Surplus Cash that was not required to meet immediate commitments was kept on fixed deposits, at the Banks, which at the close of the financial year were £205,254 (£266,422 in 1966); interest earned thereon during the year was £17,760 (£18,126 in 1966).

FINANCING.

The discussions, mentioned in last year's report, on the Loans redemption and the "Interest due on Borrowings" were finalised during the year; the Government's decision for consolidation of these two debts and the repayment terms will be taken early in the coming year and so the effect on the Authority's capital structure will be reflected in the 1968 Final Accounts. The agreed terms with the Government are as follows :-

- 1) Consolidation into a new Loan of the Government Loans (except £170,098 due to the Loan Commissioners) including the 3% Telecommunications Stock 1963, with the outstanding interest thereon.
- 2) Interest on the consolidated amount at the rate of $2\frac{1}{2}\%$ p.a. for a period of 5 years from the date of consolidation.
- 3) Repayment by instalments of principal plus interest at the rate of 5% p.a. over a period of 15 years, commencing on the expiration of the 5 years mentioned in paragraph (2).

The Authority's development expenditure during the year was mainly financed from its internal sources and partially, on equipment only, by suppliers credit facilities.

In addition, as also pointed out in past reports, the Authority, apart from the adoption of new techniques and practices to reduce costs, is considering ways and means by which to augment its income for the financing of its development.

THE ACCOUNTS.

Income for the year from Operating amounted to	£ 1,584,835
which, after deducting Operating Expenses	<u>1,233,556</u>
Resulted in an Operating Balance of	<u>£ 351,279</u>

A comparison of Operating Revenue 1966—1967 shows :-

	1966	1967
	£	£
Telephone Services	1,026,174	1,129,740
Telegraph Services	268,282	384,026
Other Services	66,002	71,069
Total	<u>£ 1,360,458</u>	<u>£ 1,584,835</u>

The additional subscribers and the business activity in the island as well as the public's greater usage of the telecommunication facilities provided the increased revenue.

OPERATING COSTS.

A comparison of Operating Costs 1966—1967 shows :-

	1966	1967
	£	£
System Operational Expenses	777,395	965,872
Establishment Expenses	41,093	61,617
Administrative Expenses	173,037	206,067
Total	<u>£ 991,525</u>	<u>£ 1,233,556</u>

Net Revenue

To the Operating Revenue of	.. ..	£ 1,584,835
there was added Other Income of	.. ..	<u>18,663</u>
which made a total of	.. ..	C/F 1,603,498

	B/F	-£1,603,498
Less :		
Operating Costs	£1,233,556	
Financial and other expenses ..	206,536	
		<hr/>
made a total to be deducted of		1,440,092
		<hr/>
which resulted in a Revenue Balance		
for the year of		£163,406
		<hr/>

APPROPRIATIONS.

The Revenue Balance of £163,406 on 1st January, 1967, has been increased by £49,325 in respect of revenue relating to prior years and the resultant balance has been appropriated as follows :-

a) Provision for Staff Superannuation	
Back Service Credits	£ 30,000
b) Transfer to Next Account	655,340
	<hr/>
	£685,340
	<hr/>

The Revenue balance for the year of £163,406 added to the Revenue balance of £655,340 for prior years makes a total of £818,746 to carry forward to the next account.

BALANCE SHEET.

CURRENT ASSETS.

Stores

The stocks include, apart from increased maintenance materials to cope with the expanding Network, equipment scheduled for installation in 1968 the main items of which are cables, wires and the Telex Subscribers units.

Debtors

The delay by the subscribers to settle their accounts promptly, because of the Xmas holidays, is responsible for the substantial amount in Debtors at the close of the year.

FIXED ASSETS.

As at 1st January, 1967, the net book value of the Authority's fixed assets was £3,018,518.

Sundry capital works executed during 1967 together with other capital expenditure increased the Fixed Assets as follows :-

Gross book value as at 1st January, 1967	£ 4,676,209
Capital Development during year :-	
i) Telecommunications Equipment	£ 771,154
ii) Other expenditure	109,982
	<u>£ 881,136</u>
Less : Installation and Removal Charges recovered	<u>34,045</u>
	847,091
	<u>5,523,300</u>
Less : Disposal during the year	<u>25,728</u>
	5,497,572
Accumulated depreciation 31st December, 1967, which must be deducted	1,859,393
Resulted in a Net book value as at 31st December, 1967 of	<u>£ 3,638,179</u>

LIABILITIES.

The substantial increase in the Creditors and Long Term Liabilities is mainly due to the additional credit facilities by suppliers for the equipment of Telephone and Telex exchanges and the new Radio Stations at Kili and Pissouri.

The Interest due on Capital Borrowings represents the interest on the various loans, from Government, which was owed at the end of the year with the exception of the interest on the £100,000 telecommunications stock and the £50,000 Loan (1965/76) which was settled during the year.

Borrowings

The only loan repayment during the year was the third instalment (£3,463) on the £50,000 loan (1965/76) and as there was no further borrowing the position as at 31st December, 1967 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)	40,098	
		<u>C/F</u>	£ 2,270,012

	B/F	£ 2,270,012
ii) Short Term		
6% Telecommunications		
(1st Issue) Stock 1964/68	100,000	
3% Telecommunications		
(2nd Issue) Stock 1963	100,000	
		<u>200,000</u>
Total at 31st December, 1967		<u>£ 2,470,012</u>

J. CL. CHRISTOPHIDES,
Chairman.

A. N. STYLIANIDES,
General Manager.

S. A. KOKKINIDES,
Secretary.

CYPRUS TELECOMMUNICATIONS AUTHORITY
FINANCING OF THE YEARS' CAPITAL REQUIREMENTS

1955—1967

(£ thousand)

	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
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	881.1
Less: Residual value of assets disposed	—	—	61.2	27.7	—	—	—	—	3	24.2	3.6	8.6	13.5
	1023.3	314.8	249.2	232.2	230.3	181.2	655.3	592.3	402.1	221.8	377.5	362.7	867.6
Government Loan Repayments	—	—	—	—	—	—	—	—	—	—	3.2	3.3	3.4
	1023.3	314.8	249.2	232.2	230.3	181.2	655.3	592.3	402.1	221.8	380.7	366	871
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	—189.5
Total Requirements	1570.4	53.2	369.8	400.2	492.6	179.7	364.9	290.2	261.5	445.8	282	521	681.5
FINANCED FROM													
<i>Internal resources :-</i>													
Depreciation	58.4	72.4	86.9	92.9	102.1	109.1	123.2	148.2	166.2	170.1	186.9	191.3	213.9
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	163.4
Prior Period Recoveries/Expenses	—	—	15	15.4	8.6	32.7	5.2	8.3	—2.1	29.7	—31.9	—15.9	19.3
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	34
	70.5	53.2	119.8	150.2	192.6	179.7	182.1	198.7	194.1	446.8	353.8	384.8	430.6
Capital Reserves	—	—	—	—	—	—	52.8	—	11.6	—	—	—	—
<i>External Borrowings :-</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	250.9
Total Finance	1570.4	53.2	369.8	400.2	492.6	179.7	364.9	290.2	261.5	445.8	282	521	681.5

CYPRUS TELECOMMUNICATIONS AUTHORITY
RETURN ON CAPITAL

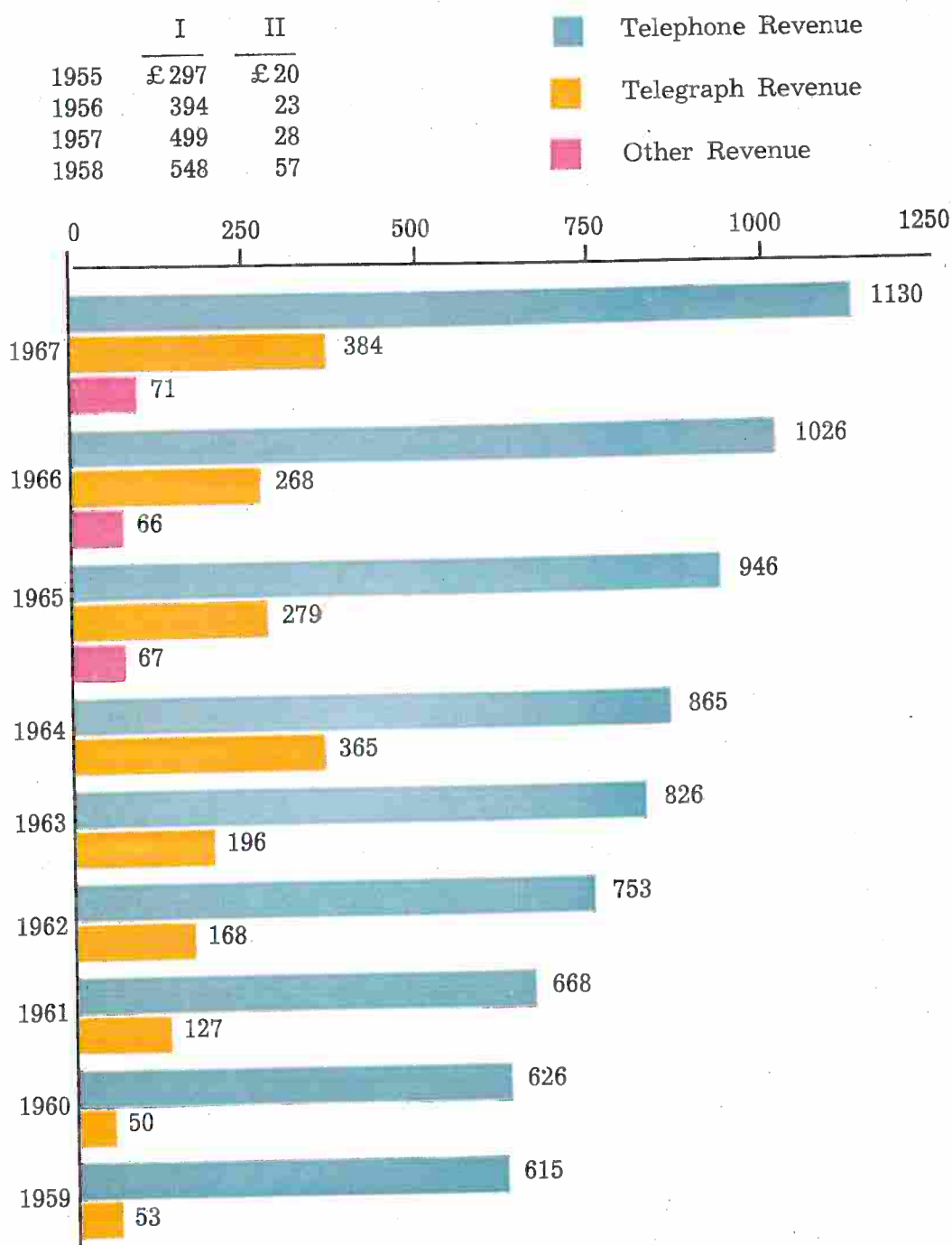
1955—1967

(£ thousand)

	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
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	3638.2
Stores in Stock	146.3	167	214	237.7	175.3	202.5	313.6	432	380.1	414.4	380.2	744.9	786.3
Other net assets	400.8	118.4	192	336.3	661	632.3	230.8	-281.2	-425.7	-185	-177.7	-523.6	-1005.5
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	3419
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	340.9
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	163.4
<i>Return as % on net total assets</i>	Per cent	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) 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	10
ii) After interest on borrowings	—	—	—	.9	2.2	.5	1.1	.6	.1	7.4	5.6	5.7	4.8

CYPRUS TELECOMMUNICATIONS AUTHORITY
TABLE SHOWING OPERATING REVENUE 1959 - 1967

I. TELEPHONE REVENUE
 II. TELEGRAPH REVENUE
 III. OTHER REVENUE
 (£ THOUSAND)



CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING EXPENDITURE 1959-1967

I. OPERATING EXPENDITURE

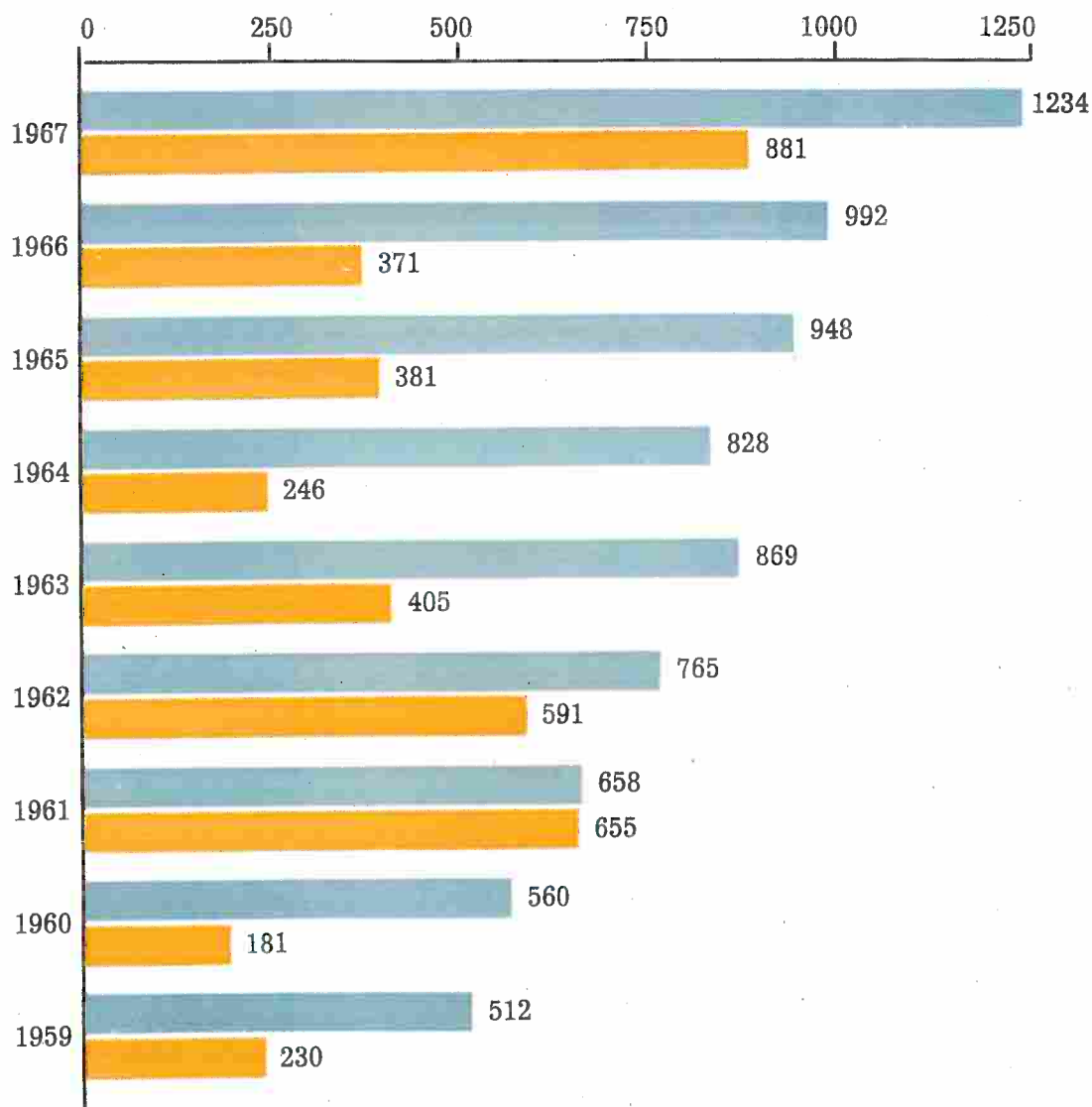
II. CAPITAL EXPENDITURE

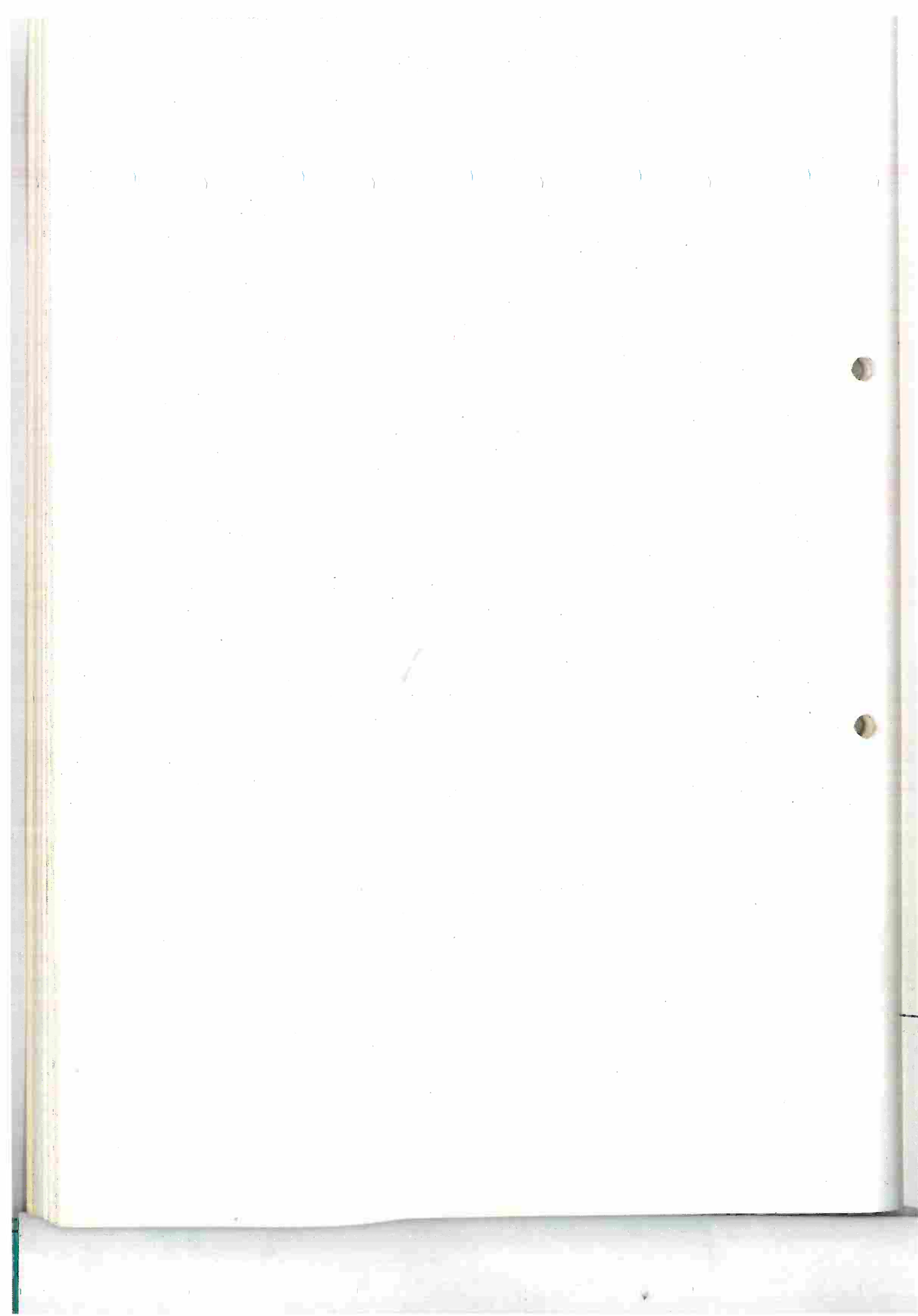
(£ THOUSAND)

	I	II
	£ 290	£ 205
1955	386	315
1956	453	310
1957	495	258

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, 1967 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.

22nd May, 1968.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1967

1. 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.

Certain Lands were in course of registration in the name of the Authority as at 31st December, 1967.

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

2. STORES

The stores, which include plant and equipment for current development, have been physically verified by continuous stock takings carried out throughout the year; they have been valued at cost.

3. 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 (1966 — £30,000) has been provided for in respect of these benefits. The £90,000 provided

for to 31st December, 1967, 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.

4. CAPITAL BORROWINGS

As in previous years no amounts have been 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.

However, the negotiations between the Government and the Authority for the determination of the Authority's ultimate obligations in respect of its Borrowings and the interest thereon have been concluded and the results therefrom will be reflected in next years accounts.

5. 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 (1966 — £1,490) has been written off for this purpose and is included in the Financial and Other Expenses shown in the Revenue Account.

6. 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.

7. CONTRACTUAL COMMITMENTS

Contractual commitments, repayable over a period of five years, amounted to approximately £444,000 as at 31st December, 1967, (1966 — £646,375).

8. CONTINGENT LIABILITIES

Contingent Liabilities in respect of claims against the Authority amounted to approximately £7,775 as at 31st December, 1967, (1966 — £10,425).

9. FOREIGN CURRENCY BALANCES

Foreign currency balances have, with minor exceptions, been converted into Cyprus pounds at the rates ruling as at 31st December, 1967.

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET AS AT 31ST DECEMBER, 1967

1966			£	£
		FIXED ASSETS (Note 1)		
4,676,209	At cost or valuation		5,497,572	
1,657,691	Less: Depreciation		1,859,393	
<u>3,018,518</u>		(Statement 8)		3,638,179
		NET CURRENT ASSETS		
		CURRENT ASSETS		
744,935	Stores (Note 2)		786,346	
449,999	Debtors and debit balances less provision		527,831	
266,422	Cash on deposit with bankers		205,254	
81,800	Bank balances and cash in hand		139,918	
<u>1,543,156</u>			<u>1,659,349</u>	
	Deduct			
		CURRENT LIABILITIES AND PROVISIONS		
292,309	Creditors and accrued charges		400,091	
808,829	Interest accrued on capital borrowings		976,713	
60,000	Provision for staff superannuation back service credits (Note 3)		90,000	
<u>1,161,138</u>			<u>1,466,804</u>	
382,018				192,545
<u>3,400,536</u>				<u>3,830,724</u>
	Deduct			
160,742		LONG-TERM LIABILITIES		411,662
<u>£3,239,794</u>		NET TOTAL ASSETS		<u>£3,419,062</u>

FINANCED FROM

CAPITAL BORROWINGS

Loans from Government of Cyprus
6% Telecommunications
(First Issue) Stock 1964/68
3% Telecommunications
(Second Issue) Stock 1963

£
2,270,012
100,000
100,000

£
2,470,012

CAPITAL RESERVE

GENERAL RESERVE

REVENUE BALANCE

64,304
66,000
818,746

£3,419,062

The Notes on pages 50 and 51 are an integral part of these Accounts.

J. CL. CHRISTOPHIDES
Chairman

A. N. STYLIANIDES
General Manager

M. E. CHRISTOFIDES
Chief Accountant

FOR THE YEAR ENDED 31st DECEMBER, 1967.

54

£
368,933

NET OPERATING REVENUE brought forward

£
351,279

OTHER INCOME

18,126
780
18,906
387,839

Bank interest £17,760
Miscellaneous 903

18,663
369,942

203,738
£184,101

FINANCIAL AND OTHER EXPENSES (Statement 4)

206,536

REVENUE BALANCE FOR YEAR

£163,406

£
467,851

REVENUE BALANCE 1st January, 1967

£
636,015

Add

184,101
14,063
198,164
666,015

Revenue balance for year £163,406
Net revenue relating to prior years 49,325

212,731
848,746

Deduct

30,000

Provision for staff superannuation
back service credits (Note 3)

30,000

£636,015

REVENUE BALANCE 31st December, 1967

£818,746

The Notes on pages 50 and 51 are an integral part of these Accounts.

STATEMENT 1

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

OPERATING EXPENSES
System Operational

1966

£

118,688
 108,730
 124,086
 12,350
 7,251
 18,957
 150,270
 45,016
 676

586,024**Telephone Services**

Operators' salaries etc.
 Maintenance salaries, etc.
 Other salaries, etc.
 Materials
 Electricity
 Transport
 Depreciation
 Radio and Repeater Stations Expenses
 Miscellaneous

£

132,631
 142,666
 193,598
 9,869
 8,252
 20,027
 163,394
 55,215
 4,292

£

729,944**Telegraph Services**

85,001
 7,830
 6,446
 484
 418
 106
 3,601
 29,905
 2,409

136,200

Operators' salaries, etc.
 Maintenance salaries, etc.
 Other salaries, etc.
 Materials
 Electricity
 Transport
 Depreciation
 Radio and Repeater Stations Expenses
 Miscellaneous

101,028
 11,209
 15,009
 643
 737
 23
 9,775
 33,093
 2,680

174,197**Other Services**

33,789
 4,238
 3,874
 236
 230
 1,492
 10,903
 409

55,171£777,395

Operators' salaries, etc.
 Maintenance salaries, etc.
 Other salaries, etc.
 Materials
 Transport
 Depreciation
 Radio and Repeater Stations Expenses
 Miscellaneous

38,673
 4,646
 4,888
 556
 219
 1,696
 9,828
 1,225

61,731

As per Revenue Account

£965,872

STATEMENT 2

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

OPERATING EXPENSES

Establishment

1966		
£		£
17,915	Salaries, etc.	21,826
1,739	Maintenance of buildings	11,340
985	Maintenance of F.F. & O.E.	2,282
119	Transport	169
5,231	Rents, rates and taxes	7,401
4,332	Light, heat and water	5,227
2,027	Insurances	2,813
7,989	Depreciation	9,701
756	Miscellaneous	858
<u>£41,093</u>	As per Revenue Account	<u>£61,617</u>

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

OPERATING EXPENSES

Administration

1966		
£		£
136,969	Administration and Accounts Salaries, etc.	144,186
10,777	Printing and Stationery	13,499
8,668	Telephones, Telegrams and Postages	11,559
4,553	Travelling and Transport	6,902
3,517	Office machinery rental	6,566
1,537	Training expenses	5,757
1,018	Newspapers and Periodicals	1,662
852	Advertisements	2,503
5,146	Miscellaneous	13,433
<u>£173,037</u>	As per Revenue Account	<u>£206,067</u>

STATEMENT 4

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

FINANCIAL AND OTHER EXPENSES

1966 £		£
Financial :-		
167,196	Interest on Capital Borrowings	176,061
1,490	Financing charges on Capital Borrowings	1,490
13,294	Other interest	19,697
14,441	Provision for bad and doubtful debts	7,632
5,455	Miscellaneous	81
<u>201,876</u>		<u>204,961</u>
Other :-		
600	Authority's Members travelling expenses	600
1,262	Miscellaneous	975
<u>1,862</u>		<u>1,575</u>
<u><u>£203,738</u></u>	As per Revenue Account	<u><u>£206,536</u></u>

STATEMENT 5

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

RADIO AND REPEATER STATIONS EXPENSES

1966

£

27,304

10,050

11,862

3,349

7,601

1,782

23,808

68

£85,824

Operators' salaries, etc.

Maintenance salaries, etc.

Other salaries, etc.

Materials

Electricity

Transport

Depreciation

Miscellaneous

£

29,796

12,918

13,285

3,691

10,033

1,974

26,135

304

Total allocated to System Operational

£98,136

£

45,016

29,905

10,903

£85,824

Allocated to :-

Telephone Services

Telegraph Services

Other Services

£

55,215

33,093

9,828£98,136

STATEMENT 6

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

MOTOR TRANSPORT EXPENSES

1966			
£			£
18,648	Drivers, Garage and Other salaries		19,050
2,053	Licences		2,212
1,524	Insurances		1,864
2,645	Fuel		3,346
3,785	Spares and accessories		4,774
4,155	Depreciation		3,177
1,388	Miscellaneous		2,020
<u>£34,198</u>			<u>£36,443</u>
£	Allocated to:-		£
9,682	Capital Works		9,199
876	Recoverable Works		925
	Operating expenses :-		
£19,293	System Operational	£20,269	
119	Establishment	169	
2,446	Administration	3,907	
<u>21,858</u>			24,345
1,782	Radio and Repeater Stations Expenses		1,974
<u>£34,198</u>			<u>£36,443</u>

STATEMENT 7

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

STAFF COSTS

1966					
£					£
811,730		Salaries, Wages, Allowances, etc.			
		Less: Amount charged to :-			990,379
	£89,344	Capital	£97,157		
	6,956	Recoverable works	7,814		
96,300					104,971
<u>£715,430</u>					<u>£885,408</u>
£					£
		Allocated to :-			
		Operating Expenses :-			
	£492,682	System Operational	£644,347		
	17,915	Establishment	21,826		
	136,969	Administration	144,186		
647,566					810,359
49,216		Radio and Repeater Stations			55,999
18,648		Motor Transport Expenses			19,050
<u>£715,430</u>					<u>£885,408</u>

STATEMENT 8

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1967

FIXED ASSETS

	Cost or Valuation as at 1.1.1967	Additions at Cost less Disposals	Cost or Valuation as at 31.12.1967	Aggregate Depreciation	WRITTEN DOWN VALUE	
	£	£	£	£	31.12.1967 £	31.12.1966 £
and	91,844	21,144	112,988	—	112,988	91,844
Freehold Buildings	253,167	45,097	298,264	58,782	239,482	200,350
Leasehold Buildings	55,369	—	55,369	10,379	44,990	46,098
Exchanges, Line Plant and Subscribers' Apparatus	3,614,345	296,367	3,910,712	1,485,808	2,424,904	2,276,454
Telegraph Plant	67,659	62,256	129,915	52,001	77,914	36,581
Radio Stations	198,419	24,243	222,662	90,778	131,884	117,200
Repeater Stations	77,874	—5,409	72,465	14,222	58,243	63,811
Motor Vehicles	63,254	11,524	74,778	58,649	16,129	7,781
Furniture and Office Equipment	94,820	21,486	116,306	54,473	61,833	48,786
Tools and Miscellaneous Equipment	40,132	3,670	43,802	34,301	9,501	10,287
Assets Under Construction :- Buildings	18,000	6,323	24,323	—	24,323	18,000
Exchanges, Line Plant and Subscribers' Apparatus	44,105	206,616	250,721	—	250,721	44,105
Radio Stations	54,457	113,020	167,477	—	167,477	54,457
Repeater Stations	2,764	15,026	17,790	—	17,790	2,764
	<u>£4,676,209</u>	<u>£821,363</u>	<u>£5,497,572</u>	<u>£1,859,393</u>	<u>£3,638,179</u>	<u>£3,018,518</u>

Notes:

1. The Assets Under Construction as at 31st December, 1967 are made up as follows :-

	£
As at 1st January, 1967	119,326
Plus: Additions during year	£453,999
Less: Completion during year	113,014
Net additions	340,985
	<u>£460,311</u>

2. The Depreciation of Fixed Assets for the year ended 31st December, 1967 amounted to £213,878 (1966 — £191,315).

