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1969

Cyprus

Telecommunications

Authority

CYPRUS TELECOMMUNICATIONS AUTHORITY

**FOURTEENTH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1969.

[Price 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
P. O. Box 1929,
NICOSIA.

Date 30th July, 1970

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 Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December 1969, together with a copy of the Auditors' Report.

Yours faithfully,

J. CL. CHRISTOPHIDES,
Chairman.

His Excellency,
The Minister of Communications
and Works,
Mr. N. Roussos,
Nicosia.

CYPRUS TELECOMMUNICATIONS AUTHORITY

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

Vice-Chairman : N. Roussos, Civil Engineer, Graduate of the
Technical University of Athens.

Members . . : V. Demetriou, B.Sc., (Eng.)

S. Ioannou

H. Horomian

L. Zachariades.

Legal Adviser : A. C. Hadjioannou,
Degree in Law of Athens University,
of Gray's Inn, Barrister-at-Law.

Auditors . . : Metaxas, Christofides, Loizides & Scottis.

ADMINISTRATION

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

Secretary . . : S. A. Kokkinides, ACIS, AMBIM,
Cert. Soc. Science & Admin. L.S.E.
University of London.

Chief Accountant : M. E. Christofides, FAIA, ACIS, AMBIM

Chief Engineer : J. K. Home, C.Eng. M.I.E.E. (until October 1969)

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

Telephone : 77111.

Branches:

NICOSIA	—	Egypt Avenue	Tel. 77111
LIMASSOL	—	4, Marcos Botsaris Street	Tel. 2500
FAMAGUSTA	—	Edisson Street	Tel. 62500
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	18
D. Maintenance	26
E. General Telecommunication Facilities	27
4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES	30
5. ADMINISTRATION AND STAFF	33
6. COMMONWEALTH TELECOMMUNICATIONS BOARD AND COMMONWEALTH TELECOM- MUNICATIONS COUNCIL	39
7. FINANCE	40
8. ACCOUNTS	49

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 and as from 1st April, 1961, it took over from Cable & Wireless Ltd., 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 for local and overseas service 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 25 of 1963, Section 3.

Cyprus, like many other countries, is undergoing a period of unparalleled growth both social and economic; the standard of living is high, new blocks of residential flats and industrial units are continuously being erected and the public looks upon the provision of telephone and other facilities as a necessity to contemporary life. As a result the general demand for telecommunication services is unprecedentedly high and the Authority in order to meet its obligations has planned to invest a sum in the region of £1½ million during 1971, which is nearly three times the sum spent for development purposes in 1969.

During the year under review the Members of the Authority had 30 meetings.

The Turkish employees who had left the service in 1963 continued to be away from duty.

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE LAYMAN

How the Authority Operated During the Year 1969

1968		
£		£
1,722,633	The Income from the Authority's Operation was	2,064,968
23,917	Other Income	7,715
<u>1,746,550</u>		<u>£ 2,072,683</u>
	The Expenses were :	
1,233,383	Total Salaries, Allowances, etc.	£ 1,448,908
103,333	Less: Utilised for Development	£ 99,391
9,549	Utilised for Repayment Works	12,695
<u>112,882</u>		<u>112,086</u>
£1,120,501	Administration, Operating and Maintenance Salaries	£ 1,336,822
241,168	Administration Expenses	258,316
889,481	Telephone Services Expenses	1,037,091
231,826	Telegraph Services Expenses	232,049
—	Telex Services Expenses	60,227
95,242	Other Services Expenses	115,950
67,555	Maintenance of Buildings, etc.	67,664
600	Members' Travelling Expenses	1,125
100,294	Interest on Capital Borrowings	102,023
32,175	Interest to Suppliers	29,846
24,834	Provision for Doubtful Debts	18,421
1,130	Miscellaneous Financial Charges	8,216
<u>1,684,305</u>		<u>1,930,928</u>
<u>£62,245</u>	Resulting in a Revenue Balance for the year of	<u>£ 141,755</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE LAYMAN

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

1968 £	HOW THE AUTHORITY WAS FINANCED	£
3,466,633	Borrowings from Government	3,459,967
1,117,600	Surpluses from past years' operations	1,208,079
62,245	Surplus from this year's operation	141,755
<u>£4,646,478</u>	Total Financing	<u>£4,809,801</u>

WHAT THE AUTHORITY OWNED

5,497,572	Land, Buildings, Plant & Machinery on 1.1.1969	£ 6,168,885
806,094	Spent for Development in the year	£ 687,792
35,527	Less : Installation Fees Recovered	44,908
<u>770,567</u>		642,884
6,268,139		6,811,769
99,254	Less : Disposals	134,629
<u>6,168,885</u>	Total 31.12.1969	£ 6,677,140
2,089,518	Set aside over past years and this year to meet wearing out of the Equipment	2,312,391
4,079,367		£ 4,364,749
781,469	Materials in Stores	666,541
715,002	Money owed to the Authority by Subscribers and debit Balances	923,786
325,921	Cash in Hand and at Bank (Current Account)	27,601
<u>5,901,759</u>	So altogether the Authority's Belongings were ...	£ 5,982,677

WHAT THE AUTHORITY OWED

634,082	To various Suppliers for Equipment Services	599,013
431,314	To various Suppliers for Equipment Services (long term)	350,812
120,000	To provision for Staff's "Superannuation Back Service Credits"	150,000
69,885	To Government for past years' and this year's Interest on Borrowings ...	73,051
<u>1,255,281</u>		1,172,876

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

<u>£4,646,478</u>	Authority's Net Total Assets	<u>£ 4,809,801</u>
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<u>£4,646,478</u>	The difference between the Net Total Assets of	£ 4,809,801
3,466,633	and the Borrowings from Government of	3,459,967
<u>£1,179,845</u>	was the Authority's Net Property at the end of the year	<u>£ 1,349,834</u>

3. TECHNICAL SERVICES

A. GENERAL

The Authority feels that in order to handle the greater variety of services which society demands, it is necessary to operate an expanding and more flexible system of telecommunications through the introduction of modern equipment as quickly as practicable.

Pursuant to the above, the Authority

- I. Completed all preparations for the introduction of the Subscribers Trunk Dialling System and placed the order for the supply of the required equipment.
- II. Installed a computer at the Airport for the purpose of improving civil aviation and public telegraph communication.
- III. Planned or introduced various other projects as described below:

B. PLANNING AND DEVELOPMENT

The Authority acting on the recommendation of their Technical Consultants, Messrs. Page Communications Engineers Inc., awarded the contracts for the supply of microwave equipment, the Subscribers Trunk Dialling (STD) and crossbar Telephone Exchanges to Italian and Japanese manufacturers respectively. These manufacturers offered the most competitive prices and their equipment was technically suitable. For reasons of compatibility, orders were also placed with a U.K. manufacturer for the extension of existing exchanges.

I. National Communications Network.

The National Communications Network will provide sufficient high grade trunk circuits between zone centres; in addition, the junction circuits between the dependent exchanges and their respective zone centres will be considerably increased and their quality improved.

The number of Channels will be :-

	<u>Existing Channels</u>	<u>Initial Stage</u>
Between Zone Centres	158	540
Between Zone Centres and Dependent Exchanges	137	225

It is expected that this project will be completed by the middle of 1971.

II. Subscribers' Trunk Dialling (STD).

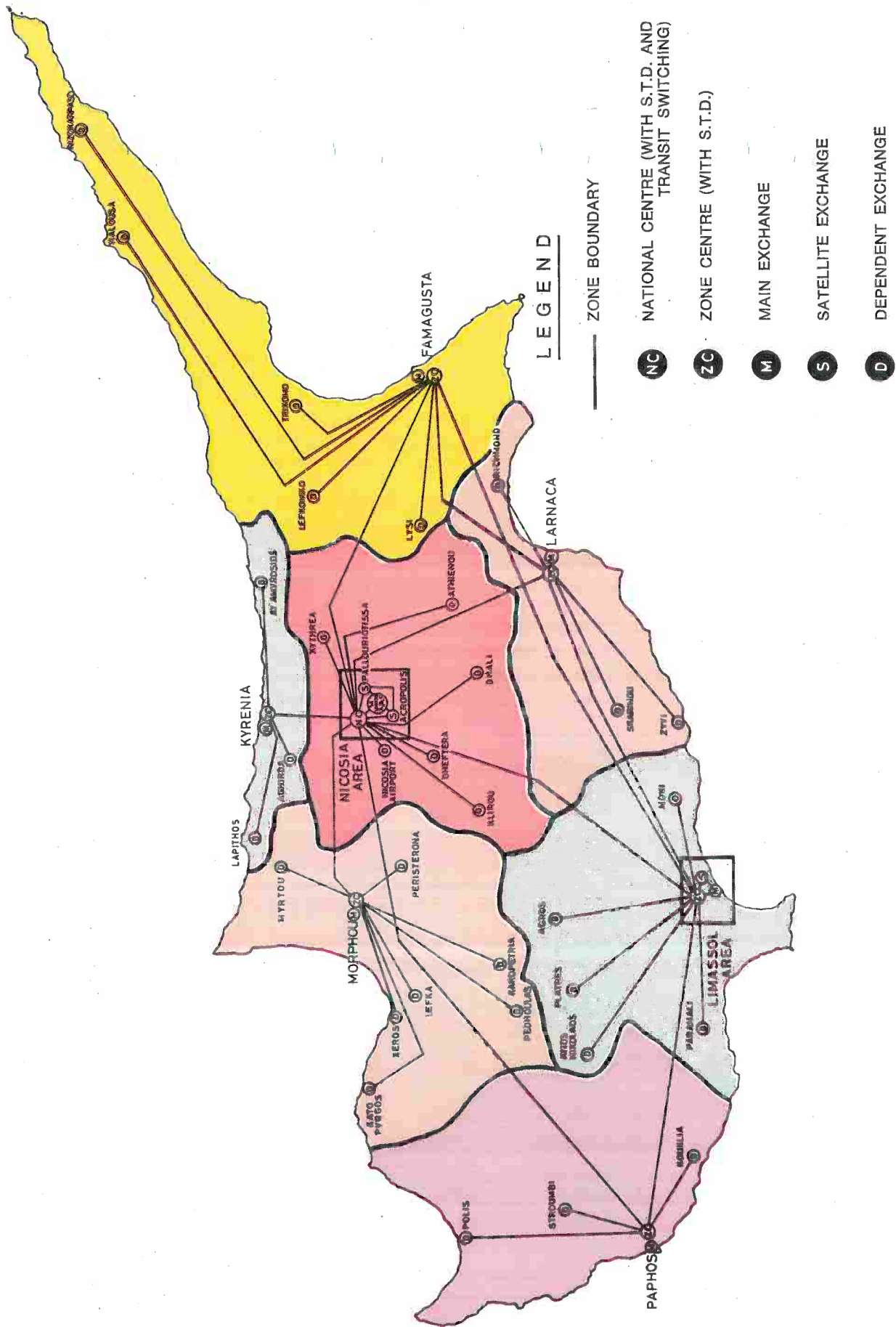
The STD will ultimately enable subscribers to dial each other anywhere in the island, without the intervention of telephone operators. It is expected that completion of the required installations for STD between Zone Centres will be effected and be fully operational by the middle of 1971.

III. New site for the Transmitting Station.

The Authority acquired a new site four miles from Nicosia on the old Famagusta road, for the purpose of resiting the existing H.F. Transmitting Station at Saranta Spilia. The resiting will commence in 1970.

IV. Government Exchange.

The Authority in consultation with the Ministry of Communications and Works decided the replacement of the existing Government Telephone Exchange (P.A.B.X.) in Nicosia with a modern Automatic Exchange of a larger capacity for coping with the increased telephone traffic in the Government Offices. The relative order for the equipment was placed late in 1969.



V. Telephone Exchanges.

Orders have been placed for the provision of equipment for new Telephone Exchanges and extensions to the existing ones as follows :-

- a. New Nicosia Exchange 5000 lines (initial capacity)
- b. New Paphos Exchange 1200 lines (" ")
- c. New Kyrenia Exchange 1200 lines (" ")
- d. New Morphou Exchange 1200 lines (" ")
- e. Pallouriotissa Satellite Exchange 2000 lines (extension)
- f. Acropolis Satellite Exchange 1500 lines (extension)
- g. Limassol Satellite Exchange 1500 lines (" ")

The increases in capacity of existing telephone exchanges are shown on the table below :-

Name of Exchange	Existing as at 1.1.69	Additions during 1969	Ordered in 1969	Total	Remarks
Nicosia	13.400	1.500	8.500	23.400	Note 1
Limassol	4.400	1.400	1.500	7.000	Notes 1 & 2
Famagusta	6.000	—	—	6.000	—
Larnaca	1.625	—	—	2.400	Notes 2 & 3
Paphos	600	—	1.200	1.200	Note 3
Morphou	550	—	1.200	1.200	Note 4
Kyrenia	590	—	1.200	1.200	Note 5
TOTAL	27.165			42.400	

NOTES :-

1. Includes Pallouriotissa and Acropolis Satellite Exchanges. Construction work is not completed yet, but in Pallouriotissa Satellite Exchange 300 lines are already working.
2. 300 Unis. lines (of which 175 can be used) installed temporarily at Limassol will be transferred to Larnaca.
3. Paphos 600 lines will be transferred to Larnaca.
4. Morphou Rural exchange will be dismantled and existing units will be used to increase other rural exchanges.
5. Kyrenia 590 lines will be transferred to Platres.

VI. Rural Exchanges.

Plans were under preparation for the increase and rearrangement of several rural exchanges, the main objective being the improvement of the facilities offered to the public.

VII. Line Plant Development.

a. Urban Development.

Plans were completed for the expansion of the telephone network both underground and overhead in all towns and for the installation of 12 new public telephone kiosks.

b. Rural Development.

The completed plans mainly call for

(i) Increase of trunk circuits between :-

Nicosia - Dheftera
Nicosia - Klirou
Nicosia - Kythrea
Limassol - Moni
Papho - Kouklia
Kyrenia - Ayios Amvrosios

(ii) Direct connection of subscribers of Tsada and Nata rural exchanges on Paphos and Kouklia Exchanges respectively.

(iii) Expansion of the local distribution at Lefkonico, Lyssi, Athienou, Skarinou, Xeros and Pedhoulas and the installation of 8 additional village call offices throughout the island.

VIII. Telex Exchange.

The demand for telex service was unexpectedly high and in order to meet promptly future requirements, plans were made for the increase of the lines by 200 thus bringing the total capacity of the Exchange to 500 lines.

IX. Radiotelephone Service.

Special equipment (Lincompex) was placed on order to improve the quality of this service between the United Kingdom and Cyprus. The installation of this equipment is expected to be completed in 1970.

C. CONSTRUCTION

For ensuring greater efficiency and in an effort to save in manpower and costs, the Authority entrusted to outside contractors the execution of various works not requiring special technical skills, such as the digging of holes for the erection of telephone poles, excavations for laying cables, and the construction of manholes. All other work for the installation of telecommunications equipment was carried out by the Authority's own construction services.

The various projects executed during the year are outlined hereunder.

I. Telephone Exchanges.

a. Pallouriotissa Satellite, Nicosia:-

Installation of the necessary equipment to provide an additional 1500 lines for subscribers installations commenced; completion is planned early in 1970.

b. Limassol Main Exchange :-

Installation of the necessary equipment to provide an additional 800 lines for subscribers installations commenced; completion is planned early in 1970.

c. Limassol Satellite Exchange :-

Installation of the necessary equipment to provide an additional 600 lines for subscribers installations commenced; completion is planned early in 1970.

d. Nicosia Main Exchange :-

Installation of 4 telephone operators positions in the manual trunk exchange to cope with the increase of Trunk Traffic.

e. **Subscribers' Private Exchanges.**

One hundred and three Private Manual Exchanges (P.M.B.Xs) and thirteen Private Automatic Branch Exchanges (P.A.B.Xs) were installed in 1969 at various business establishments all over the island.

The table below shows the growth in number and capacity of various exchanges 1967, 1968, 1969.

Type of Equipment	1967		1968		1969	
	No.	Capacity	No.	Capacity	No.	Capacity
Towns Main Auto Telephone Exchanges	6	18,835	6	22,015	6	22,015
Towns Satellite Exchanges	2	3,000	3	4,600	3	4,600
Rural Exchanges	41	3,525	41	3,585	41	3,585
Mobile Exchanges	1	100	1	100	1	100
Total Capacity		25,460		30,300		30,300
Private Automatic Exchanges	47	3,527	53	3,706	66	3,852
Private Manual Exchanges	741	10,434	802	11,392	905	12,307

II. **Telex Exchange.**

Commencement of the installation work to provide semi-automatic facility for overseas traffic; completion of installation is expected in the first half of 1970.

Associated equipment was also installed at all the zones centres to enable connection of additional subscribers.

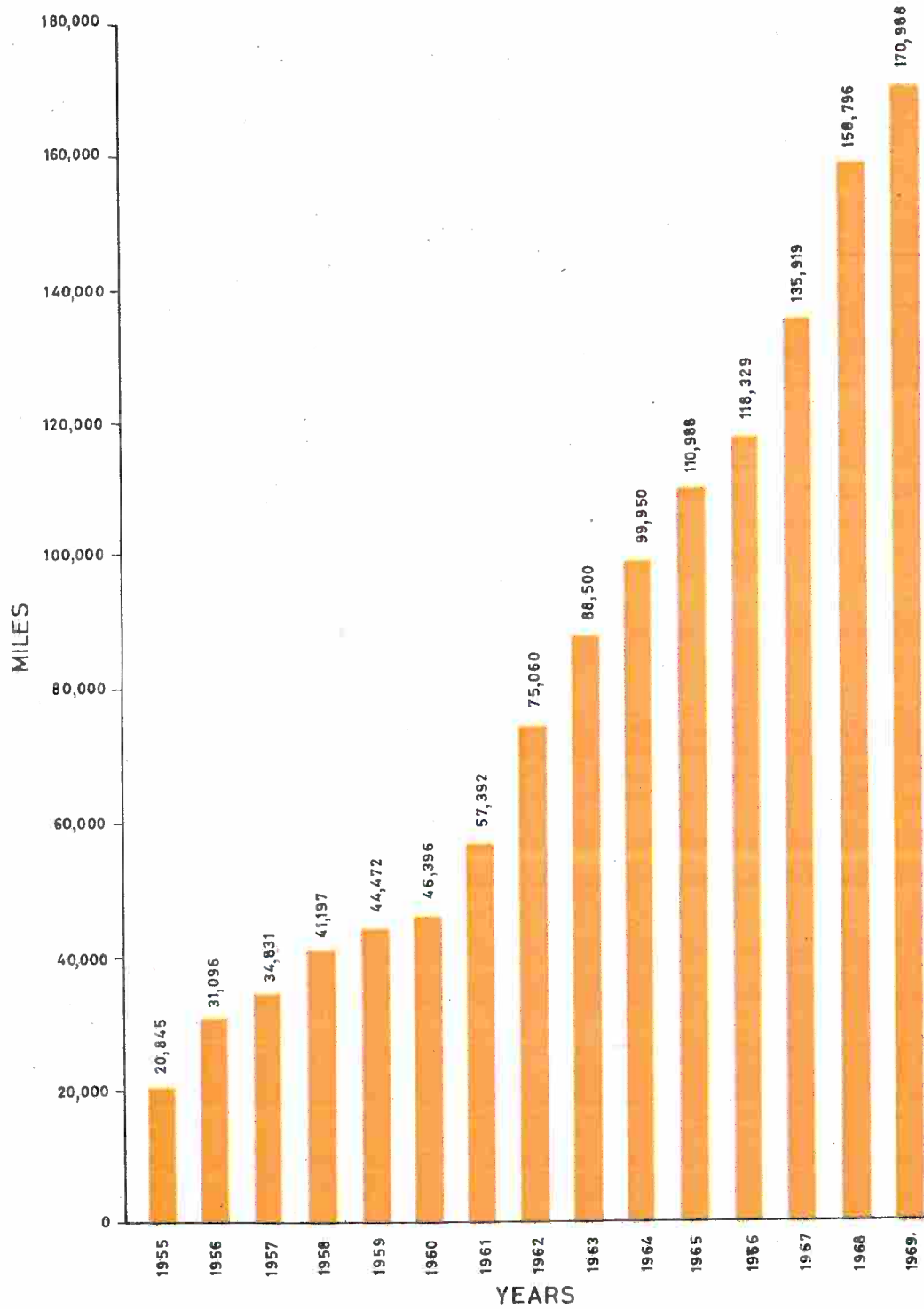
III. **Line Plant.**

Construction for the provision of underground and overhead lines was carried out during the year as shown in the following graphs.

a. Underground Line Distribution.

Item	Unit	1967	1968	1969
Manholes Constructed	No.	113	113	97
Duct Lines Laid	Miles	29.20	41.06	38.64
Cables Laid/Drawn	"	70.17	85.76	58.91
Above Cables Single Wire	"	17,590	22,877	12,192

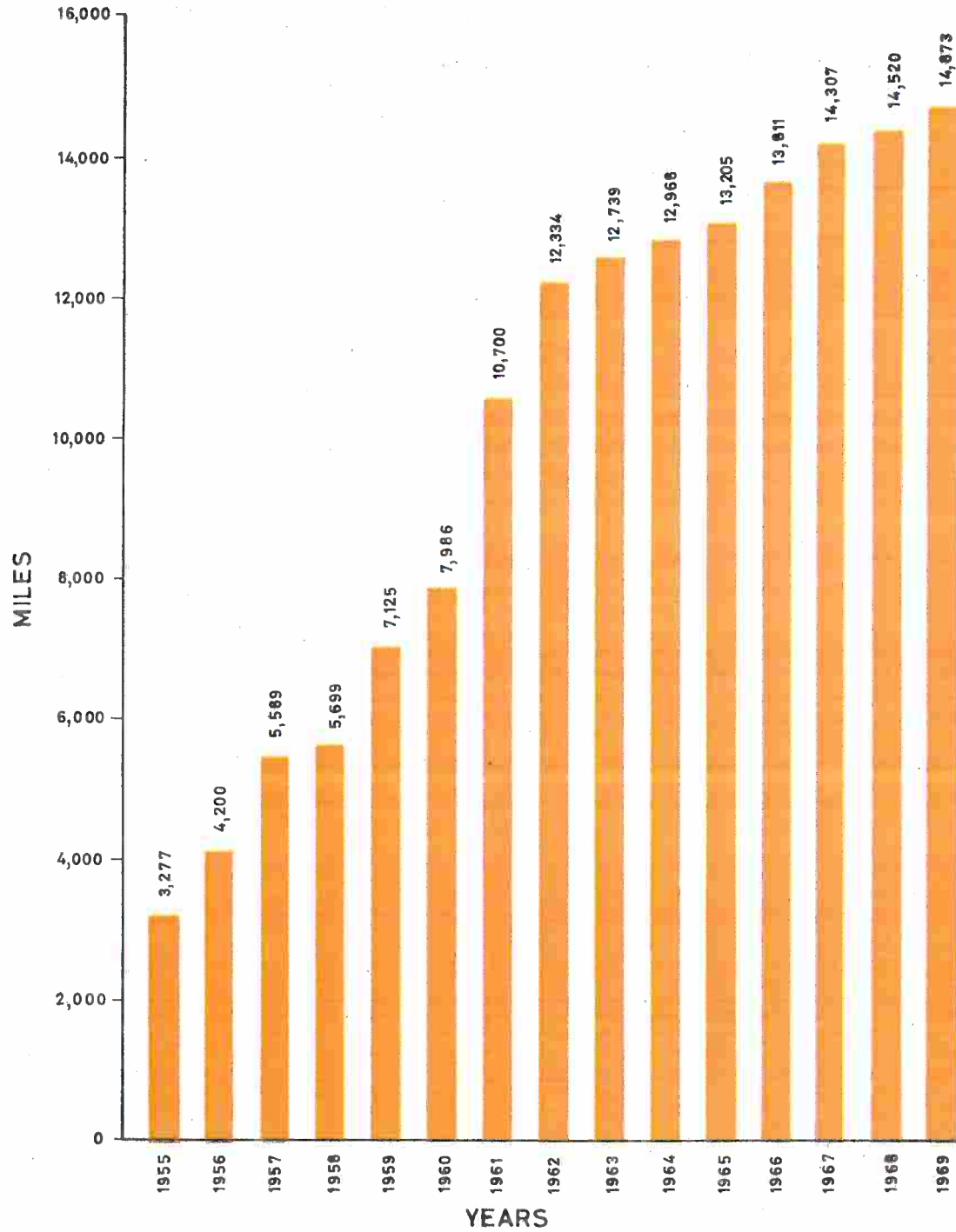
UNDERGROUND CABLES SINGLE WIRE LAID



b. Overhead Line Distribution.

Item	Unit	1967	1968	1969
Pole routes installed	Miles	40	17	24
Single wire installed	"	496	213	353
Pole routes O/Hauled	"	285	268	491
Single Wire O/Hauled	"	4110	4288	7140

OVERHEAD SINGLE WIRE MILEAGE INSTALLED



IV. Communal Call Offices.

Seven additional villages were provided with telephone service as shown below, thus bringing the total number of villages connected to the telephone network at the end of 1969 to 495.

<u>Nicosia District</u>	<u>Limassol District</u>	<u>Paphos District</u>
Sina Oros	Monagri	Elediou
Saranti	Akrounda	
	Ayios Pavlos	
	Ayios Constantinos	

V. Subscribers' Telephone Installations.

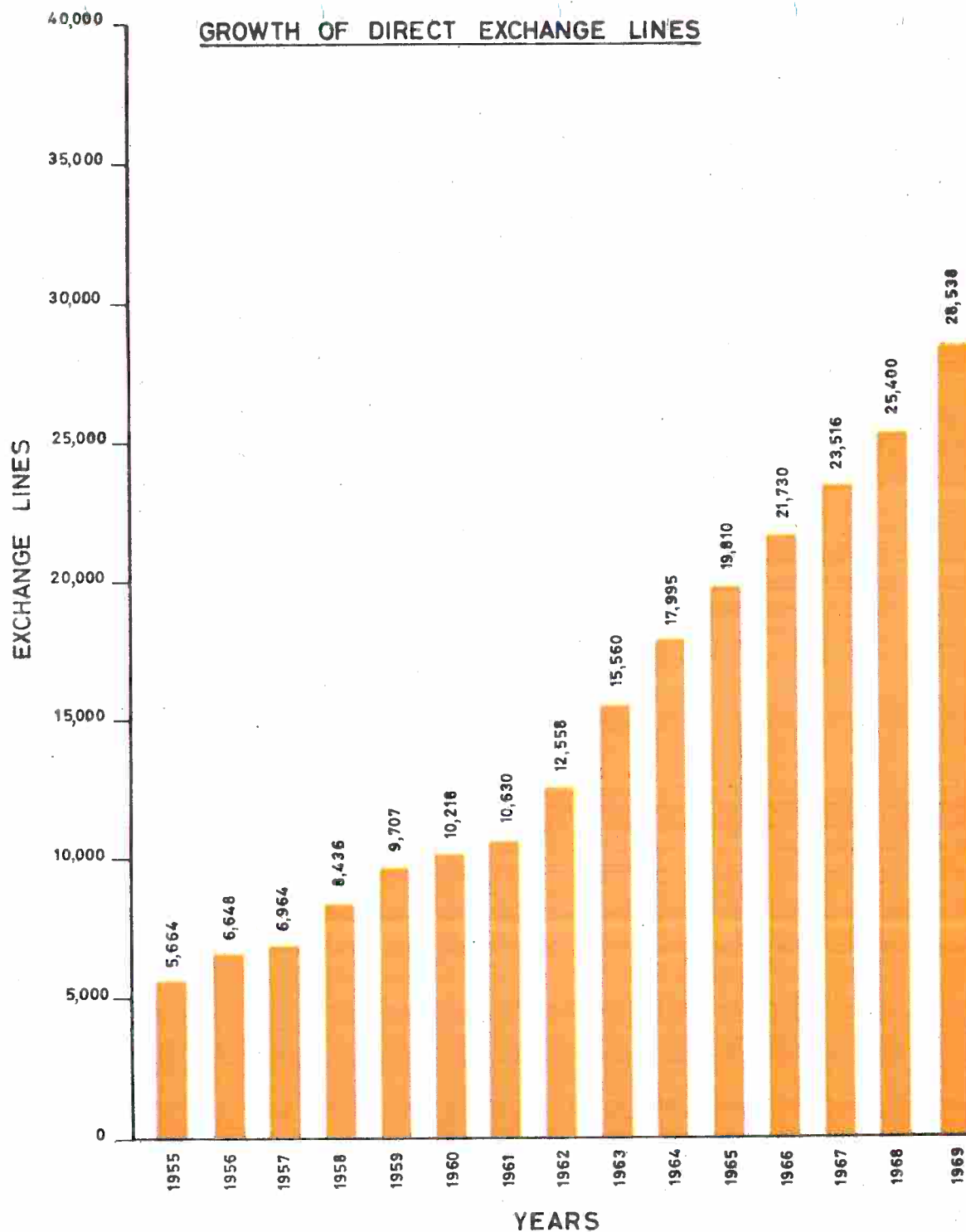
The demand for the provision of telephone service was again on the increase; despite the installation of another 3769 direct exchange lines, the waiting list increased considerably over that of the previous year. It is an international phenomenon that the demand for telephones is seldom fully met. The Authority expects a substantial improvement of the situation soon after the implementation of its expansion plans mentioned in this report.

The demand for telephone service is reflected in the following statement.

	1967	1968	1969
Outstanding applications for the provision of telephone service as at the end of the previous year	2026	2408	2902
New applications received during the year	3902	4644	5406
Direct Exchange lines installed during the year	2896	3761	3769
Applications cancelled during the year	566	389	383
Balance of the waiting list as at the end of the year	2408	2902	4156

In addition to the above, the Authority continued to be heavily committed for the provision of prompt and efficient service to the National Guard and the United Nations Force in the Island.

Apart from the new Direct Exchange Lines, one thousand forty six telephone instruments were installed in the form of extensions on Subscribers exchanges, switchboards and parallel telephones.



* WITHDRAWALS ARE DEDUCTED.

VI. Radio Installations.

a. Automatic Message Switching Centre.

The installation of equipment for the inter airport point to point telegraph service, mentioned in last year's report was completed towards the end of 1969 and tests continued; finalization of the tests is expected to take place early in the coming year and thus the centre will be put into full operation.

b. VOR/DME.

The Very High Frequency Omni Directional Range and the Distance Measuring Equipment installations were completed and put into operation in July, 1969.

c. Carrier Equipment.

Additional carrier equipment was installed at Ktima and Polis and old equipment at Limassol and Nicosia were replaced by new equipment of modern type.

d. Subscribers Radio Installations.

During the year the installation and operation of the necessary equipment was effected for the provision of radio telephone service to the Electricity Authority of Cyprus between Nicosia, Moni and Dhekelia.

e. Weather Report Dissemination System.

This equipment was installed and put into operation at the Nicosia Airport in September, 1969.

VII. Buildings.

- a. A new building adjacent to the Nicosia Main Offices (Electra House) is being erected to accommodate the new equipment for the Subscribers Trunk Dialling, an extension to the Authority's existing telephone Exchanges and the new Government Exchange.

It is expected that the building under erection will cater for the expansion of the telephone service in Nicosia for the foreseeable future.

- b. The work for a new building at Paphos commenced and is expected to be completed in 1970.
- c. At Kyrenia and Morphou buildings, extensive additions and modifications commenced and they are to be completed in 1970.

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

As at 1/1/1969

As at 1/1/1968

	No. of Telephones	Per Cent Population	Per Cent Automatic		No. of Telephones	Per Cent Population	Per Cent Automatic
CYPRUS	33,396	5.33	98.7		30,338	5.00	99.4
Lebanon	150,370	5.76	92.0		120,323	4.84	90.0
Israel	401,362	14.42	100.0		301,008	11.33	100.0
Iran	250,300	0.92	84.9		213,420	0.83	82.7
Iraq	113,388	1.30	82.5		76,000	0.90	80.0
Kuwait	51,168	9.30	100.0		31,528	6.31	100.0
Syria	98,500	1.70	91.0		85,911	1.55	91.4
Greece	761,550	8.63	97.2		579,076	6.69	95.6
Turkey	451,769	1.33	83.4		385,560	1.17	82.5
Yugoslavia	549,019	2.70	95.7		452,248	2.27	92.7
Roumania	596,000	2.99	80.0		510,000	2.66	80.0
Bulgaria	378,152	4.50	70.6		306,361	3.70	53.3
Italy	7,752,042	14.37	100.0		6,467,597	12.44	99.2
Algeria	156,038	1.19	77.5		140,000	1.15	70.0
U.A.R.	365,000	1.14	86.0		335,000	1.10	86.0
Spain	3,723,239	11.44	81.1		3,072,214	9.60	80.7

Total number of telephones in the world as at 1st January, 1969 was 237,900,000.

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.

TELEPHONES IN THE PRINCIPAL CITIES OF NEIGHBOURING COUNTRIES

	No. of Telephones	Population (thousands)	Telephones per 100 pop.
Nicosia	18,392	114	16.1
Tel Aviv & Jaffa	192,615	803	24.0
Teheran	192,615	2,956	4.4
Athens	487,625	2,285	21.3
Ankara	79,230	1,082	7.3
Belgrade	102,464	727	14.0
Rome	940,955	2,505	37.6
Madrid	892,691	3,037	27.1

D. MAINTENANCE.

I. Routine & Preventive Maintenance.

a. General Maintenance.

Systematic routine maintenance of the Authority's various installations was carried out during the year and every effort was made for the prompt restoration of all reported faults, break-downs and malicious damages.

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

Town Subscribers: 0.9 fault per circuit per year.

Rural Call Offices: 10 faults per circuit per year.

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 proved most satisfactory in keeping telecommunication services operating during electricity mains failures.

Shortcomings of the system such as cross talk, double switching, delays and busy line tone are of a temporary nature due to overloading of the exchanges and circuits and are expected to be overcome with the planned gradual expansion and modernization of the service.

b. Preventive Maintenance Work.

The Authority adopts in this respect the British Post Office recommendations. The whole plant was routine tested during the year and any defects or weaknesses were located thus ensuring smooth and efficient operation of the system.

II. Workshops.

The Authority's Engineering Workshops carry out repairs to the Switchboards, the telephone instruments, and the teleprinters; stock items as switchboard and instrument cords and other items used in line plant such as metal frames, cable runways e.t.c. are also made in the workshops.

Furthermore the workshops maintained woodwork in all exchanges and the Authority's furniture as required.

III. Transport.

The Authority continued to maintain its own mobile fleet of 103 vehicles (1968 106) which were allocated to the various sections for providing transport facilities to all services.

The table below indicates the miles covered and the average cost per mile excluding Drivers Salaries.

	<u>1968</u>	<u>1969</u>
Miles	915,331	919,336
Average Cost per mile (mils)	34	32

E. GENERAL TELECOMMUNICATION FACILITIES.

I. Broadcast.

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 church services, theatrical performances, football matches and other events.

Outside broadcast (local)	161 (137 in 1968)
Outside broadcast (overseas)	21 (32 in 1968)

At the request of the Cyprus Broadcasting Corporation, a series of programmes were transmitted over H.F. for Cypriots living in the U.K. For the period September—December, 1969, these broadcasts amounted to 332 hours.

II. Overseas Voicecasts.

The majority of voicecasts were conducted with the United Kingdom and comprised transmission of correspondents news reports, football match commentaries and music programmes between B.F.B.S. Dhekelia and B.B.C. London.

Voicecasts effected during the past 3 years are as follows :-

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Number of Voicecasts	209	97	89
Number of Minutes	4121	2249	3194

III. Ship to Shore Radio Services.

The operation of these services was satisfactory and a considerable increase in traffic was recorded. The Authority in order to meet the existing heavy traffic, improved further these services by the addition of a new frequency for radio-telephony and its extension to 24 hour operation.

For the further improvement of the service the Authority is placing an order for a more powerful transmitter and a New Aerial System, which it is hoped will be put into operation late in 1970 and shall eliminate inter alia propagation difficulties experienced off the Southwestern Coast of Cyprus (Limassol—Paphos) due to obstruction by the Troodos Mountains.

At the same time a study is being conducted to eliminate similar difficulties on the reception side.

The following comparative chart shows figures for 1967, 1968 and 1969.

	<u>1967</u>	<u>1968</u>	<u>1969</u>
a. Telephony			
Calls	801	1044	2637
Minutes	2977	3955	10188
b. Telegraphy			
Telegrams	4312	3821	4564
Words	65119	56994	70491

IV. Fascimile (Radio Pictures).

The following table shows comparative figures of pictures handled over the past 3 years.

	1967	1968	1969
Received	66	64	73
Forwarded	220	59	43

V. Civil Aviation Signals.

The Authority is operating these services on behalf of the Department of Civil Aviation, Ministry of Communications & Works on the procedures and recommendations laid down by the International Civil Aviation Organisation (ICAO). The main function of the Civil Aviation Signals is to serve by direct telephone and telegraph communication the International Airports and countries mentioned below and to provide telephone communication with the aircraft in flight within the Cyprus Flight Information Region.

Athens	—	Greece
Ankara	—	Turkey
Beirut	—	Lebanon
Lydda	—	Israel

In addition, direct radiotelephone communication with Cairo Airport is provided.

Air Navigation Aids are also provided for use by civil aircraft in the form of one VHF Omni Range System (VOR) and four Non-Directional Radio Beacons located in the Nicosia, Myrtou and Dhekelia areas.

The main improvements and changes in the service effected during 1969, are the following :-

- a. A new Very high frequency Omnidirectional Range equipment (V.O.R.) was installed and put into operation with effect from April.
- b. Distance Measuring Equipment (D.M.E.) was installed and put into operation with effect from 27th June, this being co-located with V.O.R. The facility offered by the D.M.E. is that the pilot of an aircraft flying within a radius of approximately 200 miles may automatically receive visual indication of his distance from the Nicosia Airport.
- c. The High Frequency radiotelephone circuit between Nicosia and Athens airports was replaced by a channel on the Tropospheric Scatter Link on September 17th.

As a result of the abovementioned the service was greatly improved and traffic handled during the year was considerably increased as may be seen from the following figures :-

1967	14,433,260	groups	transmitted	and	received
1968	22,002,510	groups	"	"	"
1969	28,918,330	groups	"	"	"

All the above traffic was handled over Radio Teletype circuits. The completion of the installation of the Fully Automatic Switching Centre to which reference was made in the 1968 Annual Report, was delayed due to unforeseen technical difficulties (delivery dates not met) and it is now scheduled to go into operation in May 1970. This System will be used to speed the transfer of telegraph messages in the new Aeronautical Fixed Telecommunications Network at the Nicosia Airport and will greatly improve the efficiency of Civil Aviation Communication in the Eastern Mediterranean.

4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES.

I. GENERAL.

The direct and main aim of the Authority for the provision of prompt and efficient telephone, telex and telegraph service to the public was met to a large extent through the satisfactory functioning of its relative operating sections.

Both telephone and telegraph traffic increased and comparative figures are given below.

II. TELEPHONE OPERATING.

a. Local Calls

1967	1968	1969
36,232,000	36,489,000 (2 million calls were lost because of the strike in November 1968.)	43,309,122

b. Trunk Calls

1967	1968	1969
3,232,172	3,560,000	4,000,000

It is expected that the delay experienced in the provision of Trunk Service mainly during the peak hours of the summer months and on certain routes will automatically cease with the introduction of the Subscribers Trunk Dialling in 1971.

c. Overseas Service

There has been a marked increase in the demand of this service during the year, especially in the case of Greece, Lebanon and the United Kingdom.

The following chart shows comparative figures of the service provided with countries connected with direct circuits for 1968—1969.

Country	Number of Channels		Hours of operation per week		Traffic Figures in minutes	
	1968	1969	1968	1969	1968	1969
Greece	8	8	1344	1344	273000	444127
U.K.	4	5	291	474	167857	212923
Lebanon	2	3	336	504	95458	134978
Israel	2	2	336	336	41870	73655
Turkey	1	1	12	12	9750	11410
U.A.R.	1	1	6	6	1631	2012
Syria	1	1	6	6	1554	1761

d. Telephone Directory - Enquiries Service.

During 1969 a new Telephone Directory was issued and distributed to subscribers free of charge. Despite the publication of this Directory, thousands of enquiries were made daily for telephone numbers included therein.

The Authority is considering the introduction of a system by which only enquiries in respect of numbers not included in the Directory will be provided free, in anticipation that the public will be making wider use of the Directories.

e. Annoying Telephone Calls.

139 complaints for annoying telephone calls were received out of which 34 were detected and necessary action taken against the offenders.

III. TELEX.

This Service was introduced on the 20th January, 1969, and direct channels were established with the following countries:-

	Outgoing	Incoming	Both Ways
U.K.	2	2	—
GREECE	2	2	1
ITALY	1	—	1
SWEDEN	—	—	1
LEBANON	1	1	—
ISRAEL	1	1	—

In its first year of operation, telex proved a sound investment for the Authority and subscribers made wide use of this service as indicated by the figures of traffic handled during the year, shown as hereunder :-

	Calls	Minutes
Outgoing Traffic	41479	215510
Incoming Traffic	22858	—
Transit Traffic	18168	95047
Telex Local Calls	354673	—

IV. TELEGRAPH OPERATING.

Commercial Telegraph Traffic was normal throughout the year and despite the introduction of the telex service no decrease was observed in the volume of telegraph traffic.

In addition to the 12 internal and 4 direct external Teleprinter circuits in operation during 1968, another two direct external circuits were established.

Comparative statistical information on telegraph work appears herebelow :-

Number of Inland Telegrams forwarded :						1968	1969
January	...	...	...	...	...	5204	6993
February	...	...	...	...	...	3468	5119
March	...	...	...	...	...	4299	3271
April	...	...	...	...	...	4713	7260
May	...	...	...	...	...	6548	6239
June	...	...	...	...	...	5580	6741
July	...	...	...	...	...	4136	7769
August	...	...	...	...	...	3410	4711
September	...	...	...	...	...	6065	6584
October	...	...	...	...	...	5469	6237
November	...	...	...	...	...	3037	7714
December	...	...	...	...	...	5785	9206
						57714	77844

An increase of 34.88% has been observed in 1969.

Number of Overseas Telegrams forwarded Including Cyprus radio						1968	1969
January	...	...	...	...	...	13396	11604
February	...	...	...	...	...	11907	11226
March	...	...	...	...	...	12434	12506
April	...	...	...	...	...	13178	12816
May	...	...	...	...	...	14194	12474
June	...	...	...	...	...	12295	11554
July	...	...	...	...	...	11957	12696
August	...	...	...	...	...	12986	11933
September	...	...	...	...	...	13328	13077
October	...	...	...	...	...	14048	12758
November	...	...	...	...	...	7364	11188
December	...	...	...	...	...	12809	13347
						149896	147179

A decrease of 1.81% has been observed in 1969.

Number of Phototelegrams forwarded :						1968	1969
January	...	...	...	...	...	11	—
February	...	...	...	...	...	11	1
March	...	...	...	...	...	3	—
April	...	...	...	...	...	7	14
May	...	...	...	...	...	10	3
June	...	...	...	...	...	8	1
July	...	...	...	...	...	—	3
August	...	...	...	...	...	3	12
September	...	...	...	...	...	1	5
October	...	...	...	...	...	—	1
November	...	...	...	...	...	1	—
December	...	...	...	...	...	4	3
						59	43

A decrease of 27.12% has been observed in 1969.

5. ADMINISTRATION AND STAFF

I. TRADE UNIONS — STAFF RELATIONS AND JOINT COMMITTEES

As stated in the 1968 Report, negotiations on the Union's claims were still in progress by the end of 1968. These negotiations resulted into an agreement in February 1969, with retrospective effect as from 1/1/1968.

The additional benefits provided in the abovementioned agreement resulted in a cost of £200,000 in 1968 (being equal to 25% of the Authority's 1967 wage-roll) and £240,000 in 1969.

Management and Union co-operated closely during the year for the implementation of the aforementioned agreement, which provided the following additional staff benefits.

- a. Salary and Wage increases of 20.5%.
- b. Increase of the Authority's contributions to the Staff Medical Fund from 1% to 2%.
- c. Increase of the Authority's contribution to the Weekly Paid Employees Provident Fund from 5% to 10%.
- d. Increase of the annual leave entitlement of the Weekly Paid Employees.
- e. Increase on the Allowances of Mission, Transfer and Travelling.
- f. Reduction of the hours of work of Telephone Operating Staff to 37 hours per week.
- g. Promotion of all hourly staff to the weekly and monthly paid staff, and abolition of the practice for recruiting staff on an hourly paid basis.

II. JOINT CONSULTATION

The Joint Management/Staff Committees functioned most satisfactorily during the year as hereunder :-

a. Staff Safety and Welfare

1. Safety:

The Safety Committee made every effort during the year

towards the reduction of accidents and to this effect the following action was taken :-

- 1a. All accidents reported during the year were promptly investigated with a view to establishing the cause and avoiding repetition.

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

	1968	1969
Accidents not necessitated sick-leave	11	14
Accidents necessitated 1—3 days sick leave	10	13
Accidents necessitated 4—30 days sick-leave	30	29 (7) *
Accidents necessitated over 30 days sick-leave	5	6 (5) *
Fatal Accidents	1	—
	<u>57</u>	<u>62</u>

* Five out of the six major accidents which necessitated sick-leave over 30 days and the seven out of the 29 accidents which necessitated sick-leave from 4—30 days were due to traffic accidents to employees proceeding from their residence to the place of work or vice versa.

- 1b. Safety lessons were included in CY.T.A.'s training programs.
- c. The Authority participated in the Pancyprrian Safety Week from 6—13 September, 1969, organised by the Ministry of Labour and Social Insurance.
- d. The "Safety Notice Boards" were properly maintained by the exhibition of illustrated posters for the prevention of accidents.
- 1e. The First Aid Boxes provided by the Authority were properly maintained with prescribed contents.

2. Welfare:

- 2a. The Welfare Fund is voluntarily financed by regular contributions made by the Authority and the employees. For some years now, the whole income of the Fund has been saved for the purpose of eventually organizing summer camps for the benefit of all staff.
- 2b. Christmas Parties and Children's Parties were organized for all employees and their children respectively in all offices and Branches of the Authority. All expenses incurred were paid by the Authority.

The Authority in its desire to assist further towards the safety and welfare of its staff is contemplating the appointment of a Safety and Welfare Officer with the necessary supporting staff.

III. ESTABLISHMENT AND PROMOTIONS

The Establishment is issued every year and designates the various Departments and Sections of the Authority and their services and specifies the number of employees required in each grade for the conduct of the Authority's business.

The implementation of the Establishment in accordance with the agreement with Unions mentioned under Trade Unions—Staff Relations and Joint Committees, resulted in the following promotions and confirmations :-

	1969	1968
Promotions and Confirmations	10	113
Transfers of TMP to Permanent Staff	115	4
Transfers of W.P. to Permanent Staff	7	1
Promotion of Hourly Paid to Permanent Staff	40	2
Promotion of Hourly Paid to Temporary Monthly Paid Staff	207	—
Promotion of Hourly Paid to W.P. Staff	134	1
Various transfers to other scales	23	—

Comparison of Staff Strength for the year 1968—1969

	Number of employees	
	1969	1968
Administration and Accounts	279	233
Engineering	1029	830
Telegraph Operating	138	130
Telephone Operating	287	184
Total	1733	1377
Monthly Paid	1443	1206
Weekly Paid	290	171
	1733	1377
Less		
Turkish employees not attending to duty (Out of 291 Turks only 22 attended to duty)	269	269
Actual member of staff	1464	1108
Average number of Casual Employees		404
Employees on National Guard (The actual number of employees on National Guard in 1969 is 7 but 3 employees are working with CY.T.A. after special arrangements)	4	—
Actual staff employed	1460	1512

Note: As it will be observed there was a reduction by 52 in the actual number of staff employed.

IV. PENSION AND PROVIDENT FUND

The Authority clarified all points raised by the Union, whose final views on the matter are expected.

After agreement on the Pension Fund (the Provident Fund having already been agreed upon) both Funds, will be submitted to Government for approval, following which the rules of the Funds will be circulated to the staff, who will be required to opt to join either of them.

V. TRAINING

The Authority appreciating the value of training, had already made clear its desire to enable the existing staff and new-comers to acquire the skills and the knowledge necessary for coping with the Authority's needs, through the implementation of a continuous Training Programme.

The Authority's expenses for training during 1969 amounted to £35,114 (£42,138 were spend in 1968) and included the following :-

a) Training abroad

Installation and maintenance of Crossbar Exchanges (at Japan)	— 4 employees
Total number of employees trained abroad	
4 (19 in 1968)	

b) Training in CYTA's Training Centre

i. Course on FRXD's	— 7	"
ii. Course for the maintenance of Teleprinters "Siemens T.100"	— 15	"
iii. Faultsmen Course	— 26	"
iv. Auto Maintenance Course	— 16	"
v. Advanced Radio and Transmission Course	— 23	"
vi. Familiarisation course for the staff of Forecast and Records Section	— 25	"
vii. Familiarisation course for the staff of Drawing Office	— 19	"
Total number of employees trained at CYTA's Training Centre 131 (253 in 1968).		

c) Payment of Tuition and Examination Fees

All employees who had attended courses relative to their work and passed the prescribed examination were refunded their tuition and examination fees.

VI. MEDICAL FUNDS — MEDICAL TREATMENT — SICK LEAVE

a) Monthly Paid Personnel

All monthly paid employees of the Authority are members of the existing C.Y.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 Committee and it is financed jointly by its members and the Authority, the employees contributing 1% of their basic salary and the Authority 2%. During the year 1969 the sum of £22,172.220 mils was paid out of the Fund as benefits and the Funds cash position as at 31st December, 1969, was £3,226.118 mils.

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.

The membership to the Fund provides a contribution of 1% of the wages of each member and an equal amount of contribution by the Authority.

c) Sick leave granted to Monthly Paid Employees

The sick leave granted to Monthly Paid employees is a cost to the Authority and the man-days lost are as hereunder:-

	No. of man-days lost	
	1968	1969
Clerical Staff	1,366	2,352
Telephone Operating Staff	1,333	2,592
Telegraph Operating Staff	241	467
Technical Operating Staff	276	222
Technical Staff	834	1,565
Skilled Staff	1,979	1,901
Messengers	336	650
	<u>6,365</u>	<u>9,749</u>

Increase by 53.17%

The increase of sick leave shown in 1969 against that of 1968 is mainly due to the inclusion of the sick leave of additional employees transferred to monthly paid categories, being entitled to considerably more sick leave than that of the category in which they were serving previously.

d) **Sick leave granted to Weekly Paid Employees**

The man-days lost in respect of the sick-leave granted to Weekly Paid Employees during the year 1969 were 1,284 (658 in 1968).

The cost of the man-days lost (except the first day of each period of sick-leave granted to employees) are reimbursed to the Authority by the Government Social Security Scheme and the total amount reimbursed amounts to £1,565.000 mils.

e) **Sick leave granted to Hourly Paid Employees**

The sick-leave granted to Hourly Paid Employees is included in the man-days lost of Monthly and Weekly Paid Employees because the Hourly Paid Staff had been promoted to monthly or weekly during the year.

VIII. ANNUAL LEAVE — ALL STAFF

Table showing the leave entitlement :-

	No. of working days	
	1968	1969
Balance brought forward from previous year	12,552	11,251
Leave entitlement for the year	32,119	37,746
Total	44,671	48,997
Less:-		
Leave granted during the year	33,420	40,346
Balance due to employees	11,251	8,651

VIII. RETIREMENTS, RESIGNATIONS, DISMISSALS ETC.

a) **Retirements**

6 employees retired from the Authority's Service.

b) **Resignations**

16 employees resigned from the employment of the Authority.

c) **Dismissals**

2 employees.

d) **Deaths**

1 employee.

e) **Recruitments**

2 employees (One Technical Probationer for Kili and one charwoman for Larnaca.)

6. COMMONWEALTH TELECOMMUNICATIONS
BOARD
AND
COMMONWEALTH TELECOMMUNICATIONS
COUNCIL

The Chairman of the Authority, Mr. J. Cl. Christophides, in his capacity as the appointed Representative of the Government to the above Bodies attended the Fourth Commonwealth Telecommunications Council Meeting held in London from 14th to 25th April 1969 at Marlborough House, which was attended by Representatives of 21 Commonwealth Countries and the British Overseas Territories.

During the year the Commonwealth Telecommunications Board held 7 Meetings in London (451st—457th Meetings) maintaining close liaison with the C.T. Council upto the Board's termination on 31st March 1969. All outstanding business was taken over by the C.T. Council.

The principal items discussed at the Fourth Council Meeting included consideration of interim accounting arrangements, a review of the current study of collaborative financial arrangements, aiming at the introduction of unified accounting arrangements, the coordination of Commonwealth network planning and utilisation, the future pattern of Commonwealth and world tariffs, the effect on Partners of Sterling devaluation, approval of the Annual Budget and prescription of Definitions and Procedures of the C.T. Council.

7. FINANCIAL REPORT

GENERAL

The year's operations have resulted in a Surplus of £141,755 which is an increase of £79,510 over that of the previous year; this has been achieved by the substantial increase in revenue from the inland and overseas calls and the newly introduced telex service, which is expected to earn additional revenue in the coming year without any capital expenditure on exchange equipment.

The expenditure of the year, apart from the full impact of the revision of salary scales in 1968 and staff annual increments, has risen at a reasonable rate in relation to the expansion of the network.

The Staff costs substantial increase mainly due to the revised Salaries and benefits, is analysed below :-

	£
Increments	41,000
Promotions	24,000
Overtime	43,000
COLA	24,000
Contributions	45,000
Decrease in Staff	—13,000
Actual Increase in 1969	164,000
Plus 1968 strike variance	52,000
Increase in 1969 (Statement 7)	<u>£ 216,000</u>

It is estimated that the revision of Salary Scales and other benefits granted in 1968 will cost the Authority an extra £1,500,000 over the period 1968—1972.

The 1969 staff costs per employee as compared with those of 1961 show a 76% increase; relative comparative table for the period 1961/1969 is given below.

1961	1962	1963	1964	1965	1966	1967	1968	1969
£	£	£	£	£	£	£	£	£
564	532	634	722	573	566	688	815	992

It is worth mentioning, however, that the operating revenue per employee shows a welcome increase at £1,400 in the year as against £1,140 in 1968.

DEVELOPMENT

Demands for more telecommunication facilities due to the public's increased necessities and the Island's expanding economy call for the expansion of the Authority's service and network and in this respect an amount of £687,792 was spent during the year under reference and the Authority plans to invest for development purposes a sum in the region of 1½ million pounds during 1971.

CASH POSITION

The payments to the staff as a result of the 1968 revision of salary scales and other commitments have depleted the cash reserves of the Authority and thus the cash funds at the close of the year were at the low figure of £27,601 (£325,921 in 1968).

FINANCING

The return on capital, although an improvement over that of 1968, still remains very much below the required percentage and if the Authority is to keep up the pace of required development, the rate of this return will have to be increased substantially both by additional revenue, and by further economies wherever possible.

THE ACCOUNTS

A comparison of Revenue/Expenses 1968—1969 shows :-

Revenue

	1968	1969
Telephone Services	£1,175,476	£1,380,366
Telegraph Services	407,020	410,558
Telex Services	—	81,244
Other Services	140,137	192,800
Total	<u>£1,722,633</u>	<u>£2,064,968</u>

Expenses

	1968	1969
System Operational	£1,216,549	£1,445,317
Establishment	67,555	67,664
Administrative	241,168	258,316
Operating Expenses	£1,525,272	£1,771,297
Financial & Other Expenses	159,033	159,631
Total Expenses	<u>£1,684,305</u>	<u>£1,930,928</u>

Revenue Account

Income for the year from Operating amounted to	£2,064,968
which after deduction of Operating Expenses	<u>1,771,297</u>
resulted in an Operating Balance of	£ 293,671
To the Operating Revenue of	£2,064,968
there was added Other Income of	<u>7,715</u>
which made a total of	£2,072,683
Less:-	
Operating Expenses	£1,771,297
Financial & Other Expenses	<u>159,631</u>
made a total to be deducted of	<u>1,930,928</u>
resulting in a Revenue Balance for the year of	<u>£ 141,755</u>

APPROPRIATIONS

The Revenue Balance of £141,755 has been increased by £58,234 in respect of revenue relating to prior years and the resultant balance has been appropriated as follows :-

a) Revenue balance for year	£141,755	
Add: Net revenue relating to prior years	<u>58,234</u>	
	£199,989	
Less: Provision for Staff Superannuation Back Service Credits	<u>30,000</u>	
		<u>£169,989</u>

The said amount of £169,989 has been added to the Revenue Balance of £1,049,541 as at 31.12.1968 thus making a total of £1,219,530 Revenue Balance as at 31.12.1969.

BALANCE SHEET

Fixed Assets

As at 1st January, 1969 the net book value of the Authority's fixed Assets was £4,079,367.

Sundry capital works, executed during 1969 together with other capital expenditure increased the Fixed Assets as follows :-

Gross Book value as at 1st January, 1969		£6,168,885
Capital Development during year :-		
i) Telecommunications Installations	£627,916	
ii) Other Expenditure	59,876	
	<u>£687,792</u>	
Less Installation and Removal Charges Recovered	£ 44,908	
Disposals during year	<u>134,629</u>	
	<u>179,537</u>	
		<u>508,255</u>
		£6,677,140
Accumulated depreciation 31st December, 1969 which must be deducted		<u>2,312,391</u>
Resulted in a Net Book value as at 31st December, 1969 of		<u><u>£4,364,749</u></u>

Current Assets

The increase in debtors is due to outstanding debts for certain services the charges for which were not finally agreed upon at the end of the year.

There has been a reduction in the Stocks which at the end of the year were £ 666,541 (£ 781,469 in 1968) in an effort to keep these at the lowest possible level.

Creditors

The creditors and long term liabilities have been reduced and are analysed as follows :-

	<u>1968</u>	<u>1969</u>
Suppliers	£344,229	£306,174
Staff Costs Accruals	170,684*	28,894
Telephone and Telex Rentals (in advance)	40,529	30,346
Accrued charges and credit balances	<u>78,640</u>	<u>233,599</u>
Creditors and Accrued Charges	£634,082	£599,013
Add :		
Long-term Liabilities (Suppliers)	<u>431,314</u>	<u>350,812</u>
Total	<u><u>£1,065,396</u></u>	<u><u>£949,825</u></u>

* This amount includes a provision of £151,000 for the retroactive increases in salaries.

Capital Borrowings

There was no additional borrowing during the year and after repayment of £12,111 against the Loans 1965/1976 and 1969/83 and the capitalisation of the interest £5,445 on the Loan 1970/84, as per the terms of the respective Agreement, the Loans structure at the end of the year was :-

Government :-		
Loan 1973/87		£2,988,000
Loan Commissioners :-		
Loan 1965/76	£ 32,642	
" 1969/83	181,087	
" 1970/84	<u>158,238</u>	
		371,967
Telecommunications Stock		
6% 1964/1968		<u>100,000</u>
Total Borrowings		<u>£3,459,967</u>

Interest on Borrowings

The interest of £73,051 due on capital borrowings is the accrued interest as at 31st December, 1969 for payment on due date in 1970 as per the terms of the Loan agreement.

Contractual Commitments

The substantial amount of £1,497,334 shown in the Notes on the Accounts represents mainly the cost of equipment on order for the Automatic Subscribers Trunk Dialling, the National Microwave Network and the new Exchange for Nicosia.

J. CL. CHRISTOPHIDES
Chairman

A. N. STYLIANIDES
General Manager

S. A. KOKKINIDES
Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY
FINANCING OF THE YEAR'S CAPITAL REQUIREMENTS

1956—1969

(£ thousand)

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
CAPITAL REQUIREMENTS														
Expenditure during year on Fixed Assets	314.8	310.4	259.9	230.3	181.2	655.3	592.3	405.1	246	381.1	371.3	881.1	806.1	688
Less: Residual Value of assets disposed	—	61.2	27.7	—	—	—	—	3	24.2	3.6	8.6	13.5	81.6	85
Government Loan Repayments	314.8	249.2	232.2	230.3	181.2	655.3	592.3	402.1	221.8	377.5	362.7	867.6	724.5	603
Increase/Decrease in Working Capital	314.8	249.2	232.2	230.3	181.2	655.3	592.3	402.1	221.8	380.7	366	871	729.1	615.1
Total Requirements	—261.6	120.6	168	262.3	—1.5	—290.4	—302.1	—140.6	224	—98.7	155	—189.5	805.9	—202.7
	53.2	369.8	400.2	492.6	179.7	364.9	290.2	261.5	445.8	282	521	681.5	1,535	412.4
FINANCED FROM														
Internal resources:-														
Depreciation	72.4	86.9	92.9	102.1	109.1	123.2	148.2	166.2	170.1	186.9	191.3	213.9	247.8	272.5
Balance of Revenue for year	—41.4	—15	17.7	52.5	11.1	29.1	14.3	2.1	215.6	172.2	184.1	163.4	62.3	141.8
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	168.5	28.2
Installation Fees Recovered	22.2	32.9	24.2	29.4	26.8	24.6	27.9	27.9	31.4	26.6	25.3	34	35.5	44.9
Capital Reserves	53.2	119.8	150.2	192.6	179.7	182.1	198.7	194.1	446.8	353.8	384.8	430.6	514.1	487.4
External Borrowings:-	—	—	—	—	—	52.8	—	11.6	—	—	—	—	—	—
Government Loan	—	250	250	300	—	130	—	—	50	—	—	—	149.7	—
Capitalised Interest (Consolidated into Loans)	—	—	—	—	—	—	—	—	—	—	—	—	851.6	5.5
Increase/Decrease in long-term creditors	—	—	—	—	—	—	91.5	55.8	—51	—71.8	136.2	250.9	19.6	—80.5
Total Finance	53.2	369.8	400.2	492.6	179.7	364.9	290.2	261.5	445.8	282	521	681.5	1,535	412.4

NOTE: The Capitalised Interest is in respect of interest arrears on Government Loans from 1961 to 1969.

CYPRUS TELECOMMUNICATIONS AUTHORITY

RETURN ON CAPITAL

1956—1969

(£ thousand)

	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
NET ASSETS														
Fixed Assets less depreciation	1167.8	1297.3	1412.5	1511.3	1556.5	2064	2480.2	2688.1	2708.4	2872.4	3018.5	3638.2	4079.4	4364.7
Stores in Stock	167	214	237.7	175.3	202.5	313.6	432	380.1	414.4	380.2	744.9	786.3	781.5	666.5
Other net assets	118.4	192	336.3	661	632.3	230.8	—281.2	—425.7	—185	—177.7	—523.6	—1005.5	—214.4	—221.4
Net total Assets	1453.2	1703.3	1986.5	2347.6	2391.3	2608.4	2631	2642.5	2937.8	3074.9	3239.8	3419	4646.5	4809.8
RETURN														
Revenue surplus :-														
i) before interest on borrowings	38.2	69.5	113.2	166	132.7	153.3	151.3	143.3	366	332.4	352.8	340.9	162.5	243.8
ii) After interest on borrowings	—41.4	—15	17.7	52.5	11.1	29.1	14.3	2.1	215.6	172.2	184.1	163.4	62.2	141.8
Return as % on net total assets	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	Per cent
i) before interest on borrowings	2.6	4.1	5.7	7.1	5.6	5.9	5.8	5.4	12.5	10.8	10.9	10	3.5	5
ii) After interest on borrowings	—	—	.9	2.2	.5	1.1	.6	.1	7.4	5.6	5.7	4.8	1.3	2.9

CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING EXPENDITURE 1961 - 1969

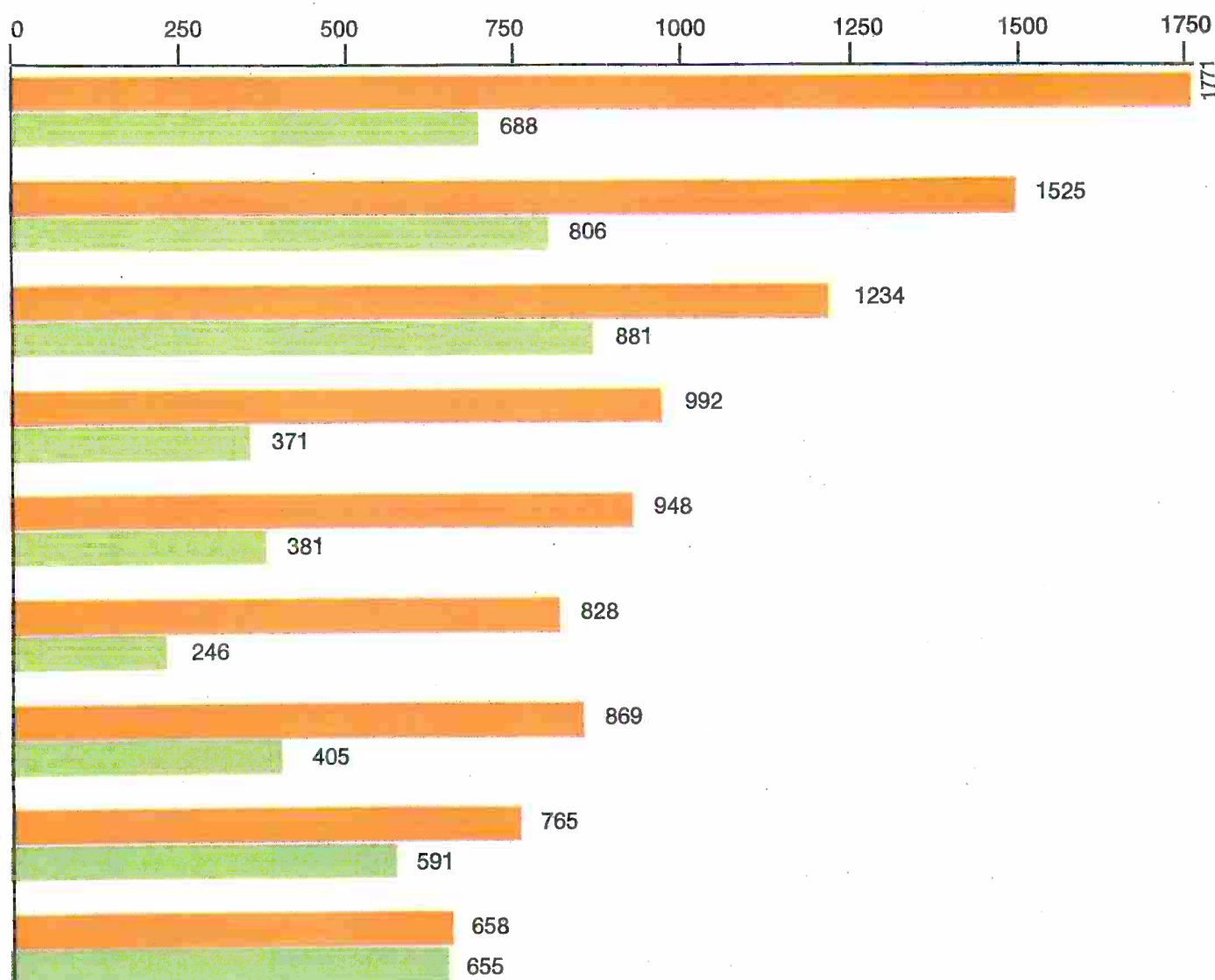
- I. OPERATING EXPENDITURE
- II. CAPITAL EXPENDITURE

(£ thousand)

	I	II
1955	£290	£205
1956	386	315
1957	453	310
1958	495	258
1959	512	230
1960	560	181

Operating Expenditure

Capital Expenditure



CYPRUS TELECOMMUNICATIONS AUTHORITY

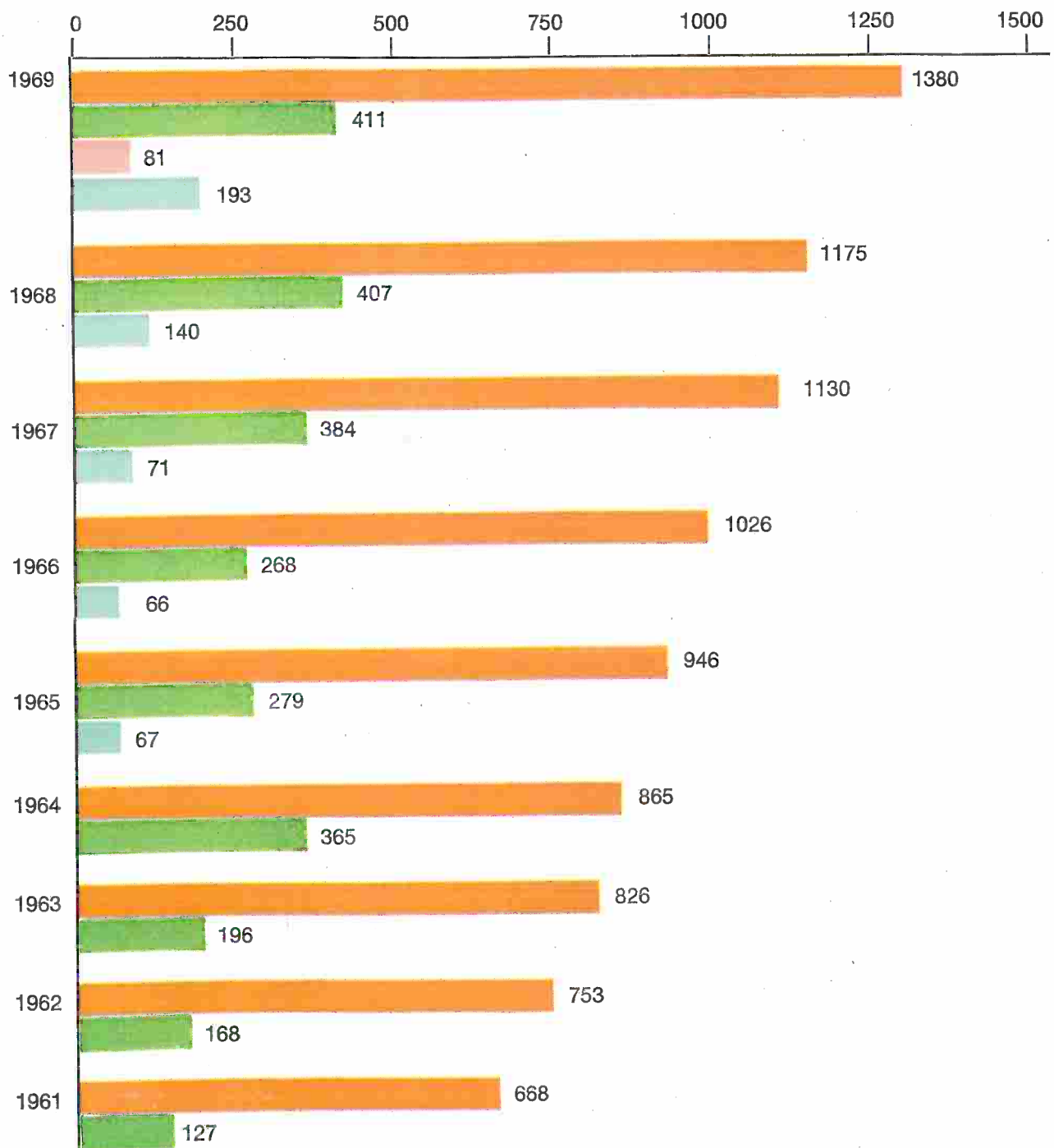
TABLE SHOWING OPERATING REVENUE 1961 - 1969

- I. TELEPHONE REVENUE
- II. TELEGRAPH REVENUE
- III. TELEX REVENUE
- IV. OTHER REVENUE

(£ thousand)

	I	II
1955	£297	£20
1956	394	23
1957	499	28
1958	548	57
1959	615	53
1960	626	50

- Telephone Revenue
- Telegraph Revenue
- Telex Revenue
- Other Revenue



ACCOUNTS

CYPRUS TELECOMMUNICATIONS AUTHORITY

AUDITORS' REPORT

We have audited the annexed Balance Sheet and Revenue Account and have obtained all the information and explanations 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 Accounts, together with the Notes thereon, give respectively, a true and fair view of the state of affairs of the Authority as at 31st December, 1969 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.

15th July, 1970.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 1969

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, 1969.

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 (1968—£30,000) has been provided for in respect of these benefits. The £150,000 provided for to 31st December, 1969, 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. OPERATING REVENUE

An amount of £88,952 is included in the Other Services Revenue for the year and an amount of £115,500 in the Revenue relating to prior years. As these amounts have not yet been agreed and are still under negotiation, a provision has been made for an amount of £40,500 of which £17,500 is reflected in this year's Provision for bad and doubtful debts and £23,000 has been set off from the Revenue relating to prior years.

5. TAXATION

No amount has been set aside to provide for taxation as the taxation position of the Authority has not yet been determined.

6. CONTRACTUAL COMMITMENTS

Contractual commitments, repayable over a period of five years, amounted to approximately £1,497,334 as at 31st December, 1969 (1968—£294,290).

7. CONTINGENT LIABILITIES

Contingent liabilities in respect of claims against the Authority amounted to approximately £5,215 as at 31st December, 1969 (1968—£5,228).

8. FOREIGN CURRENCY BALANCES

Foreign currency balances have been converted into Cyprus pounds at the rates ruling as at 31st December, 1969.

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET AS AT 31st DECEMBER, 1969

1968		£	£
	FIXED ASSETS (Note 1)		
6,168,885	At cost or valuation	6,677,140	
2,089,518	Less: Depreciation	2,312,391	
4,079,367			4,364,749
	NET CURRENT ASSETS		
	CURRENT ASSETS		
781,469	Stores (Note 2)	666,541	
715,002	Debtors and debit balances less provision	923,786	
325,921	Bank balances and cash in hand	27,601	
1,822,392		1,617,928	
	Deduct		
	CURRENT LIABILITIES AND PROVISIONS		
634,082	Creditors and accrued charges	599,013	
69,885	Interest accrued on capital borrowings	73,051	
120,000	Provision for staff superannuation back service credits (Note 3)	150,000	
823,967		822,064	
998,425	Add		
5,077,792	DEFERRED CHARGES		795,864
	Deduct		
	DEFERRED CREDITS		
431,314	LONG-TERM LIABILITIES		350,812
24,646,478	NET TOTAL ASSETS		£4,809,801

£			£
	FINANCED FROM		
3,466,633	CAPITAL BORROWINGS (Statement 9)		3,459,967
64,304	CAPITAL RESERVE		64,304
66,000	GENERAL RESERVE		66,000
1,049,541	REVENUE BALANCE		1,219,530
<u>£4,646,478</u>			<u>£4,809,801</u>

The Notes on pages 51 and 52 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, 1969

1968			£	£
£				
	OPERATING REVENUE			
	Telephone Services :-			
442,726	Rentals	476,658		
286,078	Local calls	343,144		
291,643	Trunk calls	342,939		
140,955	Overseas calls	200,237		
14,074	Miscellaneous	17,388		
<u>1,175,476</u>				1,380,366
	Telegraph Services :-			
308,601	Telegrams	323,831		
67,152	Leased circuits	63,489		
16,305	Teleprinter rentals	13,523		
14,962	Miscellaneous	9,715		
<u>407,020</u>				410,558
	Telex Services :-			
—	Rentals	19,352		
—	Local calls	3,547		
—	Overseas calls	58,345		
				81,244
140,137	Other Services :-			192,800
<u>1,722,633</u>				<u>2,064,968</u>
	OPERATING EXPENSES			
1,216,549	System operational (Statement 1)	1,445,317		
67,555	Establishment (Statement 2)	67,664		
241,168	Administration (Statement 3)	258,316		
<u>1,525,272</u>				1,771,297
197,361	NET OPERATING REVENUE carried forward			<u>293,671</u>

£		£
197,361	NET OPERATING REVENUE brought forward	293,671
	OTHER INCOME	
16,217	Bank interest	7,340
7,700	Miscellaneous	375
23,917		7,715
221,278		301,386
159,033	FINANCIAL AND OTHER EXPENSES (Statement 4)	159,631
£ 62,245	REVENUE BALANCE FOR YEAR	£141,755
818,746	REVENUE BALANCE 1st January, 1969	1,049,541
	Add	
62,245	Revenue balance for year	141,755
57,407	Net revenue relating to prior years	58,234
141,143	Interest on Capital borrowings overprovided for in prior years	—
260,795		199,989
1,079,541		1,249,530
	Deduct	
30,000	Provision for staff superannuation back service credits (Note 3)	30,000
£1,049,541	REVENUE BALANCE 31st December, 1969	£1,219,530

The Notes on pages 51 and 52 are an integral part of these Accounts.

STATEMENT 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

OPERATING EXPENSES

System Operational

1968

£

£

Telephone Services

169,380	Operators' salaries, etc.	210,124
193,209	Maintenance salaries, etc.	226,654
241,740	Other salaries, etc.	290,569
12,616	Materials	13,382
9,270	Electricity	9,317
20,758	Transport	20,942
180,099	Depreciation	192,207
59,968	Radio and Repeater Stations expenses	63,454
2,441	Miscellaneous	10,442
<u>889,481</u>		<u>1,037,091</u>

Telegraph Services

123,301	Operators' salaries, etc.	143,617
14,710	Maintenance salaries, etc.	17,090
24,978	Other salaries, etc.	17,903
665	Materials	1,823
765	Electricity	878
3	Transport	14
10,692	Depreciation	10,579
54,513	Radio and Repeater Stations expenses	37,207
2,199	Miscellaneous	2,938
<u>231,826</u>		<u>232,049</u>

1,121,307

C/F 1,269,140

1968

£

1,121,307

Telex Services

Operators' salaries, etc.	6,464
Maintenance salaries, etc.	5,654
Other salaries, etc.	6,363
Materials	259
Electricity	280
Transport	13
Depreciation	8,254
Radio and Repeater Stations expenses	32,874
Miscellaneous	66

60,227

Other Services

Operators' salaries, etc.	62,632
Maintenance salaries, etc.	10,745
Other salaries, etc.	7,922
Materials	2,207
Transport	502
Depreciation	4,409
Radio and Repeater Stations expenses	25,299
Miscellaneous	2,234

115,950

As per Revenue Account

£1,445,317

STATEMENT 2

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

OPERATING EXPENSES

Establishment

1968		£
£		
28,385	Salaries, etc.	33,997
7,178	Maintenance of buildings	1,992
3,499	Maintenance of Furniture and Fittings and Office Equipment	2,203
138	Transport	219
7,848	Rents, rates and taxes	8,142
5,440	Light, heat and water	4,851
3,445	Insurances	4,411
10,630	Depreciation	10,686
992	Miscellaneous	1,163
<u>£67,555</u>	As per Revenue Account	<u>£67,664</u>

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

OPERATING EXPENSES

Administration

1968		
£		£
175,303	Administration and Account Salaries, etc.	194,753
14,348	Printing and Stationery	14,215
11,664	Telephones, Telegrams and Postages	12,836
7,156	Travelling and Transport	7,385
7,866	Office machinery rentals	8,265
9,780	Training expenses	6,868
703	Newspapers and Periodicals	507
2,530	Advertisements	2,312
11,818	Miscellaneous	11,175
<u>£241,168</u>	As per Revenue Account	<u>£258,316</u>

STATEMENT 4

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

FINANCIAL AND OTHER EXPENSES

1968 £		£
Financial		
100,294	Interest on Capital Borrowings	102,023
32,175	Other interest	29,846
24,834	Provision for bad and doubtful debts	18,421
—	Miscellaneous	6,809
<u>157,303</u>		<u>157,099</u>
Other		
600	Authority's Members travelling expenses	1,125
1,130	Commonwealth Telecommunications Council expenses	1,407
<u>1,730</u>		<u>2,532</u>
<u>£159,033</u>	As per Revenue Account	<u>£159,631</u>

NOTE: Included in the figure of Provision for Bad and Doubtful Debts is an amount of £17,500 (1968—£11,00) for services rendered, the charges of which are still under negotiation (Note 4).

STATEMENT 5

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

RADIO AND REPEATER STATIONS EXPENSES

1968 £		£
32,390	Operators' salaries, etc.	37,035
19,997	Maintenance salaries, etc.	26,600
21,197	Other salaries, etc.	23,794
5,373	Materials	4,501
16,143	Electricity	17,970
2,057	Transport	1,804
40,067	Depreciation	41,605
5,915	Miscellaneous	5,525
<u>£143,139</u>	Total Allocated to System Operational	<u>£158,834</u>
Allocated to :-		
59,968	Telephone Services	63,454
54,513	Telegraph Services	37,207
—	Telex Services	32,874
28,658	Other Services	25,299
<u>£143,139</u>		<u>£158,834</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

MOTOR TRANSPORT EXPENSES

1968			£
£			
13,533	Drivers, Garage and Other salaries		14,906
2,266	Licences		2,000
2,119	Insurances		2,116
5,345	Fuel		5,223
5,116	Spares and accessories		4,997
4,441	Depreciation		4,729
4,470	Miscellaneous		2,569
<u>£37,290</u>			<u>£36,540</u>
£			£
8,136	Allocated to :-		
947	Capital works		7,541
	Recoverable works		1,066
	Operating expenses :-		
£21,156	System operational	£21,471	
138	Establishment	219	
4,856	Administration	4,439	
<u>26,150</u>			26,129
2,057	Radio and Repeater Stations Expenses		1,804
<u>£37,290</u>			<u>£36,540</u>

STATEMENT 7

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

STAFF COSTS

<u>1968</u>			
£		£	£
1,233,383			1,448,908
	103,333	Less: Amount charged to :-	
	<u>9,549</u>	Capital	99,391
		Recoverable works	<u>12,695</u>
112,882			112,086
<u>£1,120,501</u>			<u>£1,336,822</u>
£			
		Allocated to :-	
		Operating Expenses :-	
	829,696	System Operational	1,005,737
	28,385	Establishment	33,997
	<u>175,303</u>	Administration	<u>194,753</u>
1,033,384			1,234,487
73,584		Radio and Repeater Stations	87,429
13,533		Motor Transport Expenses	<u>14,906</u>
<u>£1,120,501</u>			<u>£1,336,822</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

FIXED ASSETS

	Cost or Valuation as at 1.1.1969	Additions at Cost less Disposals	Cost or Valuation as at 31.12.1969	Aggregate Depreciation	WRITTEN DOWN VALUE 31.12.1969	31.12.1968
	£	£	£	£	£	£
Land	145,127	20,506	165,633	—	165,633	145,127
Freehold Buildings	318,552	(3,557)	314,995	64,700	250,295	258,109
Leasehold Buildings	55,369	—	55,369	12,863	42,506	43,748
Exchanges, Line plant and Subscribers' Apparatus	4,290,232	449,654	4,739,886	1,793,775	2,946,111	2,644,786
Telegraph Plant	139,119	789	139,908	72,633	67,275	76,753
Radio Stations	402,185	48,514	450,699	155,602	295,097	278,361
Repeater Stations	96,727	6,060	102,787	28,986	73,801	73,576
Motor Vehicles	74,955	(650)	74,305	61,545	12,760	16,065
Furniture and Office Equipment	128,545	3,403	131,948	72,353	59,595	64,914
Tools and Miscellaneous Equipment	57,783	8,897	66,680	49,934	16,746	17,637
Assets Under Construction:—						
Buildings	—	18,063	18,063	—	18,063	—
Exchanges, Line Plant and Subscribers' Apparatus	264,673	(118,510)	146,163	—	146,163	264,673
Radio Stations	190,268	8	190,276	—	190,276	190,268
Repeater Stations	5,350	(4,754)	596	—	596	5,350
Payments on account of Equipment	—	79,832	79,832	—	79,832	—
	<u>£6,168,885</u>	<u>£508,255</u>	<u>£6,677,140</u>	<u>£2,312,391</u>	<u>£4,364,749</u>	<u>£4,079,367</u>

NOTES :

- 1) The Assets Under Construction as at 31st December, 1969 are made up as follows :-

	£
As at 1st January, 1969	460,291
Plus: Additions during year	24,801
	<u>485,092</u>
Less: Completion during year	129,994
	<u>£355,098</u>

- 2) The Depreciation of Fixed Assets for the year ended 31st December, 1969 amounted to £272,468 (1968—£247,807).

STATEMENT 9

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1969

CAPITAL BORROWINGS

<u>1968</u>		
<u>£</u>		<u>£</u>
36,461	5% Government Loan 1965/76	32,642
189,379	5¾% Government Loan 1969/83	181,087
152,793	5¾% Government Loan 1970/84	158,238
2,988,000	2½% Government Loan 1973/87	2,988,000
3,366,633		3,359,967
	6% Telecommunications (First Issue)	
100,000	Stock 1964/68	100,000
<u>£3,466,633</u>		<u>£3,459,967</u>

NOTES:- 1. Under the terms of the loan agreement in respect of the 2½% Government Loan 1973/87, the interest rate of 2½% per annum will be increased to 5% per annum after the expiration of five years from 9th February, 1968.

2. The 5¾% Government Loan 1970/84 includes £8,604 interest capitalised under the terms of the relative Agreement.