

15TH

**A
N
N
U
A
L

R
E
P
O
R
T**

1970

COMPANIES

TELECOMMUNICATIONS

SECURITY

CYPRUS TELECOMMUNICATIONS AUTHORITY

**FIFTEENTH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1970.

[PRICE 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
P.O. Box 1929,
NICOSIA.

Date 1st July, 1971

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, 1970, together with a copy of the Auditor's 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.
up to 1st July, 1970.

S. Ioannou, from 11th September, 1970.

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

H. Horomian

L. Zachariades, up to 5th July, 1970.

P. G. Psaras, Chemist Engineer, Graduate of
Metsovion Greek Polytechnic.
from 11th September, 1970.

Dr. A. Papageorgiou, M.A., PH.D. (Economics)
from 11th September, 1970.

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 : G. C. Papaioannou, B.Sc.,(Eng.) C.Eng., M.I.E.E.
Assumed duties from 1st Nov., 1970

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

Telephone : 771111.

Branches:

NICOSIA	—	Egypt Avenue	Tel.	021-77111
LIMASSOL	—	4, Marcos Botsaris Street	Tel.	0516-2500
FAMAGUSTA	—	Edisson Street	Tel.	031-62500
LARNACA	—	7, Lord Byron Street	Tel.	0412-2279
PAPHOS	—	36, Adonis Street	Tel.	061-32148
KYRENIA	—	5A, 28th October Avenue	Tel.	081-52438
MORPHOU	—	18, 25th March Street	Tel.	071-42055
LEFKA	—	Lefka	Tel.	459

CONTENTS

	<i>Page</i>
1. INTRODUCTION	9
2. LAYMAN'S ACCOUNTS	11
3. TECHNICAL SERVICES	13
A. General	13
B. Planning and Development	13
C. Construction	15
D. Maintenance	22
E. General Telecommunication Facilities	23
4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES	26
5. ADMINISTRATION AND STAFF	32
6. COMMONWEALTH TELECOMMUNICATIONS COUNCIL	40
7. FINANCE	41
8. ACCOUNTS	51

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 and 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 services 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.

Increasing demand for telecommunication facilities in general continued steadily and all indications are that this will continue for the foreseeable future. Indeed, the growth of demand in many cases tended to surpass the most optimistic anticipation of planners. However, considerable progress has been achieved both in expanding telecommunication installations and improving operating methods and firm foundations have been laid for the rapid expansion and modernisation of the Authority's services.

In order to achieve the above the Authority has budgeted to spend £3 1/2 million for development in 1970 and 1971 in comparison with an expenditure of just over £3 million for the five preceding years 1965-1969.

During the year under review the Members of the Authority had 27 meetings.

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE LAYMAN

How the Authority Operated During the Year 1970

1969 £		£
2,064,968	The Income from the Authority's Operations was ..	2,291,940
7,715	Other Income	73
<u>2,072,683</u>		<u>2,292,013</u>
1,448,908	The Expenses were:-	
99,391	Total Salaries, Allowances, etc.	1,540,166
12,695	Less : Utilised for Development £126,512	
	Utilised for Repayment Works 18,325	
<u>112,086</u>		<u>144,837</u>
1,336,822	Administration, Operating and Maintenance Salaries ..	1,395,329
258,316	Administration Expenses	277,145
1,037,091	Telephone Services Expenses ..	1,084,487
232,049	Telegraph Services Expenses ..	257,057
60,227	Telex Services Expenses	72,828
115,950	Other Services Expenses	110,898
67,664	Maintenance of Buildings, etc. ..	74,197
1,125	Members' Emoluments & Expenses ..	2,468
102,023	Interest on Capital Borrowings ..	112,221
29,846	Interest	46,355
18,421	Provision for Doubtful Debts ..	29,994
8,216	Miscellaneous Financial Charges ..	15,267
<u>1,930,928</u>		<u>2,082,917</u>
<u>141,755</u>	Resulting in a Revenue Balance for the year of	<u>209,096</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE LAYMAN

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

1969 £	HOW THE AUTHORITY WAS FINANCED	£
3,459,967	Borrowings from Government	3,640,261
1,208,079	Debentures Stock	600,000
141,755	Surpluses from past years' operations	1,330,136
4,809,801	Surplus from this year's operation	209,096
	Total Financing	5,779,493
	WHAT THE AUTHORITY OWNED	
6,168,885	Land, Buildings, Plant & Machinery on 1.1.1970	6,677,140
687,792	Spent for Development in the year	1,536,284
44,908	Less: Installation Fees Recovered	89,526
642,884		1,446,758
6,811,769		8,123,898
134,629	Less: Disposals	26,148
6,677,140	Total: 31.12.1970	8,097,750
2,312,391	Set aside over past years and this year to meet wearing out of the Equipment	2,596,834
4,364,749		5,500,916
666,541	Materials in Stores	862,186
923,786	Money owed to the Authority by Subscribers and debit Balances	1,086,452
27,601	Cash in Hand and at Bank (Current Account)	265,074
5,982,677	So altogether the Authority's Belongings were	7,714,628
	WHAT THE AUTHORITY OWED	
599,013	To various Suppliers for Equipment Services	686,903
350,812	To various Suppliers for Equipment Services (long term)	984,195
150,000	To provision for Staff's "Superannuation Back Service Credits"	180,000
73,051	To Government for Interest on Borrowings	84,037
1,172,876		1,935,135
	The Difference between WHAT THE AUTHORITY OWNED and WHAT THE AUTHORITY OWED was	
4,809,801	the Authority's Net Total Assets	5,779,493
4,809,801	The Difference between the Net Total Assets of	5,779,493
3,459,967	and the Borrowings from Government of	4,240,261
1,349,834	was the Authority's Net Property at the end of the year	1,539,232

3. TECHNICAL SERVICES

A GENERAL

The Authority is following closely the continuously increasing demand for its services and is planning its activities with a view to meeting to the greatest possible extent the demand for telecommunication facilities, which tends to overrun the supply.

With the completion of a number of major development projects in hand, it is expected that, the Authority, by the end of 1971, will be in a position to satisfy to a much greater extent the demand for all telecommunication services.

B. PLANNING AND DEVELOPMENT

I. National Communications Network.

As stated in the 1969 Annual Report, the Authority had planned to provide high grade trunk circuits between Zone Centres and to increase the junction circuits between the dependent exchanges and their respective Zone Centres.

In view of the projected increase in the number of Exchange lines all over the island, plans have been completed for the provision of additional trunk circuits as follows:-

	Existing Channels 1.1.70	Installed 1970-71	To be installed 1972	Total 1972
Between Zone Centres	158	540 (158 withdrawn and or redeployed)	288	*828
Between Zone Centres and Dependent Exchanges	137	225 (137 withdrawn and or redeployed)	58	283

II. Telephone Exchanges

Plans have been prepared for the increase in capacity of existing telephone exchanges as shown on the table below:-

*Including 120 Nicosia-Kili.

Name of Exchange	Existing as at 1.1.70	Under installation and scheduled for completion in 1971	Total 1971	Ordered in 1971 for delivery in 1972	Remarks
Nicosia	14.900	9.500	24.400	3.000	Note 1
Limassol	5.800	1.500	7.000	7.000	Note 2
Famagusta	6.000	—	6.000	3.000	
Larnaca	1.625	775	2.400	2.000	Note 3
Paphos	600	1.400	1.400	—	Note 3
Morphou	550	1.400	1.400	—	Note 4
Kyrenia	590	1.400	1.400	—	Note 5
Total	30.065	+ 15.975	13.935 = 44.000	+ 15.000 = 59.000	
Withdrawals as per notes		— 2.040			

NOTES:-

1. Includes Pallouriotissa and Acropolis Satellite Exchanges.
2. Limassol Satellite will be dismantled and 3000 lines will be transferred to Acropolis Satellite, Nicosia 300 Uniselecter lines installed temporarily at Limassol will be withdrawn.
3. Paphos 600 lines will be transferred to Larnaca.
4. Morphou Rural Exchange will be dismantled and 550 lines will be used to increase other Rural Exchanges.
5. Kyrenia 590 lines will be transferred to Platres.

III. Rural Exchanges.

The plans for the increase and re-arrangement of several Rural Exchanges were finalised. On completion of the relevant work a definite improvement of the facilities offered to the public will materialise.

IV. Line Plant Development.

(a) Urban Development

Plans have been prepared to expand further the underground and overhead network in all main towns to meet the demand for telephone installations.

(b) Rural Development

The completed plans mainly call for:-

- (i) The installation of telephone call offices at Mathikoloni and Kapilio villages.

- (ii) Direct connection of subscribers of Pera-Pedhi and Troodos Rural Exchanges on Platres Exchange, of Lefkara on Skarinou and of Paralimni on Famagusta.
- (iii) Expansion of the local distribution at Dhali, Athienou, Yialousa and Lapithos.
- (iv) As a result of the prevailing situation after the 1963 disturbances, the call offices of seventy (70) villages i.e., 35 Greek, 4 mixed and 31 Turkish, were disconnected, because the Telephone Centres on which they were connected were in Turkish villages or the telephone lines were passing through or near Turkish villages.

On the recommendation of and with the financial assistance of the Government, the Authority decided to reconnect, by rerouting, in 1971-1972, the call offices of the Greek and mixed villages at a considerable cost.

Regarding the call offices of the 31 Turkish villages, these will be reconnected as soon as it is possible for the Authority's employees to work in and/or near the respective villages and the inhabitants of the villages themselves are prepared to guarantee the safety of the telephone equipment and installations.

V. Telex Service

Plans were finalised for the introduction of a fully automatic (out-going) service for overseas calls, estimated to be completed in 1973. At present the system is semi-automatic for overseas calls and fully automatic for local calls.

VI. International Telephone Subscriber's Dialling (I.S.D.)

Preliminary plans were prepared for the introduction of International Telephone Subscriber's Dialling facilities with certain countries by the installation of an International Telephone Exchange at Nicosia. It is expected to have this Exchange installed, tested and commissioned by 1973-1974.

VII. Submarine Cable Schemes.

Discussions were in progress with the Greek and Lebanese Telecommunication Administrations for laying of coaxial submarine cable links between Cyprus-Greece and Cyprus-Lebanon, in order to provide sufficient high grade circuits with the abovementioned countries and beyond, for traffic covering the foreseeable future.

C. CONSTRUCTION

The policy of entrusting to outside contractors the execution of various works which require limited technical skills, such as the digging of holes for the erection of telephone poles, excavations for laying cables and the construction of manholes, continued.

All other work involving construction was carried out by the Authority's own construction services.

The various projects executed during the year are as follows:-

I. Telephone Exchanges

(a) *Limassol Main Exchange*

An extension of 800 lines was completed.

(b) *Limassol Satellite Exchange*

An extension of 600 lines was completed.

(c) *Pallouriotissa Satellite Exchange Nicosia*

An extension of 1500 lines was completed

(d) *Acropolis Satellite Exchange Nicosia.*

An extension of 600 lines was completed.

(e) *Crossbar Exchange Equipment.*

Seventy five per cent of the following new Crossbar Exchanges was completed during the year.

Nicosia — 6000 lines initial capacity

Kyrenia — 1400 lines initial capacity

Morphou — 1400 lines initial capacity

Paphos — 1400 lines initial capacity

(f) *S.T.D. Equipment*

The installation of subscribers trunk dialling equipment for the National Network commenced at Nicosia, Limassol, Famagusta Kyrenia, Morphou and Paphos Exchanges and by the end of the year under review, an average of about 50% was completed.

(g) *Subscriber's Private Exchanges.*

During the year under review 100 Private Automatic Branch Exchanges were installed at various business establishments all over the island.

The table below gives a comparative figure of growth of the various exchanges for 1968, 1969, and 1970.

Type of Equipment	1968		1969		1970	
	No.	Capacity	No.	Capacity	No.	Capacity
Towns Main Auto Telephone Exchanges	6	22,015	6	22,015	6	22,815
Towns Satellite Exchanges	3	4,600	3	4,600	3	7,300
Rural Exchanges	44	3,585	41	3,585	41	3,585
Mobile Exchanges	1	100	1	100	1	100
Total Capacity		30,300		30,300		33,800
Private Auto Exchange	53	3,706	66	3,852	76	4,102
Private Manual Exchanges	802	11,392	905	12,307	958	13,086

II. Telex Installations

Until the end of 1969, a hundred and fifty six (156) Telex units were in operation. During the year under review, sixty seven additional units were installed, bringing the total number to 223. At the end of 1970, ninety nine applications for telex service were outstanding.

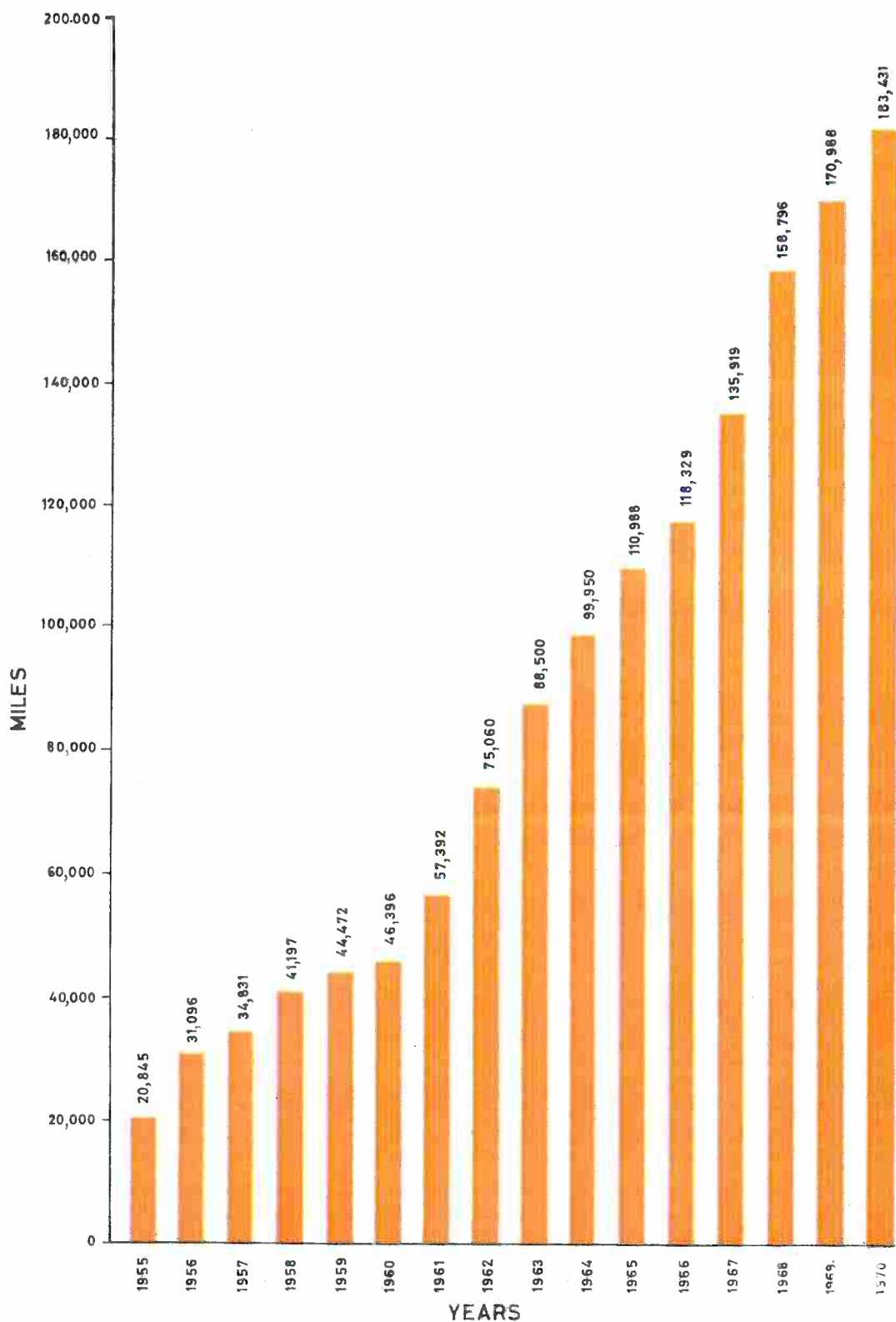
III. Line Plant.

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

Underground Line Distribution.

Item	Unit	1968	1969	1970
Manholes Constructed	No.	113	97	130
Duct Lines Laid	Miles	41.06	38.64	54.09
Cables Laid/Drawn	"	85.76	58.91	68.17
Above Cables in Single Wire	"	22,877	12,192	12,443

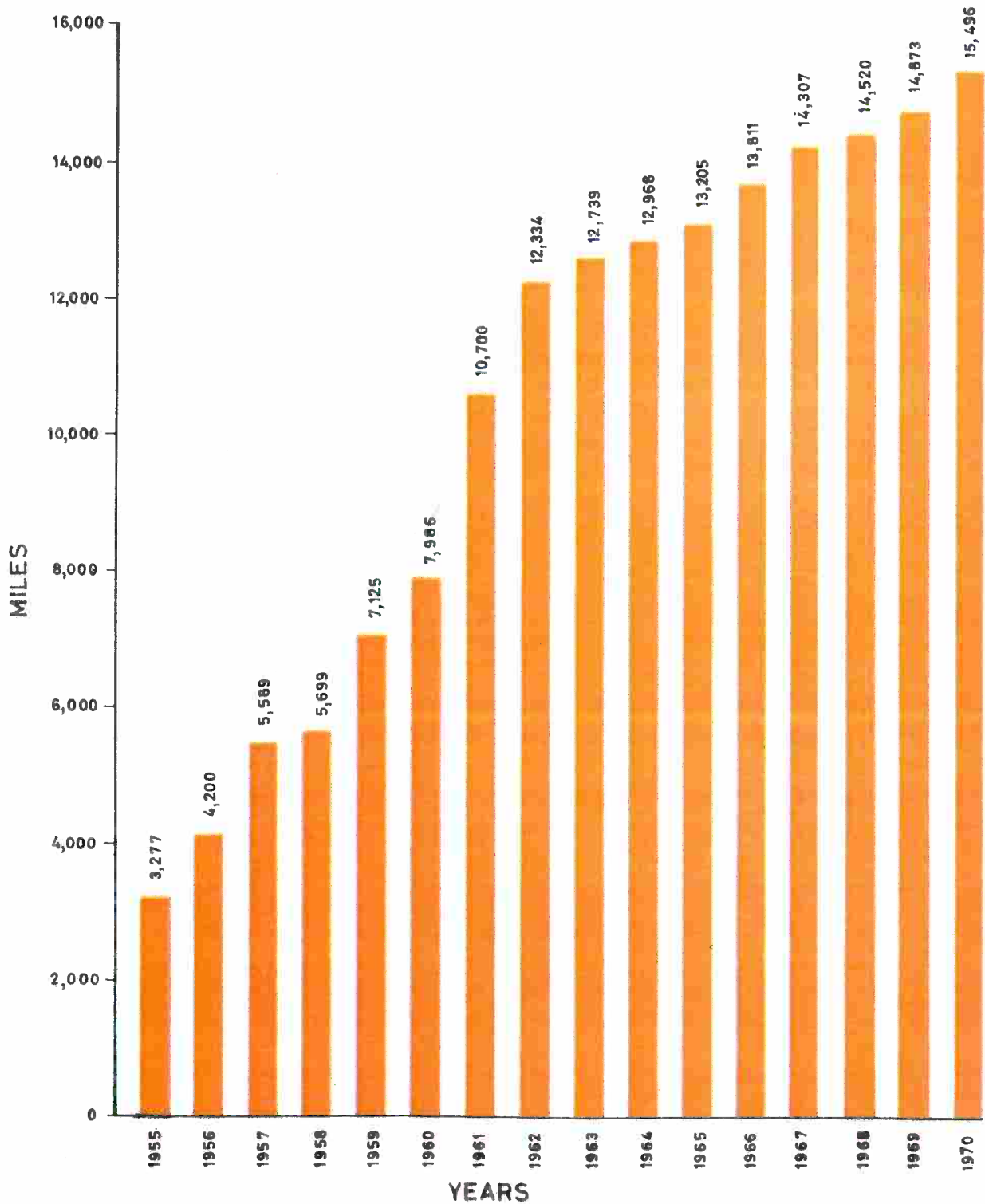
GRAPH 'A'. UNDERGROUND CABLES SINGLE WIRE LAID



Overhead Line Distribution.

Item	Unit	1968	1969	1970
Pole Routes installed	Miles	17	24	87
Single Wire installed	"	213	353	623
Pole Routes O/Hauled	"	268	491	125
Single Wire O/Hauled	"	4288	7140	2124

GRAPH "B" OVERHEAD SINGLE WIRE MILEAGE INSTALLED



IV. Communal Call Offices

The undermentioned nine villages were connected onto the telephone network during the year, bringing the total number of villages with Communal Call Offices to 482.

Nicosia District	Limassol District	Paphos District	Kyrenia District
Ay. Irini (Skarinou)	Paleomylos	Miliou	Larnaca tis Lapithou
Neon Livadhi	Phinikaria		
	Palodhia		
	Ay. Georghios		
	Sykopetra		
Total Number of Villages ..	..	..	630
Villages connected on the system ..	..	..	482
Remaining villages to be connected by 1976 ..	..	..	148

Subscriber's Telephone Installations.

It is expected that the Waiting List which has increased considerably over the last two years, will be substantially met and demands by new applicants satisfied to a greater extent with the increase in capacity of the telephone exchanges and the expansion of the line plant distribution.

During the year, 3610 direct exchange lines were installed against 1212 which were withdrawn.

The demand for telephone service is reflected in the following comparative figures for the past three years.

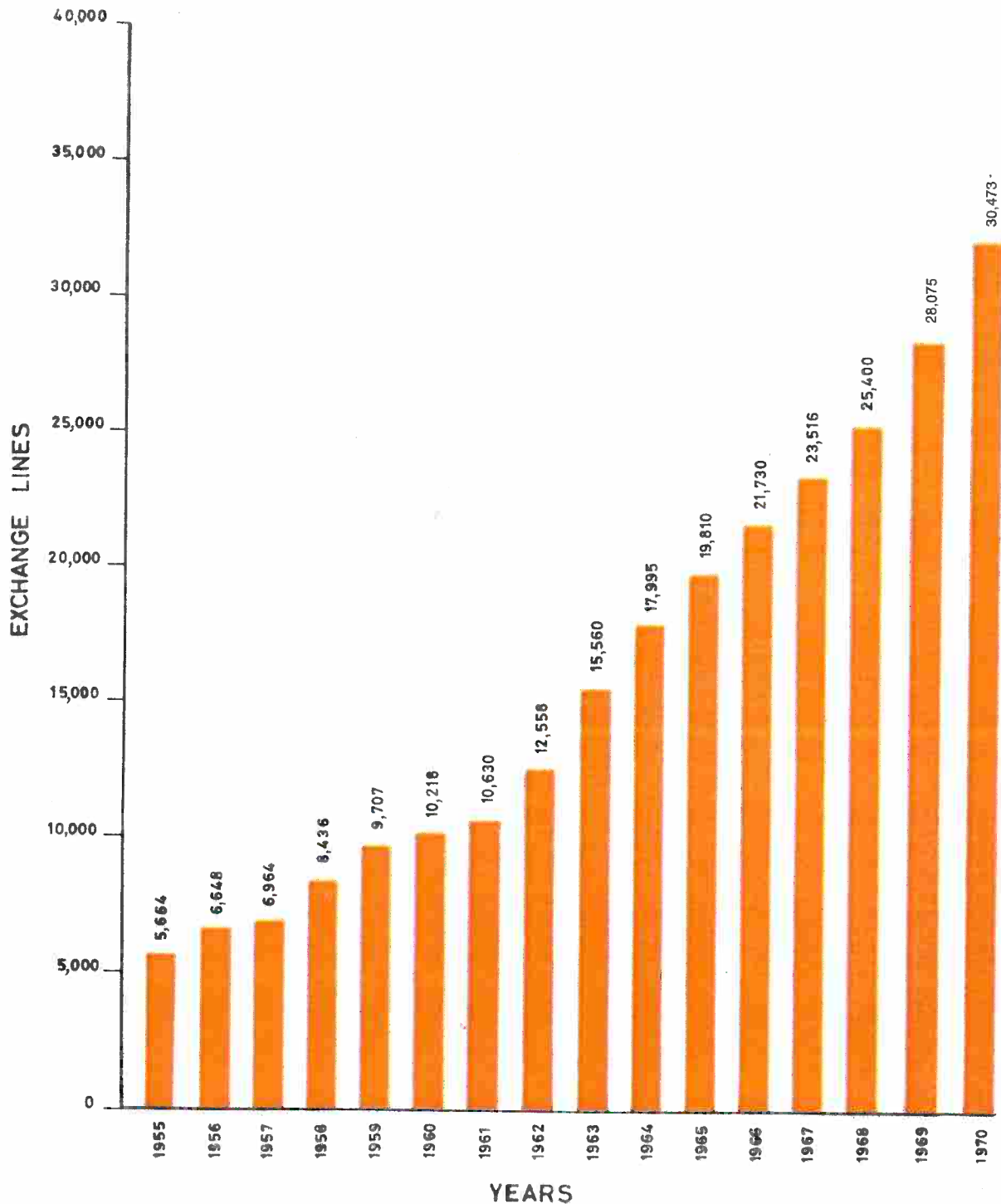
	1968	1969	1970
(a) Outstanding applications for the provision of telephone service as at the end of the previous year	2408	2902	4156
(b) New applications received during the year	4644	5406	5658
(c) Direct Exchange Lines installed during the year	3154	4029	3610
(d) Less withdrawals	1268	1356	1212
	1886	2673	2398
(e) Applications cancelled during the year	389	383	304
Balance of the Waiting List as at the end of the year.	2902	4156	5689

In addition to the above the Authority continued its commitments

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 and seventy telephone instruments were installed in the form of extensions on Subscribers Exchanges, Switchboards and parallel telephones.

GRAPH "C" GROWTH OF DIRECT EXCHANGE LINES



VI. Radio & Transmission Installations.

(a) *Automatic Message Switching Centre*

The computer for the Automatic Message Switching Centre, which was installed in 1969, was commissioned as follows:-

Phase I International Civil Aviation Organisation (I.C.A.O.)
12th May, 1970.

Phase II Public Telegraph System (C.C.I.T.T.) 1st June, 1970

(b) *National Network Links.*

The installation of transmission and radio equipment commenced in the Zone Centres of Nicosia, Kyrenia, Famagusta, Larnaca, Limassol and Paphos and also at the Repeater Stations of Yiaila, Pissouri and the Tropo Station of Kili.

In addition Tower and Dishes were erected or re-arranged at Nicosia, Larnaca, Famagusta, Kyrenia and Limassol and the Repeater Stations of Yiaila, Madhari, Pissouri and Kili.

By the end of the year an average of about 50 % of the above mentioned works was completed, and the remaining is expected to be installed by the middle of 1971. The links under reference are intended for the S.T.D., which will be introduced within 1971.

VII. Buildings

(a) *High Frequency (H.F.) Transmitting Station*

Building work for the new High Frequency (H.F.) Transmitting Station at the ex-RAF Station "Heracles"—4 miles on the old Famagusta Road—commenced in January and was completed in October. This will house all High Frequency (H.F.) services, the installation of which is progressing satisfactorily.

(b) *Kyrenia and Morphou.*

At Kyrenia and Morphou, extensions to the old buildings were completed. These extensions will house the Subscribers Trunk Dialling (S.T.D.) Exchange and Transmission Equipment.

(c) *Limassol Satellite.*

Extensions were completed to the building for accommodating additional exchange equipment.

(d) *Rural Exchange Buildings.*

The undermentioned five new Rural Exchange buildings were

completed as part of the Authority's programme, for the provision of telephone service to rural areas:-

Athienou	—	Nicosia Zone
Lyssi	—	Famagusta Zone
Yialousa	—	Famagusta Zone
Skarinou	—	Larnaca Zone
Xeros	—	Morphou Zone

(e) *Madhari Repeater Station.*

Extensive building modifications and additions were made to the Madhari Repeater Station for accommodating the new equipment for the National Network.

(f) *New Buildings at Nicosia & Paphos.*

During the year under review new buildings at Nicosia (adjacent to Electra House) and at Paphos (Offices and Exchange) were erected.

D. MAINTENANCE.

I. Routine & Preventive Maintenance.

(a) *General Maintenance.*

The rendering of a prompt and efficient service to subscribers entails systematic routine maintenance of the Authority's general plant and installations. During the year under review, every effort was made for the restoration of faults, breakdowns and malicious damages, with the minimum possible delay.

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

Town Subscribers = 0.8 faults per circuit per year.

Rural Subscribers = 2 faults per circuit per year.

Rural Call Offices = 11 faults per circuit per year.

It is expected that the quality of service rendered to subscribers will be considerably improved with the introduction of new exchanges and the expansion of line plant distribution.

(b) *Preventive Maintenance.*

The whole plant was routine tested during the year and defects or weaknesses were located thus ensuring the smooth and efficient operation of the telecommunications system.

II. Workshops

The Authority maintained a small workshop gang, which attended to repairs of certain equipment and woodwork within the Authority.

III. Transport.

The Authority maintained its own mobile fleet which this year consisted of 112 vehicles (1969:103) allocated to the various sections for providing transport facilities to all services.

Statistical information regarding mileage covered and cost are quoted herebelow:-

	1969	1970
Miles run	919.336	937.475
Petrol consumption	47.659 gls	50.163 gls
Oil consumption	3.292 gls	3.543 gls
Average cost per mile	32 mils	33.67 mils

E. GENERAL TELECOMMUNICATIONS FACILITIES.

I. Broadcast.

Broadcasting facilities both local and overseas, were made available, to Broadcasting Organizations. Broadcasts included Church Services, Theatrical performances, football matches and events of interest.

The increase of overseas broadcasts was notable, in comparison with local broadcasts, which have shown a slight decrease.

	1968	1969	1970
Outside broadcasts (local)	137	161	158
Outside broadcasts (overseas)	32	21	40

II. Overseas Voicecasts.

Transmission of correspondents' news reports, football match commentaries and music programmes between the British Forces Broadcasting Services (B.F.B.S.) Dhekelia and the B.B.C. London, constituted the majority of voicecasts conducted.

Comparison of voicecasts effected during the past 3 years are as follows:-

	1968	1969	1970
Number of voicecasts	97	89	133
Number of Minutes	2249	3194	4262

III. Ship to Shore Radio Services.

The operation of these services was satisfactory and some increase in traffic was recorded.

New equipment for further improvement of the service is expected to be put into use in the middle of 1971 when the Authority's new High

Frequency (H.F.) Transmitting Station will commence operation.

Comparative figures for 1968, 1969 and 1970 are as follows:-

Telephony	1968	1969	1970
(a) Calls	1044	2637	2815
(b) Minutes	3955	10188	10154

Telegraphy

(a) Telegrams	3821	4564	4578
(b) Words	56994	70491	71535

IV. Fascimile (Radio Pictures).

The service operated satisfactorily and the following table shows comparative figures of pictures handled over the last 3 years:-

	1968	1969	1970
Received	64	73	52
Forwarded	59	43	158

V. Automatic Message Switching Centre.

The most important event during the year was the introduction of the computerised Automatic Message Switching Centre which was put into operation in May, 1970.

The System provides automatic relaying of telegraph messages in the island and overseas public telegraph network as well as traffic exchanged between civil airports in Europe and the Middle East, in the Aeronautical Fixed Telecommunications Network. The average number of messages at present handled by the Centre per day amounts to 10.000.

Telegrams originating in any town in Cyprus are automatically relayed to their destination, either within Cyprus or to any country abroad.

At present there are 21 duplex channels connected to the Automatic Message Switching Centre (AMSC) of which 9 are used on the Civil Aviation Network.

The following Overseas countries are connected to the Centre:-

United Kingdom
Greece
Turkey
Lebanon
Israel
Sweden
Canada.

VI. Civil Aviation.

With the exception of the Control Tower facilities, all telecommunication services are operated by the Authority on behalf of the Ministry of Communications & Works, Department of Civil Aviation, on the procedures and recommendations laid down by the International Civil Aviation Organization (I.C.A.O.).

These comprise radiotelephone communication with aircraft in flight within the Cyprus Flight Information Region and countries shown below:-

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

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

Air Navigational Aids are also provided for use by Civil Aircraft in the form of one VHF Omni Range System (VOR) and Distance Measuring Equipment (D.M.E.) and four Non-Directional Radio Beacons located in the Nicosia, Myrtou and Dhekelia areas.

The introduction of the Automatic Message Switching Centre, in May 1970, has placed Cyprus ahead of many countries in the Eastern part of Europe and the Middle East in the field of telegraph communication in the Aeronautical Fixed Telecommunications Network. As a result the service was greatly improved, the transfer of messages was speeded up and, in general, traffic handled during the year had considerably increased, as may be seen from the following figures:-

1968	22,002.510	groups transmitted and received
1969	28,918.330	" " " "
1970	38,866.060	" " " "

All the above traffic was handled over Radio Teletype circuits. In general, the introduction of the fully Automatic Message Switching Centre has further improved the efficiency of Civil Aeronautical Telecommunications in the European-Mediterranean and Middle-East Regions and has enabled Cyprus, as the Relay Centre of the area, to assume its full responsibilities under the Aeronautical Fixed Telecommunications Network plan of the International Civil Aviation Organization.

4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES.

I. GENERAL

The operating services are the expression of the Authority's efforts to give prompt and efficient telecommunication service to the public at large and it is gratifying to report that the telephone, telegraph and telex services rendered were of the highest level under conditions of an unprecedentedly high demand.

II. TELEPHONE OPERATING

Both local and trunk calls increased substantially as shown by the following comparative table.

a. Local Calls

	1968	1969	1970
	36,489,000	43,309,122	47,533,145
(2 million calls were lost because of the Strike in November 1968)			

b. Trunk Calls

	1968	1969	1970
	3,560,000	4,000,000	4,178,000

c. Overseas Radiotelephone Service

Although the number of channels and the hours of operation remained as per last year, there was a remarkable increase in the traffic handled during 1970, especially in the case of Greece and the United Kingdom.

In its effort to improve the quality of the speech circuits with London, the Authority placed an order for Lincompex Equipment, which is expected to be put into operation early in 1971.

Comparative details on traffic effected with other countries appear on the following chart.

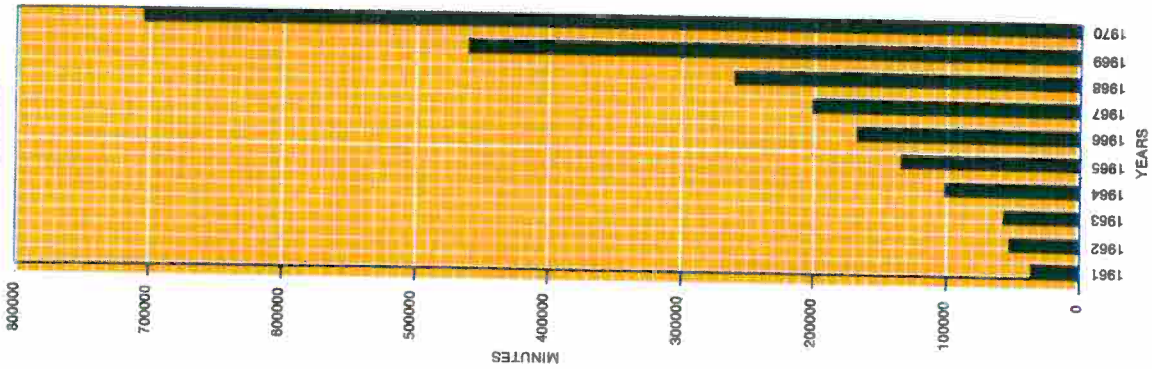
Country	Number of Channels			Hours of operation per week			Traffic Figures in minutes		
	1968	1969	1970	1968	1969	1970	1968	1969	1970
Greece	8	8	8	1344	1344	1344	273000	444127	680986
U.K.	4	5	5	291	474	474	167857	212923	257819
Lebanon	2	3	3	336	504	504	95458	134978	142783
Israel	2	2	2	336	336	336	41870	73655	78844
Turkey	1	1	1	12	12	12	9750	11410	18930
U.A.R.	1	1	1	6	6	6	1631	2012	2213
Syria	1	1	1	6	6	6	1554	1761	1693

Radiotelephone Service.

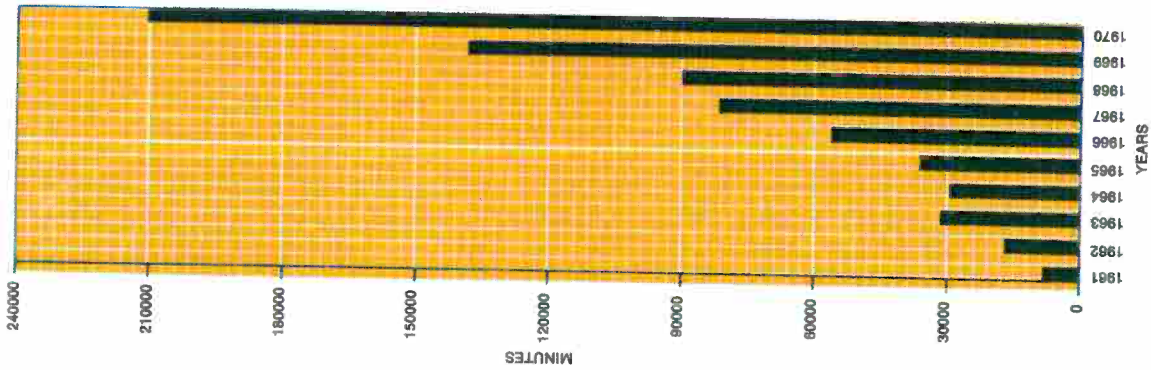
As a result of several improvements carried out during the last decade, overseas telephone traffic shows a marked increase as indicated on the following graphs.

RADIOTELEPHONE TRAFFIC (MAIN STREAMS)

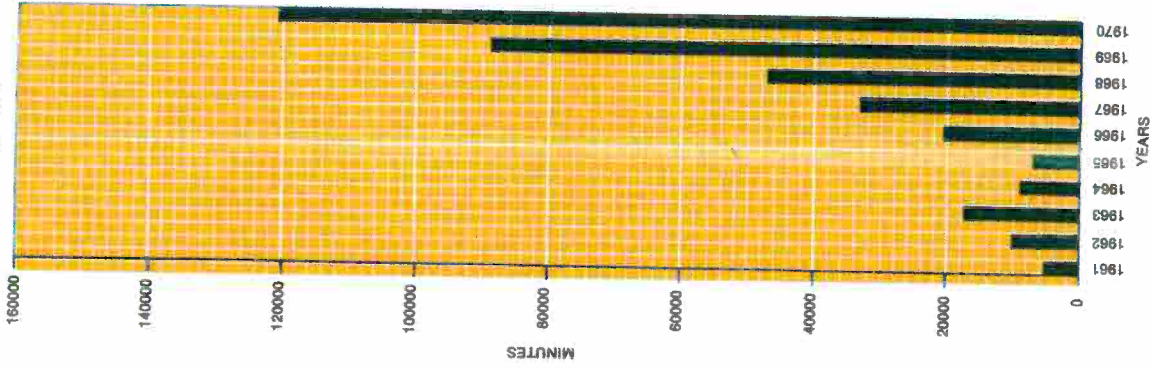
GREECE



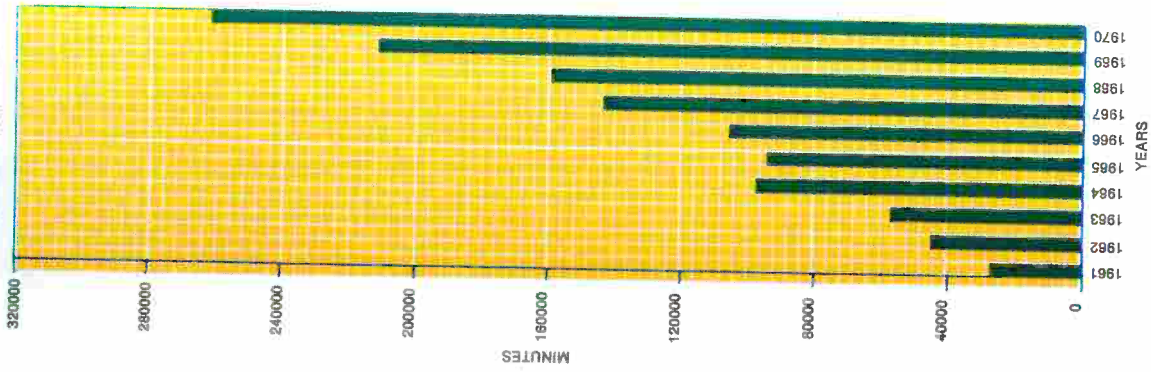
LEBANON



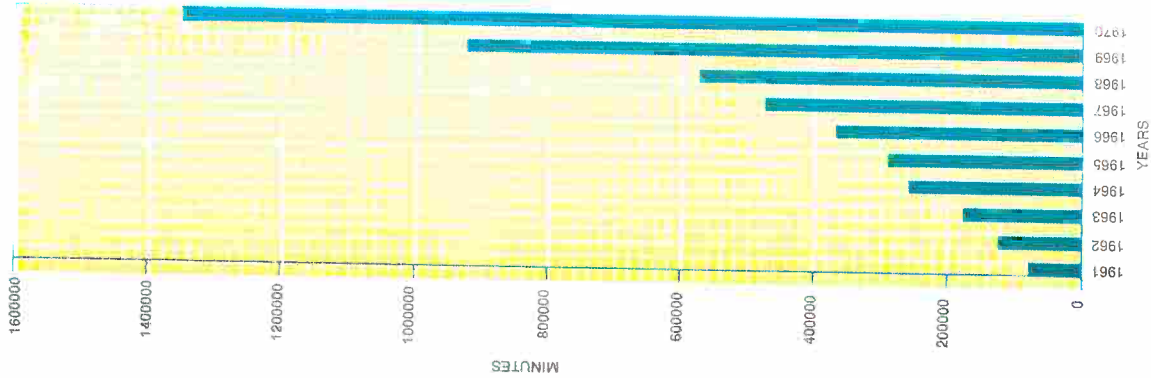
ISRAEL



UNITED KINGDOM



GRAND TOTAL



d. Telephone Directory — Enquiries Service

There is a substantial and constant increase in the number of telephones installed and entries appearing in the Telephone Directory and the Authority is contemplating the introduction of a computerized system for the purpose of issuing annually and distributing to the public a complete and up to date directory, with both alphabetical and classified business sections.

Furthermore, with the introduction of the Subscribers Trunk Dialling the enquiries positions in the telephone exchanges will be increased so as to render immediate service to the public, which is most essential under the new system.

e. Annoying Telephone Calls

148 complaints for annoying telephone calls were received out of which 34 detected and necessary actions taken against the offenders

III. TELEX

The telex service has been in operation since January 1969 and the traffic during the year under review has shown an overall increase of nearly 50% over that of 1969 with a continuous upward trend.

Statistical information regarding channels and traffic for 1969 and 1970 is shown below:-

1. CHANNELS

	Outgoing		Incoming		Both Ways	
	1969	1970	1969	1970	1969	1970
U.K.	2	3	2	2	—	1
GREECE	2	2	2	2	1	1
ITALY	1	1	—	—	1	1
SWEDEN	—	—	—	—	1	1
LEBANON	1	2	1	2	—	—
ISRAEL	1	1	1	1	—	—

2. TRAFFIC

	Year	Calls	Minutes
i. Outgoing	1969	41479	215510
	1970	62104	321685
ii. Incoming (Including terminal transit by estimation due to automation).	1969	41026	—
	1970	54518	—
iii. Local	1969	354673	—
	1970	543013	—

VI. TELEGRAPH OPERATING

General

As mentioned in Section E(V) of this Report, the Automatic Message Switching Centre was put into operation as from May, 1970 and under this system telegrams originating in any town in Cyprus are automatically relayed to their destination, either within Cyprus or to any other country. Incoming telegraph traffic is similarly treated, i.e. it is automatically received and distributed to the telegraph office it is addressed to.

Telegraph traffic has been normal throughout the year, despite the expansion of the Telex Service.

Apart from the Resident Newspaper Correspondents, there were occasional arrivals of Foreign Correspondents, but filing of Press traffic, in general, has been low, due to the prevailing normal conditions in the island.

Comparative statistical information on telegraph work appears herebelow:-

Number of Inland Telegrams forwarded:					1968	1969	1970
January	..	..	..	..	5204	6993	7805
February	..	..	..	..	3468	5119	4302
March	..	..	..	..	4299	3271	5797
April	..	..	..	..	4713	7260	4553
May	..	..	..	..	6548	6239	8131
June	..	..	..	..	5580	6741	7993
July	..	..	..	..	4136	7769	10774
August	..	..	..	..	3410	4711	5150
September	..	..	..	..	6065	6584	7929
October	..	..	..	..	5469	6237	8018
November	..	..	..	..	3037	7714	8698
December	..	..	..	..	5785	9206	8272
					57714	77844	87422

An increase of 12.30% has been observed in 1970.

Number of Overseas Telegrams forwarded (Including Cyprus radio).					1968	1969	1970
January	..	..	..	..	13396	11604	11453
February	..	..	..	..	11907	11226	10216
March	..	..	..	..	12434	12506	11871
April	..	..	..	..	13178	12816	11569
May	..	..	..	..	14194	12474	12127
June	..	..	..	..	12295	11554	10787
July	..	..	..	..	11957	12696	11941
August	..	..	..	..	12986	11933	11910
September	..	..	..	..	13328	13077	13152
October	..	..	..	..	14048	12758	12406
November	..	..	..	..	7364	11188	11550
December	..	..	..	..	12809	13347	13474
					149896	147179	142456

A decrease of 3.21% has been observed in 1970.

Number of Phototelegrams forwarded:					1968	1969	1970
January	..	..	..	..	11	—	—
February	..	..	..	..	11	1	3
March	..	..	..	..	3	—	33
April	..	..	..	..	7	14	5
May	..	..	..	..	10	3	4
June	..	..	..	..	8	1	3
July	..	..	..	..	—	3	2
August	..	..	..	..	3	12	3
September	..	..	..	..	1	5	96
October	..	..	..	..	—	1	2
November	..	..	..	..	1	—	6
December	..	..	..	..	4	3	1
					59	43	158

An increase of 267.44% has been observed in 1970.

5. ADMINISTRATION AND STAFF

I. TRADE UNIONS — STAFF RELATIONS AND JOINT

COMMITTEES

During the year under review the undermentioned labour disputes were reported to the Ministry of Labour and Social Insurance.

a. Filling of the post of Chief Engineer.

The dispute was finally referred to an arbitrator, whose decision was accepted by both parties.

b. Schemes of Service of Assistant Engineers & Engineers.

c. Creation of additional posts for Foremen.

d. Installation/Maintenance of PABXs, PBXs, Block Wiring and Telex Units by Third Parties.

The mediation and conciliation endeavours of the Ministry of Labour and Social Insurance were still continuing by the end of the year.

Except for the disputes mentioned above, satisfactory labour relations were maintained and the industrial peace thus secured coupled with the close co-operation of Management and Staff, resulted in a better and more efficient service to the public.

Furthermore, the implementation of improved methods, the re-organization of some services, the continuous training and the increased productivity of staff, resulted in a reduction of the total number of personnel by 60 as compared with the year 1968, despite the increase of the Authority's activities.

It is expected that a new collective agreement for a specified period will be signed by the end of 1971, so that in an atmosphere of industrial peace and co-operation, the Authority may meet to the highest possible extent the ever increasing demand for the provision of telecommunication services to the public.

II. JOINT CONSULTATION

The close and prompt attention of the Authority to all staff problems, and the staff co-operation to this effect resulted in the functioning of Joint Management/Staff Committees most satisfactorily as hereunder:—

1. Staff Safety and Welfare

a) *Safety*

The Safety Committee continued its efforts during the year towards the elimination of accidents and to this effect the following action was taken.

- I. The "Safety Note Boards" were properly maintained by the exhibition of illustrated posters for the prevention of accidents.
- II. The first aid boxes provided by the Authority were properly maintained with prescribed contents.
- III. The "Safety rules and regulations" of the Authority were brought up to date and re-issued in a booklet for the guidance of all employees.
- IV. All accidents reported during the year were promptly investigated and every effort was made for their reduction to the minimum.
- V. A general review of the fire precautions in all the Authority's Buildings is in progress and a safety programme was considered, providing inter alia, the organization of Regular First Aid Classes to staff.

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

	1969	1970
Accidents which did not necessitate sick-leave	14	15
Accidents which necessitated 1-3 days sick-leave	13	15
Accidents which necessitated 4-30 days sick-leave	29(7)*	22(3)*
Accidents which necessitated over 30 days sick-leave	6(5)*	3(2)*
	<hr/> 62	<hr/> 55

* Two out of the three major accidents (5 out of the 6 in 1969) which necessitated sick leave over 30 days and three out of the twenty two (7 out of the 29 in 1969) 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.

b. *Welfare*

- I. As stated in the previous reports, the Welfare Fund is financed by the Authority and by contributions from employees on a voluntary basis. The whole income of the Fund, for a number of years was put aside for the purpose of organising major welfare projects of interest to all employees.

II. The Committee of Management of the Fund was actively working during the year (due to the failure of the previous arrangements made for securing a camp-site) towards the achievement of the Major Welfare Project, i.e. the organization of a rest camp for the employees and their families, and finally in this respect a suitable camp-site by the sea was secured.

III. Christmas Parties and Children Parties were organised for all employees and their children respectively in all Offices and Branches of the Authority. All expenses incurred were paid by the Authority.

It is expected that the progressive policy adopted by the Safety and Welfare Committee and the appointment of a Safety and Welfare Officer, will give effect to the mutual desire of the Authority and the Unions to promote to a great degree the safety and welfare of the 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 1970 Establishment resulted in the following promotions and confirmations.

	1970	1969
Promotions and Confirmations	64	10
Transfers of TMP to Permanent Staff	66	115
Transfers of W.P. to Permanent Staff	1	7
Promotion of Hourly Paid to Permanent Staff	—	40
Promotion of Hourly Paid to Temporary Monthly Paid Staff	—	207
Promotion of Hourly Paid to W.P. Staff	—	134
Various transfers to other scales	5	23

Comparison of staff strength for the year 1969-1970

		Number of Employees	
		1970	1969
Administration and Accounts		277	279
Engineering		1010	1029
Telegraph Operating		138	138
Telephone Operating		292	287
		<hr/>	<hr/>
	Total	1717	1733
		<hr/>	<hr/>
Monthly Paid		1431	1443
Weekly Paid		286	290
		<hr/>	<hr/>
		1717	1733
		<hr/>	<hr/>
Less			
Turkish employees not attending to duty			
(Out of 287 Turks only 22 attended to duty)		265	269
		<hr/>	<hr/>
Actual number of staff		1452	1464
Employees in National Guard (The actual number of employees in National Guard in 1970 is 2 but both of them are working with CY.T.A. after special arrangements.			
		—	4
		<hr/>	<hr/>
		1452	1460
		<hr/>	<hr/>
Note: (Average number of casual employees			
5 (4 in 1969) Part-time charwomen)		5	4*

IV. CONDITIONS OF EMPLOYMENT - STAFF RULES AND REGULATIONS

The compilation of all the conditions of service now in force and staff Rules and Regulations was in progress.

After their compilation as above, conditions of employment and staff Rules and Regulations will be formally agreed upon at the Major Joint Standing Committee and circulated in a booklet form to all staff.

V. PENSION AND PROVIDENT FUND

A final agreement on the Pension Fund was not as yet concluded by the end of the year.

As mentioned in the Reports of previous years, after the final agreement on the Pension Fund (the Provident Fund having already been agreed upon), both Funds will be submitted to the Government for approval, following which, the rules will be circulated to the staff, who will be required to opt to join either Fund.

VI. TRAINING

The Authority, appreciating the value of training, continued the implementation of a progressive Programme at the expense of £42,953 (£35,114 spent in 1969) for enabling the staff to acquire the skills and qualifications necessary to cope with the Authority's activities. Details of training attended are given below.

I. Training in CY.T.A.'s Training Centre

a) Storno VHF Equipment course	12 Employees
b) Familiarisation course for the Staff of Accounts and Central Stores.	18 "
c) Crossbar Exchange Systems Course	36 "
d) Microwave & Channelling Equipment (Telettra) Course	27 "
e) Crossbar Exchange Systems (Practical Course)	18 "
f) Preparatory course for admission to the High Telecom. School (OTE)	6 "
g) Course on Crossbar PABX's & DIALOG Telephone Instruments	11 "
h) Course on DIALOG Telephones	20 "
i) Course on Switchboards	20 "
j) Faultsmen Course	18 "

Total number of employees trained at CY.T.A.'s
Training Centre 186 (131 in 1969).

II. Training Abroad

- a) Four Engineers of the Authority attended a training course for 8 weeks on the Installation and Maintenance of Microwave and Channelling Equipment in Italy.
- b) Four Engineers of the Authority attended a training course for 13 weeks on the Auto-Message Switching Centre in U.K.

III. University Scholarships

- a) The two Engineers of the Authority who were awarded a 4-year Scholarship at Bath University College England in 1969, continued their studies during 1970.

- b) Four additional Engineers of the Authority were awarded a 4-year Scholarship by the Authority for acquiring the B.Sc degree in Electrical Engineering (with special subjects on Telecommunications) and proceeded to U.K.
- c) Three employees of the Authority were awarded a 3-year Scholarship at the High Telecommunications School O.T.E. Athens, to attend a course on Telecommunication Exploitation and other relevant subjects.
- d) 81 employees of the Authority attended Night Classes at the Nicosia Technical Institute for the school year 1970/1971.

IV. Payment of Tuition and Examination Fees

All employees who attend courses relative to their work and pass the prescribed examinations are refunded their tuition and examination fees.

VII. MEDICAL FUNDS — MEDICAL TREATMENT — SICK LEAVE

a) Monthly Paid Personnel

All monthly paid employees of the Authority are members of the 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 Committee of five members, the Chairman appointed by the Authority and the rest elected by the members of the Fund. The Fund is jointly financed by the Authority and the employees at the rate of 2% and 1% of each employee's basic salary respectively. During the year 1970 the sum of £25,520.674 was paid out of the Fund in benefits and the Fund's cash position as at 31st December, 1970 was £5,920.944.

b) Weekly Paid Personnel

All the regular 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 is contributed 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	
	1969	1970
Clerical Staff	2,352	2,379
Telephone Operating Staff	2,592	3,086
Telegraph Operating Staff	467	313
Technical Operating Staff	222	237
Technical Staff	1,565	1,707
Skilled Staff	1,901	2,288
Messengers and Watchmen	650	584
	<u>9,749</u>	<u>10,594</u>

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 1970 were 1,102 (1,284 in 1969).

The cost of the man-days lost (except the first day of each period of sick-leave granted to employees) are re-imbursed to the Authority by the Government Social Security Scheme and the total amount re-imbursed amounts to £1,576.000 mils.

VIII.ANNUAL LEAVE — ALL STAFF

Table showing the leave entitlement:-

	No. of working days	
	1969	1970
Balance brought forward from previous year	11,251	8,651
Leave entitlement for the year	37,746	38,064
	<u>48,997</u>	<u>46,715</u>
Total		
Less :-		
Leave granted during the year	40,346	36,716
	<u>8,651</u>	<u>9,999</u>
Balance due to employees		

IX. RETIREMENTS, RESIGNATIONS, DISMISSALS ETC.

a) Retirements

Five employees retired from the Authority's service.

b) Resignation & Deaths

Twenty six employees resigned from the Authority's service four of whom Turks from those not reporting for duty.

Four employees passed away.

c) Recruitments

- i. 16 Telephone Operators on absolutely temporary basis on a fixed term contract.
- ii. 3 Weekly Paid Charwomen/Cleaner (2 additional for Nicosia and one for substituting a resignation).
- iii. 1 Part-time Charwoman (for Kyrenia Office).

6. COMMONWEALTH TELECOMMUNICATIONS COUNCIL

The Chairman of the Authority, Mr. J. Cl. Christophides, in his capacity as the appointed Representative of the Government of Cyprus to the Commonwealth Telecommunications Council attended the Fifth and Sixth Council Meetings during the year:

At the Fifth Council Meeting held in London from 11th to 22nd May, 1970, attended by Representatives of 22 Commonwealth Countries and the British Overseas Territories, tribute was paid to the General Secretary and his Staff for their hard work and solid achievements during the year when the Bureau assumed its full responsibility as the Secretariat of the Organisation since the termination on 31st March, 1969, of the Commonwealth Telecommunications Board.

This Annual Meeting approved the Council's Budget and elected the Chairman and Vice-Chairmen of the Council for the next term:

Mr. G. A. Richards	—	Trinidad and Tobago	Chairman
Mr. D. F. Bowie	—	Canada	} Vice-Chairmen
Mr. J. Cl. Christophides	—	Cyprus	

At the Sixth Council Meeting held in Montreal from 14th to 24th September, 1970, attended by Representatives of 21 Commonwealth Countries and the British Overseas Territories the principal items discussed included Interim Accounting arrangements for First Wayleave Services transferred to Satellite on which a temporary agreement was reached in accordance with a recommendation of the Standing Committee (Planning). The subjects of Network Planning Co-ordination of Network Operations and Maintenance as well as unified accounting arrangements were also discussed.

One of the aims of Unified Accounting Arrangements, which would include the existing First and Second Wayleave Schemes as well as the new excluded Satellite services, is the optimum exploitation of Partnership facilities which would result in reduced costs and better outturns for all Partners; other facilities might be used if operating circumstances such as grade of service dictated it.

Consideration of the above subjects will be continued during the next Council Meetings in 1971, in the light of Reports to be submitted by the Committee.

7. FINANCIAL REPORT

GENERAL

The revenue surplus of £209,096 is an increase of £67,341 over that of the previous year despite the rise in labour, material and other costs; this is due mainly to the increase in the overseas telephone and Telex calls and to the successful efforts of the Authority to keep the staff strength to the minimum required.

As in every year the greater proportion of the additional expenditure is due to the staff's annual increments and promotions.

The increase in staff costs is analysed below:-

	£
Increments and allowances	44,000
Promotions	3,000
Overtime	21,000
COLA	28,000
Contributions on Emoluments	12,000
Decrease in Staff (Retired, National Guard, leave without pay etc.)	—17,000
Total Increase (Statement 7)	£91,000

The following comparative table shows the cost per employee in the last five years:-

1966	1967	1968	1969	1970
£566	£688	£815	£992	£1,060

The operating revenue, however, per employee shows an increase at £1,577 in the year as against £1,400 in 1969.

DEVELOPMENT

The Island's expanding economy with the consequent rise in the standard of living calls for more telecommunication facilities both business and residential; in this respect the Authority has spent an amount of £1,536,284 during the year, most of which for the part-installation of the Automatic Subscribers Trunk Dialling equipment.

Comparison of Development Expenditure.

1966	1967	1968	1969	1970
£	£	£	£	£
371,334	881,136	806,094	687,792	1,536,284

CASH POSITION

The cash reserves of the Authority have improved towards the end of the year as a result of the proceeds from the 1970/82 Debenture Stock issue.

The cash position at 31st December, 1970, was £265,074 (£27,601 — 1969)

THE ACCOUNTS

A comparison of Revenue/Expenses 1969-1970 shows:-

Revenue	1969	1970
Telephone services	£1,380,366	£1,550,216
Telegraph services	410,558	381,253
Telex services	81,244	153,878
Other services	192,800	206,593
	<u>£2,064,968</u>	<u>£2,291,940</u>
 Expenses		
System Operational	£1,445,317	£1,525,270
Establishment	67,664	74,197
Administrative	258,316	277,145
	<u>£1,771,297</u>	<u>£1,876,612</u>
Operating Expenses	159,631	206,305
Financial & Other Expenses		
Total Expenses	<u>£1,930,928</u>	<u>£2,082,917</u>

REVENUE ACCOUNT

Income for the year from Operating amounted to	£2,291,940
which after deduction of Operating Expenses	1,876,612
resulted in an Operating Balance of	<u>£ 415,328</u>
To the Operating Revenue of	£2,291,940
there was added other Income of	73
which made a total of	<u>£2,292,013</u>
Less :	
Operating Expenses	£1,876,612
Financial & Other Expenses	206,305
	<u>£2,082,917</u>
made a total to be deducted of	
resulting in a Revenue Balance for the year of	<u>£ 209,096</u>

APPROPRIATIONS

The Revenue Balance of £209,096 has been increased by £10,302 in respect of revenue relating to prior years and the resultant balance has been appropriated as follows:-

Revenue balance for year	£209,096	
A d d : Net Revenue relating to prior years	10,302	
	<hr/>	
	£219,398	
Less : Provision for Staff Superannuation		
Back Service credits	30,000	
	<hr/>	
		£189,398
		<hr/>

The said amount of £189,398 has been added to the Revenue Balance of £1,219,530 as at 31.12.1969 thus making a total of £1,408,928 Revenue Balance as at 31.12.1970.

BALANCE SHEET

Fixed Assets

As at 1st January, 1970, the net book value of the Authority's fixed assets was £4,364,749.

Sundry capital works executed during 1970 together with other capital expenditure increased the Fixed Assets as follows:-

Gross Book value as at 1st January, 1970		£6,677,140
Capital Development during year:-		
i) Telecommunications installations	£1,352,483	
ii) Other Expenditure	183,801	
	<hr/>	
	£1,536,284	
Less Installation and Removal		
Charges Recovered	£89,526	
Disposals during year	26,148	
	<hr/>	
	115,674	
		1,420,610
		<hr/>
		£8,097,750
Accumulated depreciation 31st December, 1970		
which must be deducted		2,596,834
		<hr/>
Resulted in a Net Book value as at 31st December		
1970 of		£5,500,916
		<hr/>

Current Assets

The increase in debtors by £162,666 is due to outstanding debts for certain services the charges for which were not finally agreed upon at the end of the year.

The Stocks at £862,186 include Capital equipment (mostly for STD) for installation in 1971.

Creditors

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

	1969	1970
Suppliers	£306,174	418,590
Staff Costs Accruals	28,894	43,120
Telephone and Telex Rentals (in advance)	30,346	21,681
Accrued charges and credit balances	233,599	467,549
Creditors and Accrued Charges	£599,013	£950,940
A d d : Long-term Liabilities (Suppliers)	350,812	984,195
T o t a l	£949,825	£1,935,135

Capital Borrowings

The 7 1/2% Debenture Stock 1980/82 issued in 1970 produced £600,000 out of which £100,000 was utilised to redeem the 6% 1964/68 Debenture Stock.

During the year the Authority also obtained an advance of £300,000 at 6% p.a. from the Government for repayment in 1971 out of the proceeds of a new Debenture Stock issue.

Thus the Loans structure, at the end of the year, after repaying the instalments on the 1965/76, 1970/84 and 1969/83 Loans and the 100,000 Debentures, was:-

Government:-

Advance (Repayable in 1971)	£300,000
Loan 1973/87	2,988,000

Loan Commissioners:-

Loan 1965/76	£28,633
" 1969/83	172,319
" 1970/84	151,309

352,261

Telecommunications Stock	
7 1/2% 1980/82	600,000

Total Borrowings

£4,240,261

Interest on Borrowings

The interest of £84,037 due on capital borrowings is the accrued interest as at 31st December, 1970 for payment on due date in 1971 as per the terms of the Loan agreements and the Debenture Stock.

Contractual Commitments

The amount of £946, 500 shown in the Notes on the Accounts represents mainly the cost of equipment on order for delivery and installation in 1971.

J. CL. CHRISTOPHIDES
Chairman

A. N. STYLIANIDES
General Manager

S. A. KOKKINIDES
Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY
FINANCING OF THE YEAR'S CAPITAL REQUIREMENTS

1961-1970

(£ thousand.f)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
CAPITAL REQUIREMENTS										
Expenditure during year on Fixed Assets	655.3	592.3	405.1	246	381.1	371.3	881.1	806.1	688	1,536.3
Less: Residual Value of assets disposed	—	—	3	24.2	3.6	8.6	13.5	81.6	85	11.5
Government Loan Repayments										
	655.3	592.3	402.1	221.8	377.5	362.7	867.6	724.5	603	1,524.8
	—	—	—	—	3.2	3.3	3.4	4.6	12.1	119.7
Increase/Decrease in Working Capital										
	655.3	592.3	402.1	221.8	380.7	366	871	729.1	615.1	1,644.5
	-290.4	-302.1	-140.6	224	-98.7	155	-189.5	805.9	-202.7	466.9
Total Requirements										
	364.9	290.2	261.5	445.8	282	521	681.5	1,535	412.4	2,111.4
FINANCED FROM										
<i>Internal resources:-</i>										
Depreciation	123.2	148.2	166.2	170.1	186.9	191.3	213.9	247.8	272.5	299.1
Balance of Revenue for year	29.1	14.3	2.1	215.6	172.2	184.1	163.4	62.3	141.8	209.1
Prior Period Recoveries/Expenses	5.2	8.3	-2.1	29.7	-31.9	-15.9	19.3	168.5	28.2	-19.7
Installation Fees Recovered	24.6	27.9	27.9	31.4	26.6	25.3	34	35.5	44.9	89.5
Capital Reserves										
	182.1	198.7	194.1	446.8	353.8	384.8	430.6	514.1	487.4	578
	52.8	—	11.6	—	—	—	—	—	—	—
<i>External Borrowings:-</i>										
Government Loan	130	—	—	50	—	—	—	149.7	—	300
Debentures	—	—	—	—	—	—	—	—	—	600
Capitalised Interest (Consolidated into Loans)	—	—	—	—	—	—	—	—	—	—
Increase/Decrease in long-term creditors	—	91.5	55.8	-51	-71.8	136.2	250.9	19.6	5.5	—
	—	—	—	—	—	—	—	—	-80.5	633.4
Total Finance										
	364.9	290.2	261.5	445.8	282	521	681.5	1,535	412.4	2,111.4

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

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
NET ASSETS										
Fixed Assets less depreciation	2,064	2,480.2	2,688.1	2,708.4	2,872.4	3,018.5	3,638.2	4,079.4	4,364.7	5,500.9
Stores in Stock	313.6	432	380.1	414.4	380.2	744.9	786.3	781.5	666.5	862.2
Other net assets	230.8	-281.2	-425.7	-185	-177.7	-523.6	-1,005.5	-214.4	-221.4	-583.6
Net total Assets	2,608.4	2,631	2,642.5	2,937.8	3,074.9	3,239.8	3,419	4,646.5	4,809.8	5,779.5
RETURN										
Revenue surplus (including Prior Period Revenue/Expenses):-										
i) Before interest on borrowings	158.5	159.6	141.2	395.7	300.5	336.9	360.2	331	272	301.6
ii) After interest on borrowings	34.3	22.6	—	245.3	140.3	168.2	182.7	230.8	170	189.4
<i>Return as % on the net total assets</i>	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	6.1	6.1	5.3	13.5	9.8	10.4	10.5	7.1	5.7	5.2
ii) After interest on borrowings	1.3	.9	—	8.3	4.6	5.2	5.3	5	3.5	3.3

CYPRUS TELECOMMUNICATIONS AUTHORITY

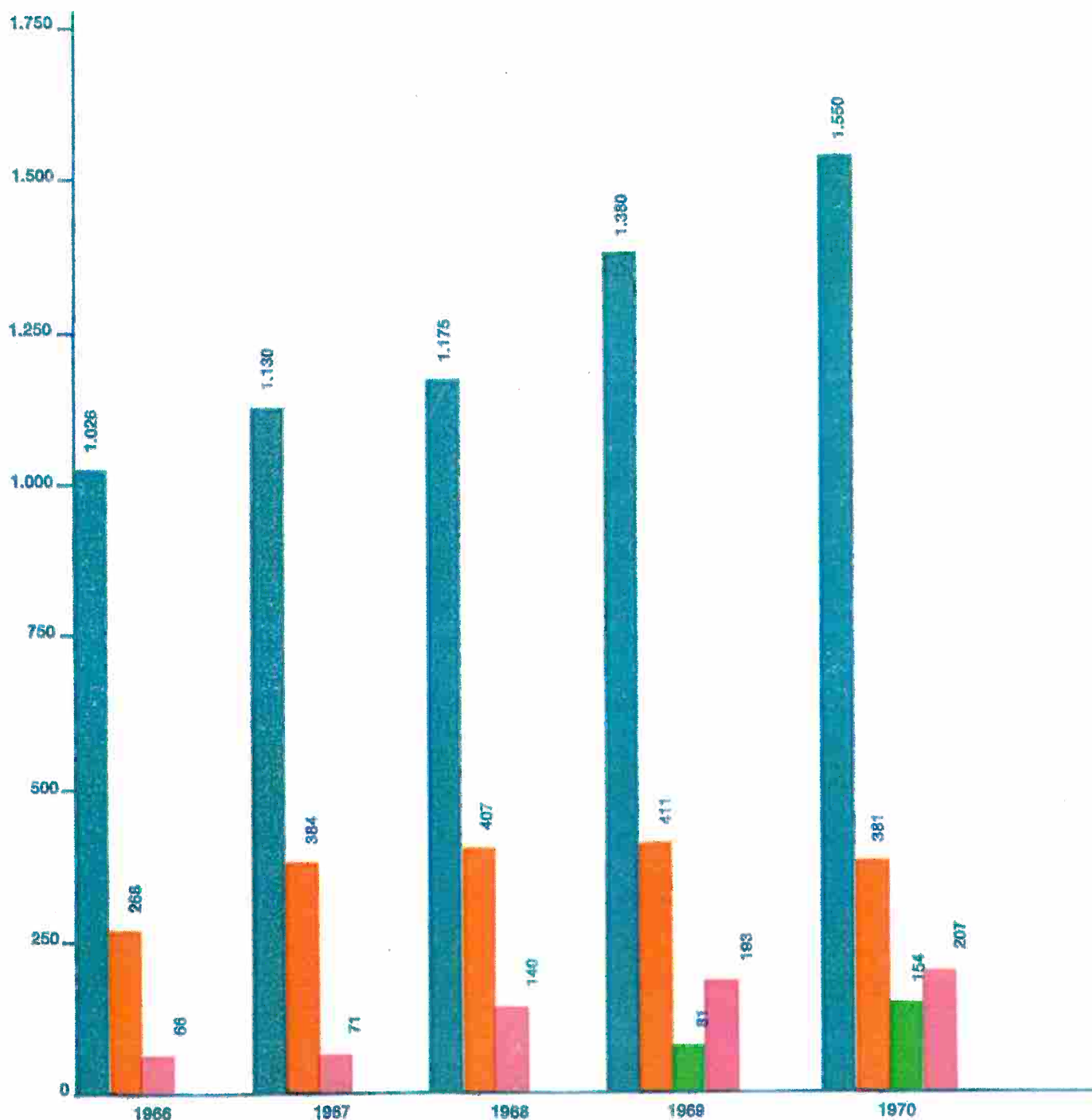
TABLE SHOWING OPERATING REVENUE 1966 - 1970

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

(£ thousand)

	I	II	IV
1961	668	127	
1962	753	168	
1963	826	196	
1964	865	365	
1965	946	279	67

TELEPHONE REVENUE
 TELEGRAPH REVENUE
 TELEX REVENUE
 OTHER REVENUE



CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING EXPENCITURE 1966 - 1970

I OPERATING EXPENDITURE

II CAPITAL EXPENDITURE

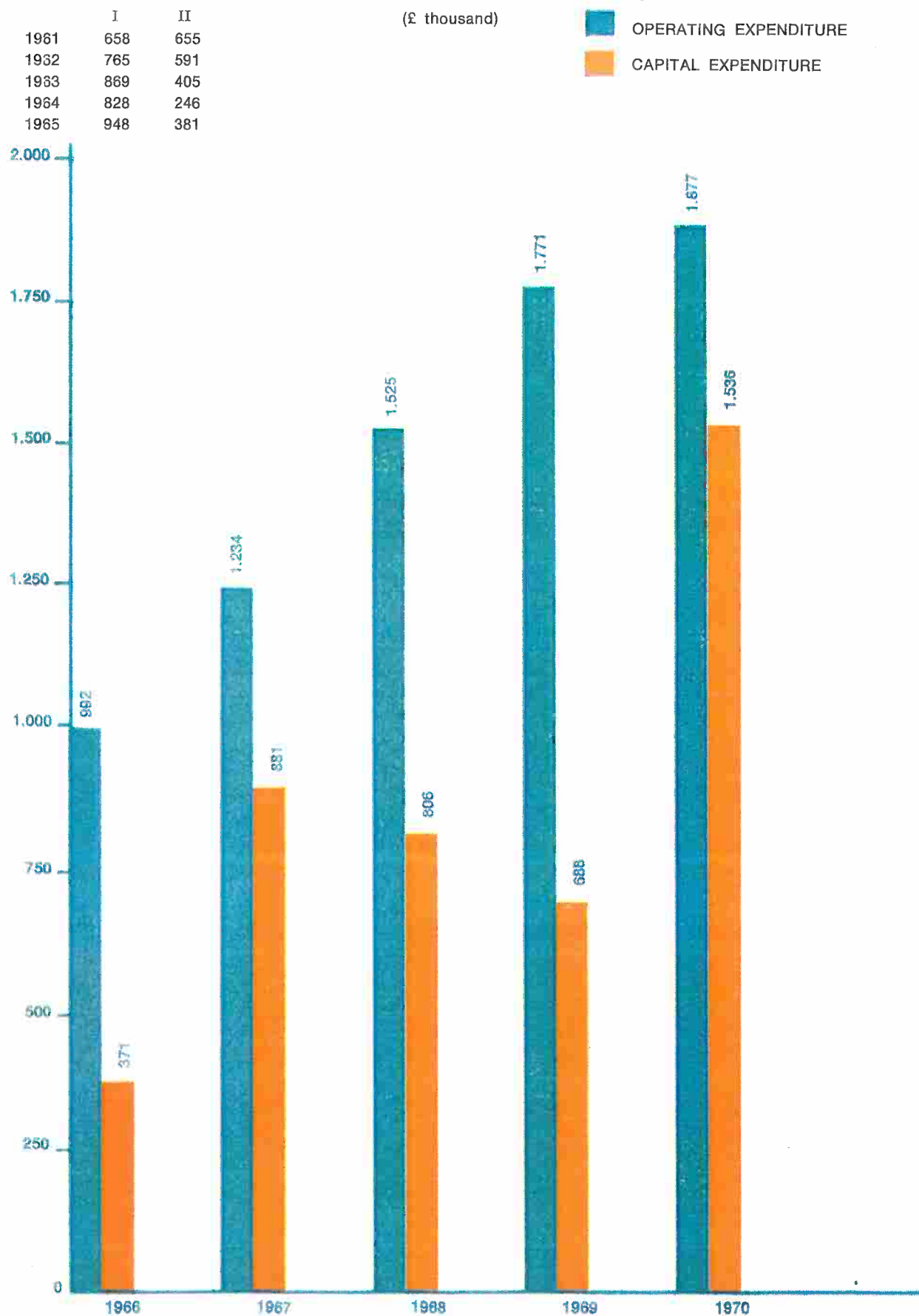
(£ thousand)



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 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, 1970 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.

2nd July, 1971.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 1970

1. 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.

2. DEBTORS AND OTHER ACCOUNTS

Included in the Debtors and Other Accounts is an amount of £353,461 representing revenue charges made by the Authority for services rendered to the Government in 1970 and in prior years. Agreement to this amount has not yet been reached between the Authority and the Government. Pending finalisation of the negotiations, the Authority has made a provision against the said amount for any possible loss.

3. STAFF BENEFITS

There are certain liabilities to make payments over a period of years towards funding of staff superannuation back service credits. Against this liability the Authority provides annually out of its revenues £30,000 the aggregate amount of which as at 31st December, 1970 stands at £180,000. In addition to the aforesaid, the Authority has assumed liability in respect of certain other staff benefits against which an amount of £18,000 was provided for in 1970 and in prior years. These amounts do not purport to cover the full amount which would be required as the extent of these liabilities cannot at present be determined until an actuarial valuation of the said liabilities shall have been made.

4. TAXATION

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

5. CONTRACTUAL COMMITMENTS

Contractual commitments, repayable over a period of five years, amounted to approximately £946,500 as at 31st December, 1970. (1969—£1,497,334).

6. CONTINGENT LIABILITIES

Contingent liabilities in respect of claims against the Authority amounted to approximately £25,000 as at 31st December, 1970. (1969—£5,215).

7. FOREIGN CURRENCY BALANCES

Foreign currency balances have been converted into Cyprus pounds at the rates of exchange ruling on 31st December, 1970.

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET AS AT 31st DECEMBER, 1970

1969 £		£	£
	FIXED ASSETS		
6,677,140	At cost or valuation	8,097,750	
2,312,391	Less: Depreciation	2,596,834	
<u>4,364,749</u>	(Statement 8)		5,500,916
	NET CURRENT ASSETS		
	CURRENT ASSETS		
666,541	Stores (Note 1)	862,186	
923,786	Debtors and Other Accounts less provisions (Note 2)	1,086,452	
27,601	Bank balances and cash in hand	265,074	
<u>1,617,928</u>		<u>2,213,712</u>	
	Deduct		
	CURRENT LIABILITIES AND PROVISIONS		
599,013	Creditors and Other Accounts	686,903	
73,051	Interest accrued on capital borrowings	84,037	
150,000	Provision for staff superannuation back service credits (Note 3)	180,000	
<u>822,064</u>		<u>950,940</u>	
795,864			1,262,772
<u>5,160,613</u>			6,763,688
	Deduct		
330,812	LONG-TERM LIABILITIES		984,195
<u>£4,809,801</u>	NET TOTAL ASSETS		<u>£5,779,493</u>

1969		
£		£
	FINANCED FROM	
3,439,967	CAPITAL BORROWINGS (Statement 9)	4,240,261
64,304	CAPITAL RESERVE	64,304
66,000	GENERAL RESERVE	66,000
1,219,530	REVENUE ACCOUNT BALANCE	1,408,928
<u>£4,809,801</u>		<u>£5,779,493</u>

The Notes on pages 54 and 55 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, 1970

1969 £		£	£
	OPERATING REVENUE		
	Telephone services:-		
476,658	Rentals	520,613	
343,144	Local calls	375,816	
342,939	Trunk calls	365,988	
200,237	Overseas calls	266,126	
17,388	Miscellaneous	21,673	
<u>1,380,366</u>			1,550,216
	Telegraph services:-		
323,831	Telegrams	300,781	
63,489	Leased circuits	56,065	
13,523	Teleprinter rentals	14,153	
9,715	Miscellaneous	10,254	
<u>410,558</u>			381,253
	Telex services:-		
19,352	Rentals	31,467	
3,547	Local calls	5,408	
58,345	Overseas calls	117,003	
<u>81,244</u>			153,878
192,800	Other services		206,593
<u>2,064,968</u>			<u>2,291,940</u>
	OPERATING EXPENSES		
1,445,317	System operational (Statement 1)	1,525,270	
67,664	Establishment (Statement 2)	74,197	
258,316	Administration (Statement 3)	277,145	
<u>1,771,297</u>			1,876,612
293,671	NET OPERATING REVENUE		415,328
7,715	OTHER INCOME		73
<u>301,386</u>			415,401
159,631	FINANCIAL AND OTHER EXPENSES (Statement 4)		206,305
<u>141,755</u>	REVENUE BALANCE FOR YEAR		<u>£209,096</u>

1969

£

1,049,541

141,755

58,234

199,989

1,249,530

30,000

£1,219,530

REVENUE BALANCE 1st January, 1970

Add

Revenue balance for year brought forward

Net revenue relating to prior years

Deduct

Provision for staff superannuation
back service credits (Note 3)

REVENUE BALANCE 31st December, 1970

£

209,096

10,302

£

1,219,530

219,398

1,438,928

30,000

£1,408,928

The Notes on pages 54 and 55 are an integral part of these Accounts.

STATEMENT 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

OPERATING EXPENSES

System Operational

1969 £		£	£
	Telephone Services		
210,124	Operators' salaries, etc.	226,164	
226,654	Maintenance salaries, etc.	242,228	
290,569	Other salaries, etc.	288,117	
13,382	Materials	11,502	
9,317	Electricity	11,355	
20,942	Transport	20,592	
192,207	Depreciation	205,666	
63,454	Radio and Repeater Stations expenses	68,467	
10,442	Miscellaneous	10,396	
<u>1,037,091</u>			1,084,487
	Telegraph Services		
143,617	Operators' salaries, etc.	167,184	
17,090	Maintenance salaries, etc.	19,496	
17,903	Other salaries, etc.	9,246	
1,823	Materials	643	
878	Electricity	963	
14	Transport	11	
10,579	Depreciation	10,505	
37,207	Radio and Repeater Stations expenses	44,350	
2,938	Miscellaneous	4,669	
<u>232,049</u>			C/F 257,067

Telex Services£
B/F 257,067

6,464	Operators' salaries, etc.	8,452
5,654	Maintenance salaries, etc.	5,557
6,363	Other salaries, etc.	1,241
259	Materials	471
280	Electricity	450
13	Transport	27
8,254	Depreciation	10,447
32,874	Radio and Repeater Stations expenses	46,108
66	Miscellaneous	65

60,227

72,818

Other Services

62,632	Operators' salaries, etc.	39,265
10,745	Maintenance salaries, etc.	12,673
7,922	Other salaries, etc.	9,063
2,207	Materials	1,722
502	Transport	415
4,409	Depreciation	14,117
25,299	Radio and Repeater Stations expenses	29,958
2,234	Miscellaneous	3,685

115,950

110,898

£1,445,317

As per Revenue Account

£1,525,270

STATEMENT 2

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

OPERATING EXPENSES

Establishment

1969 £		£
33,997	Salaries, etc.	36,502
1,992	Maintenance of buildings	4,748
2,203	Maintenance of Furniture and Fittings and Office Equipment	3,283
219	Transport	215
8,142	Rents, rates and taxes	8,243
4,851	Light, heat and water	5,703
4,411	Insurances	4,647
10,686	Depreciation	9,478
1,163	Miscellaneous	1,378
<u>167,664</u>	As per Revenue Account	<u>£74,197</u>

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

OPERATING EXPENSES

Administration

1969 £		£
194,753	Administration and Accounts salaries, etc.	200,802
14,215	Printing and Stationery	15,461
12,836	Telephones, Telegrams and Postages	13,397
7,385	Travelling and Transport	8,519
8,265	Office machinery rental	8,265
6,868	Training expenses	11,482
507	Newspapers and Periodicals	484
2,312	Advertisements	4,428
11,175	Miscellaneous	14,307
<u>£258,316</u>	As per Revenue Account	<u>£277,145</u>

STATEMENT 4

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

FINANCIAL AND OTHER EXPENSES

1969 £		£
	Financial	
102,023	Interest on Capital Borrowings	112,221
29,846	Other interest	46,355
18,421	Provision for bad and doubtful debts	29,994
6,809	Miscellaneous	12,062
<u>157,099</u>		<u>200,632</u>
	Other	
1,125	Authority's Members emoluments and expenses	2,468
1,407	Commonwealth Telecommunications	
	Council expenses	3,205
<u>2,532</u>		<u>5,673</u>
<u>£159,631</u>	As per Revenue Account	<u>£206,305</u>

STATEMENT 5

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

RADIO AND REPEATER STATIONS EXPENSES

1969 £		£
37,035	Operators' salaries, etc.	36,764
26,600	Maintenance salaries, etc.	26,993
23,794	Other salaries, etc.	50,330
4,501	Materials	6,500
17,970	Electricity	17,998
1,804	Transport	1,480
41,605	Depreciation	43,889
5,525	Miscellaneous	4,929
<u>£158,834</u>	Total Allocated to System Operational	<u>£188,883</u>
Allocated to:-		
63,454	Telephone Services	68,467
37,207	Telegraph Services	44,350
32,874	Telex Services	46,108
25,299	Other Services	29,958
<u>£158,834</u>		<u>£188,883</u>

STATEMENT 6

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

MOTOR TRANSPORT EXPENSES

1969 £		£	£
14,906	Drivers, Garage and Other salaries		15,252
2,000	Licences		1,988
2,116	Insurances		2,077
5,223	Fuel		5,021
4,997	Spares and accessories		5,347
4,729	Depreciation		5,027
2,569	Miscellaneous		2,628
<u>£36,540</u>			<u>£37,340</u>
Allocated to :-			
7,541	Capital works		8,103
1,066	Recoverable works		1,504
	Operating expenses :-		
£21,471	System operational	21,045	
219	Establishment	215	
4,439	Administration	4,993	
<u>26,129</u>			<u>26,253</u>
1,804	Radio and Repeater Stations Expenses		1,480
<u>£36,540</u>			<u>£37,340</u>

STATEMENT 7

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

STAFF COSTS

1969 £	£		£	£
1,448,908		Salaries, Wages, Allowances, etc.		1,540,166
		Less: Amount charged to :-		
	99,391	Capital	126,512	
	12,695	Recoverable works	18,325	
				144,837
112,086				
<u>£1,336,822</u>				<u>£1,395,329</u>
		Allocated to :-		
		Operating Expenses :-		
	1,005,737	System Operational	1,028,686	
	33,997	Establishment	36,502	
	194,753	Administration	200,802	
				1,265,990
1,234,487		Radio and Repeater Stations		114,087
87,429		Motor Transport Expenses		15,252
14,906				
<u>£1,336,822</u>				<u>£1,395,329</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

FIXED ASSETS

	Cost or Valuation as at 1.1.1970	Additions at cost less Disposals	Cost or Valuation as at 31.12.1970	Aggregate Depreciation	Written Down Value 31.12.1970	31.12.1969
	£	£	£	£	£	£
Land and Buildings	535,997	19,859	555,856	84,531	471,325	458,434
Exchanges, Telegraph and Line Plant and Apparatus	4,879,794	344,403	5,224,197	2,074,944	3,149,253	3,013,386
Radio Stations	553,486	202,141	755,627	233,152	522,475	368,898
Motor Vehicles, Tools and Equipment	140,985	17,198	158,183	129,185	28,998	29,506
Office Furniture and Equipment	131,948	1,999	133,947	75,022	58,925	59,595
	6,242,210	585,600	6,827,810	2,596,834	4,230,976	3,929,819
Assets under Construction	355,098	873,924	1,229,022	—	1,229,022	355,098
Payments on account of Equipment	79,832	(38,914)	40,918	—	40,918	79,832
TOTAL	£6,677,140	£1,420,610	£8,097,750	£2,596,834	£5,500,916	£4,364,749

NOTES :

1. The Depreciation of Fixed Assets for the year ended 31st December, 1970 amounted to £299,129 (1969 — £272,468).
2. The Aggregate Depreciation shown above includes minor amounts in respect of depreciation provisions made by Cable & Wireless Ltd. for assets acquired therefrom by the Authority in 1955.
3. Certain Lands were in course of registration in the name of the Authority as at 31st December, 1970.

STATEMENT 9

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1970

1969 £	CAPITAL BORROWINGS	£
	6% Government Advance	300,000
32,642	5% Government Loan 1965/76	28,633
181,027	5½% Government Loan 1969/83	172,319
158,238	5½% Government Loan 1970/84	151,309
2,988,000	2½% Government Loan 1973/87	2,988,000
3,339,967		3,640,261
	7½% Guaranteed Debenture Stock 1980/82	600,000
100,000	6% Telecommunications (First Issue) Stock 1964/68	—
£3,459,967		£4,240,261

- NOTES:-
1. Under the terms of issue of the 7 1/2% Guaranteed Debenture Stock 1980/82 the Authority is required on the 31st May, 1972 and every six months thereafter to set aside to a Sinking Fund amounts in order to provide for the redemption thereof. The management of the said Sinking Fund is vested in the Central Bank of Cyprus.
 2. Under the terms of the loan agreement of the 2 1/2% Government Loan 1973/87 the interest rate will be increased to 5% per annum after the expiration of seven years from 9th February, 1968.
 3. The 6% Telecommunications (First Issue) Stock 1964/68 of £100,000 was redeemed during the year under review.
 4. The 6% Government Advance of £300,000 will be repaid in 1971 out of the proceeds of the 7 1/2% Guaranteed Debenture Stock 1981/83 to be issued in 1971.