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1971

**Cyprus
Telecommunications
Authority**

CYPRUS TELECOMMUNICATIONS AUTHORITY

**SIXTEENTH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1971.

[PRICE 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
Museum Street,
P.O.Box 1929,
NICOSIA.

Date 18th September, 1972

Your Excellency,

I have the honour to submit herewith the sixteenth Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December, 1971, together with a copy of the Auditor's Report.

The Report and Accounts are submitted in accordance with Section 22 of the Telecommunications Service Law, 1954 and the Amended Service Law of 1963, Section 3(2).

Yours faithfully,
N. S. ROUSSOS,
Chairman.

His Excellency,
The Minister of Communications
and Works,
Mr. Y. Zambarloukkos.
Nicosia.

CYPRUS TELECOMMUNICATIONS AUTHORITY

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

Vice-Chairman : S. Ioannou

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

H. Horomian

P. G. Psaras Chemist Engineer, Graduate of
the Technical University of Athens
(Metsovion Polytechnion)

Dr. A. Papageorghiou M.A., PH.D. (Economics)

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

Auditors : Scottis & Polydorides, Chartered Accountants.

* Mr. J. Cl. Christophides on his appointment on 16th June, 1972 as Minister of Foreign Affairs of the Republic resigned and Mr. N. S. Roussos replaced him as Chairman with effect from 22nd June, 1972.

ADMINISTRATION

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

<u>Secretary :</u>	<u>Chief Accountant :</u>	<u>Chief Engineer :</u>	<u>Telecommunications Officer :</u>
S. A. Kokkinides, ACIS, AMBIM, Cert. Soc. Science & Admin. L.S.E.	M. E. Christofides, FAIA, ACIS, AMBIM	G. C. Papaioannou, B.Sc. (Eng.) C Eng. M.I.E.E.	E. Charalambous

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

Telephone : 77111

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.	078-17459

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INTRODUCTION

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

During the year under review there was a general progress in the activities of the Authority culminating with the building and equipment of new Telephone Exchanges in Nicosia, Paphos, Kyrenia and Morphou and five rural areas, the introduction of the Subscribers Trunk Dialling, the further expansion of the telephone system throughout the island, the installation of a new improved telecommunications system with Israel, the increase of telephone circuits with Greece and the United Kingdom, the installation of direct telephone circuits with Italy, telephone connection with U.S.A. via the Greek Earth Station connected onto the Atlantic Satellite, the extension of the Telex Exchange by 200 lines, the introduction of direct Telex circuit with U.S.A. and improvement of the ship to shore radio service.

Plans were also finalised for the introduction of the International Subscribers Trunk Dialling and the automatisisation of the International Telex Service to be implemented in due course.

The Authority follows closely modern scientific development in telecommunications generally and is always prepared to take advantage of them for the purpose of providing the public with an efficient and sufficient telecommunications service.

During the year the Authority had 23 meetings.

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE LAYMAN

How the Authority Operated During the Year 1971

1970			£	£
£				
2,291,940	The Income from the Authority's Operation was	..	..	2,710,203
73	Other Income	..	..	65
<hr/>				<hr/>
2,292,013				2,710,268
<hr/>	The Expenses were:-			
1,540,166	Total Salaries, Allowances, etc.	..	1,746,162	
126,512	Less : Utilised for Development	213,381		
18,325	Utilised for Repayment Works	15,370		
<hr/>				<hr/>
144,837			228,751	
<hr/>				
1,395,329	Administration, Operating and Maintenance Salaries	..	1,517,411	
<hr/>				<hr/>
277,145	Administration Expenses	..	376,876	
1,084,487	Telephone Services Expenses	..	1,242,296	
257,057	Telegraph Services Expenses	..	294,190	
72,828	Telex Services Expenses	..	102,527	
110,898	Other Services Expenses	..	86,238	
74,197	Maintenance of Buildings, etc.	..	97,804	
2,468	Members' Emoluments and Expenses		2,525	
112,221	Interest on Capital Borrowings	..	175,759	
46,355	Interest	..	70,563	
29,994	Provision for Doubtful Debts	..	7,707	
—	Provision for Scrap & Obsolete Stores		24,229	
15,267	Miscellaneous Financial Charges	..	9,570	
<hr/>				<hr/>
2,082,917				2,490,284
<hr/>				<hr/>
209,096	Resulting in a Revenue Balance for the year of			219,984
<hr/>				<hr/>

CYPRUS TELECOMMUNICATIONS AUTHORITY

FINANCIAL STATEMENTS FOR THE LAYMAN

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

1970 £		£	£
HOW THE AUTHORITY WAS FINANCED			
3,640,261	Borrowings from Government	3,319,452	
600,000	Debenture Stocks	1,250,000	
1,330,136	Surpluses from past years' operations	1,510,105	
209,096	Surplus from this year's operation	219,984	
<u>5,779,493</u>	Total Financing	<u>6,299,541</u>	
WHAT THE AUTHORITY OWNED			
6,677,140	Land, Buildings, Plant & Machinery on 1.1.71	8,097,750	
1,536,284	Spent for Development in the year	1,456,296	
89,526	Less: Installation Fees Recovered	66,021	
<u>1,446,758</u>		<u>1,390,275</u>	
8,123,898		9,488,025	
26,148	Less: Disposals	66,355	
<u>8,097,750</u>	Total: 31.12.71	<u>9,421,670</u>	
2,596,834	Set aside over past years and this year to meet wearing out of the Equipment	2,951,671	
5,500,916		6,469,999	
862,186	Materials in Stores	996,312	
1,086,452	Money owed to the Authority by Subscribers and debit Balances	1,226,128	
265,074	Cash in Hand and at Bank (Current Account)	12,966	
<u>7,714,628</u>	So altogether the Authority's Belongings were	<u>8,705,405</u>	
WHAT THE AUTHORITY OWED			
686,903	To various Suppliers for Equipment Services	932,585	
984,195	To various Suppliers for Equipment Services (long term)	893,412	
—	To Bank (Overdraft)	281,484	
180,000	To provision for Staff's "Superannuation Back Service Credits"	210,000	
84,037	To Government for Interest on Borrowings	88,383	
<u>1,935,135</u>		<u>2,405,864</u>	
The Difference between WHAT THE AUTHORITY OWNED and WHAT THE AUTHORITY OWED was the			
<u>5,779,493</u>	Authority's Net Total Assets	<u>6,299,541</u>	
The Difference between the Net Total Assets of and the Debentures and Borrowings from Government of			
5,779,493		6,299,541	
4,240,261		4,569,452	
<u>1,539,232</u>	was the Authority's Net Property at the end of the year	<u>1,730,089</u>	

3. TECHNICAL SERVICES

A. GENERAL

The technical services of the Authority are being constantly reorganized and modernised making great use of new techniques, methods and telecommunication systems and it is firmly expected that within the next five years the Authority will, in all respects, take its place among the small number of highly developed telecommunication countries.

B. PLANNING AND DEVELOPMENT

With the completion of plans already in hand and the receipt of various equipment and materials, new plans have been prepared for various additional projects for the expansion of the telecommunication facilities and the steady introduction of new ones.

I. National Communications Network.

Orders for the provision of the additional trunk circuits, between Zone Centres and between Zone Centres and Dependent Exchanges, outlined in the 1970 Annual Report, have been placed during the year and the equipment is expected to be received and installed during 1972.

II. Telephone Exchanges.

Orders for exchange equipment to effect the planned increase in the telephone exchange lines were placed during 1971.

The following table shows the relevant increase in capacity of the Zone Telephone Exchanges.

Name of Exchange	Existing lines in 1971	Under installation and scheduled for completion in 1972 (outstanding from 1971)	Ordered in 1971 for delivery in 1972	Planned total number of lines	Remarks
Nicosia (includes Pallouriotissa & Acropolis Satelites.)	23000	1400	3000	27400	
Limassol	7000	600	7000	14600	
Famagusta	6000	—	3000	9000	
Larnaca	1800	600	2000	4400	
Paphos	1400	—	—	1400	
Morphou	1400	—	—	1400	
Kyrenia	1400	—	—	1400	
Total				59600	

III. Rural Exchanges.

The finalised plans for the increase in capacity and rearrangement of several rural exchanges have been completed.

IV. Line Plant Development.

(a) *Urban Development.*

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

(b) *Rural Development.*

The completed plans mainly call for:-

- (i) The installation of telephone call offices at Pano Amiandos, Kato Amiandos, Vasili, Kornos, Khoulou, Lemona, Ambelitis, Lemithou, Ayios Demetrios and Piyenia villages.
- (ii) The reconnection within 1972 by rerouting, of the 'CUT' call offices of the Greek and mixed villages.

V. Telex Service.

Estimates of costs for the planned introduction of a fully automatic (outgoing) service have been received and are under study. Relevant discussions with other Administrations for compatibility purposes are still continuing.

Equipment to enable the provision of telex service to "abnormal" subscribers was placed on order during this year and it is expected that this will be installed during 1972.

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

Technical discussions on matters relating to the introduction of international telephone subscriber's dialling service, have been carried out with certain countries and it is expected to finalise the plans during 1972.

VII. Improvement and/or expansion of International Links.

In the field of International Links, a considerable increase in traffic during the year has again been observed.

As a result of this, the Authority, in co-operation with the Administrations concerned, has considered plans to improve the quality and increase the number of circuits.

These plans are enumerated below:—

- (a) *Cyprus—Greece.*
 - (i) Introduce semi-automatic telephone working thus utilising all available circuits more efficiently.
 - (ii) Increase the circuits by the introduction of submarine co-axial cable system. To this end discussions on the technical specification of this system as a whole were carried out during the year.
- (b) *Cyprus—Lebanon.*
 - (i) Increase, as a temporary measure, the number of circuits, by loaning and installing for the Lebanese Administration the necessary equipment.
 - (ii) Introduce semi-automatic telephone working for speedy clearance of traffic.
 - (iii) Consider and finalise plans for a long-term solution by the introduction of a high capacity system (submarine co-axial cable or tropospheric scatter link).
- (c) *Cyprus—Israel.*
 - (i) Increase the number of circuits and improve their quality, by the introduction of a new U.H.F. system. Following successful tests, the necessary equipment was procured and installed and a 24-channel U.H.F. system was put into service during December, 1971.
 - (ii) Introduce semi-automatic telephone operation thus improving efficiency of circuits.
- (d) *Cyprus—United Kingdom.*
 - (i) Effect an immediate increase in the number of good quality telephone circuits. Five such direct circuits (routed via Greece) were brought into use during the year.
 - (ii) Further increase the number of telephone circuits.

VIII. General.

- (a) *Ship/Shore Service.*

In order to improve this service orders have been placed for new equipment (transmitter, receivers etc.).

- (b) *Standby Engines.*

Orders have been placed for the provision of diesel engines with their associated generators for installation at most of the main and rural exchanges.

(c) *Instrument Landing System.*

Tenders were invited for the required Instrument Landing and Ancillary Equipment for the Nicosia International Airport.

C. CONSTRUCTION.

During 1971 the Authority maintained its policy of entrusting to outside contractors the execution of certain projects such as the digging of holes for the erection of telephone poles, the excavation of trenches for the laying of cables and the construction of manholes. All other work, was carried out by the Authority's Construction gangs.

The various projects which were executed during the year are detailed below:-

I. Telephone Exchanges.

(a) *Nicosia, Acropolis Satellite Exchange.*

The installation of 1500 lines extension was completed.

(b) *Nicosia, Pallouriotissa Satellite Exchange.*

The installation of 2000 lines extension commenced, part of which i.e. 600 lines was completed in 1971.

(c) *Limassol Main Exchange.*

The installation of 1400 lines extension was completed.

(d) *Limassol Satellite Exchange.*

The installation of 1500 lines extension was completed.

(e) *Larnaca Main Exchange.*

The installation of 175 lines extension was completed.

(f) *Crossbar Exchange Equipment.*

The installation of the following Crossbar Exchanges which was half finished in 1970, was completed in 1971.

- | | | | | | | |
|-------|---------|---|------|-------|---------|----------|
| (i) | Nicosia | — | 1600 | lines | initial | capacity |
| (ii) | Kyrenia | — | 1400 | " | " | " |
| (iii) | Morphou | — | 1400 | " | " | " |
| (iv) | Paphos | — | 1400 | " | " | " |

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

The installation of Subscribers Trunk Dialling equipment which commenced in 1970, was completed for the following exchanges:-

- (i) Nicosia, Limassol, Famagusta, Kyrenia, Paphos & Morphou.
- (ii) The installation of S.T.D. equipment in Larnaca Exchange commenced and was completed in 1971.

- (iii) The following Rural Exchanges were connected to the S.T.D. system:—

Nicosia International Airport, Lapithos, Dhali, Stroumbi, Ayios Amvrosios, Polis, Richmond, Zyghi, Lefkoniko and Kakopetria.

The capacity of the undermentioned Exchanges has also been increased as shown below:—

Name of Exchange	Capacity	
	1.1.1971	31.12.1971
Lapithos	200	300
Dhali	50	100
Ayios Amvrosios	20	50
Kakopetria	100	150

Tsadha Rural Exchange was recovered and its subscribers were connected on Paphos Main Exchange.

The inaugural S.T.D. call Nicosia—Famagusta was effected by His Excellency the Minister of Communications and Works, Mr. N. S. Roussos on 30th July, 1971 at a special Ceremony held in the Nicosia new S.T.D. Exchange.

(h) *Installation of other equipment.*

- (i) The new Government Private Automatic Exchange (Centrex) was completed by the end of the year and installed in the Authority's Main Exchange Building at Nicosia.
- (ii) A P.A.B.X. No. 3 type, supplied by the British Authorities was installed by the Authority's technicians in a military camp.

(i) *Subscribers Private Exchanges.*

During the year under review 15 Private Automatic Branch Exchanges and 73 Private Manual Branch Exchanges were installed at various business establishments all over the island.

A comparative figure of growth in lines of the various exchanges for 1969, 1970 and 1971 is shown on the table below:—

Type of Equipment	1969		1970		1971	
	No.	Capacity	No.	Capacity	No.	Capacity
Zone Main Auto Tele. Exchanges	6	22,015	6	22,815	7	34,590
Towns Satellite Exchanges	3	4,600	3	7,300	3	10,900
Rural Exchanges	41	3,585	41	3,585	38	3,765
Mobile Exchanges	1	100	1	100	1	100
		30,300		33,800		49,355
Private Auto Exchanges	66	3,852	76	4,102	91	5,283
Private Manual Branch Exchanges	905	12,307	958	13,086	1,031	13,970

The map of Cyprus appearing on the next page gives the seven zones with their Exchange Areas and their respective Subscribers Trunk Dialling Codes.

II. Telex Service.

(a) During the second half of 1971 work for an extension by 200 lines commenced, including the installation of additional relay sets for overseas communication.

(b) The demand for Telex installations has been gaining ground steadily and rapidly. Until the end of 1970, 223 Telex subscribers were in operation. In 1971, 38 more Telex subscribers were connected to the system bringing the total to 261. Due to the delay in the delivery of Telex Units the outstanding applications by the end of 1971 rose to 175.

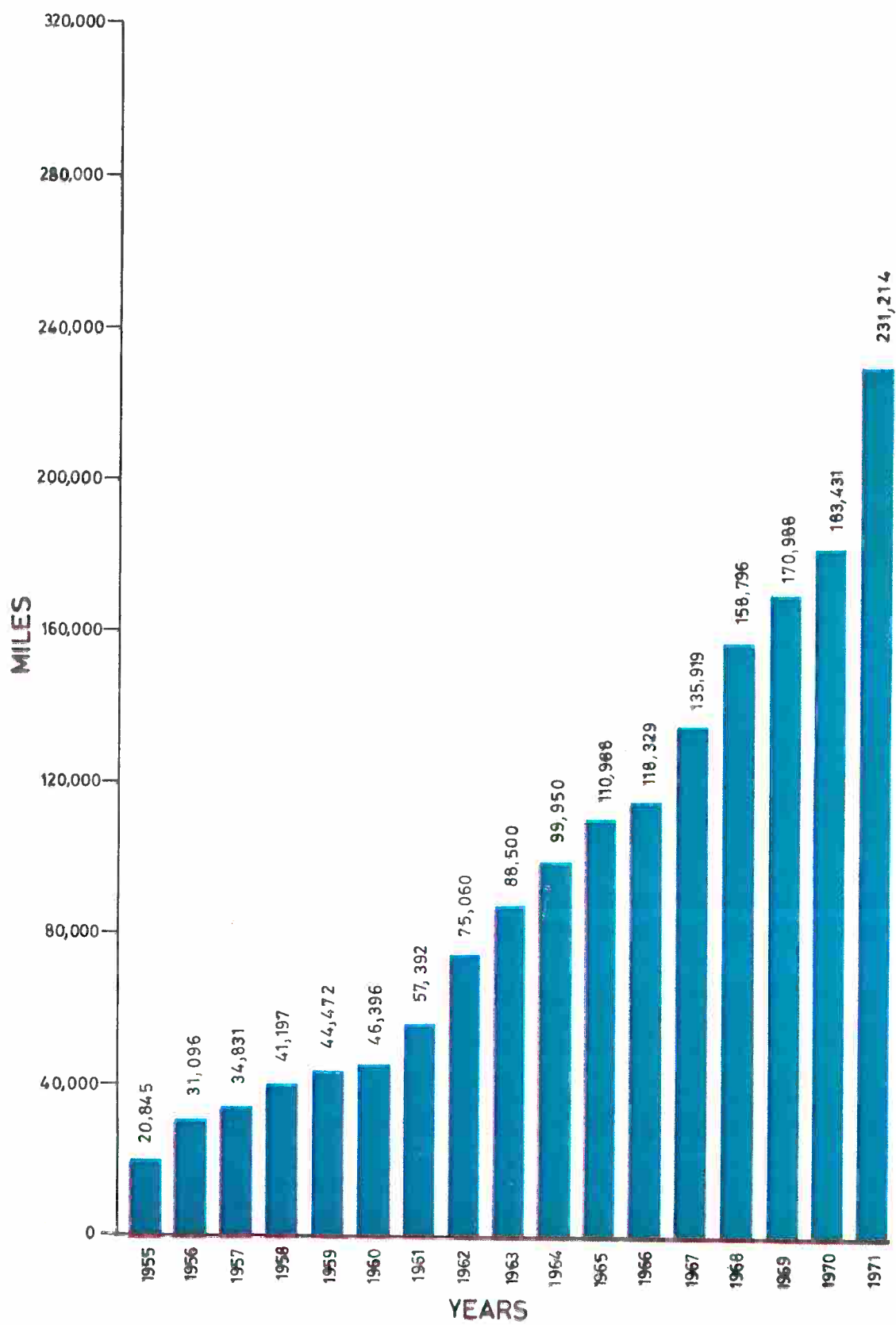
III. Line Plant.

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

Underground Line Distribution.

I t e m	Unit	1969	1970	1971
Manholes constructed	No.	97	130	83
Duct lines laid	Miles	38.64	54.09	32.43
Cable Laid/Drawn	Miles	58.91	68.17	173
Above cables in single wire	Miles	12,192	12,443	47,783

GRAPH 'A' UNDERGROUND SINGLE WIRE LAID



CYPRUS

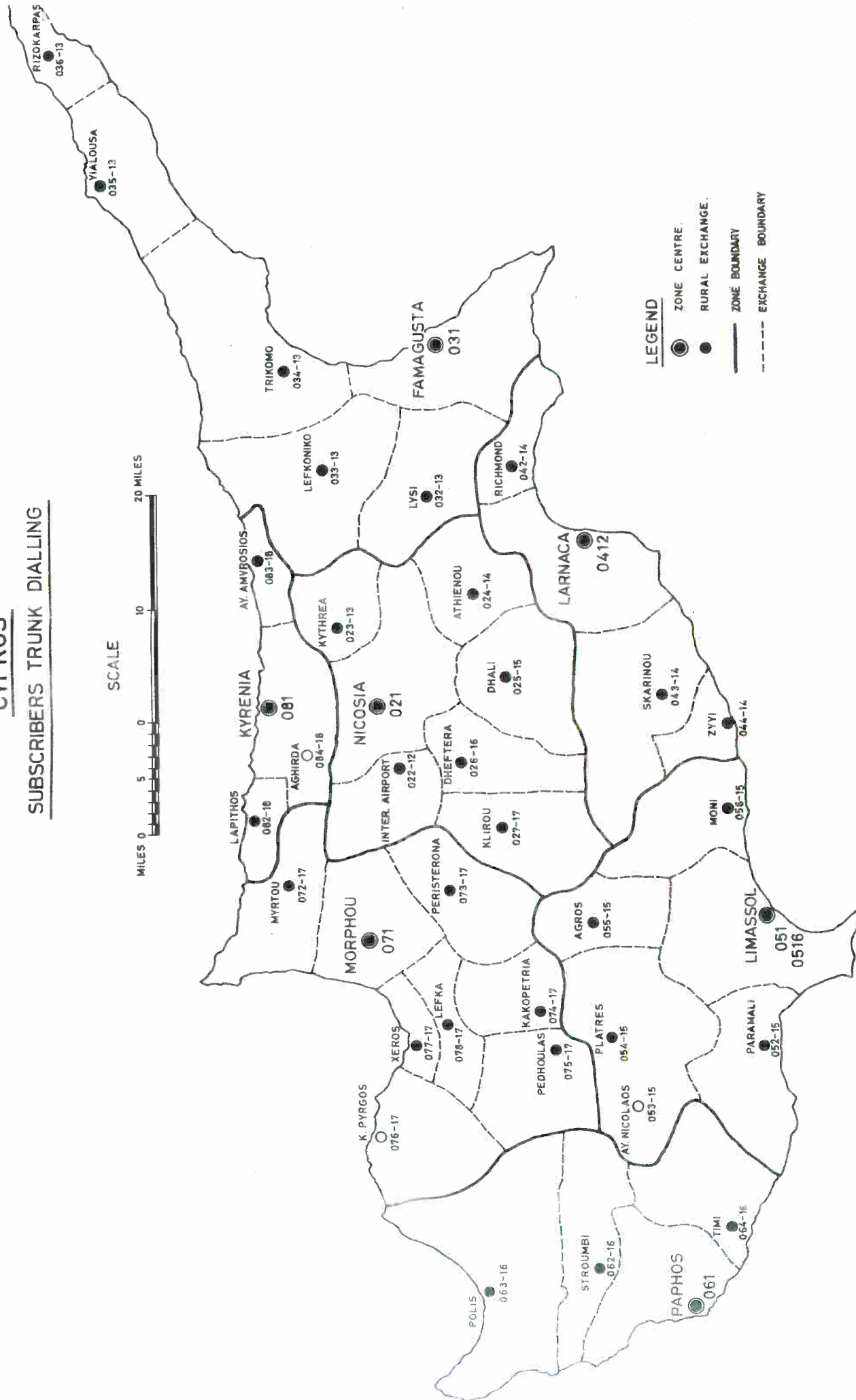
SUBSCRIBERS TRUNK DIALLING

SCALE



LEGEND

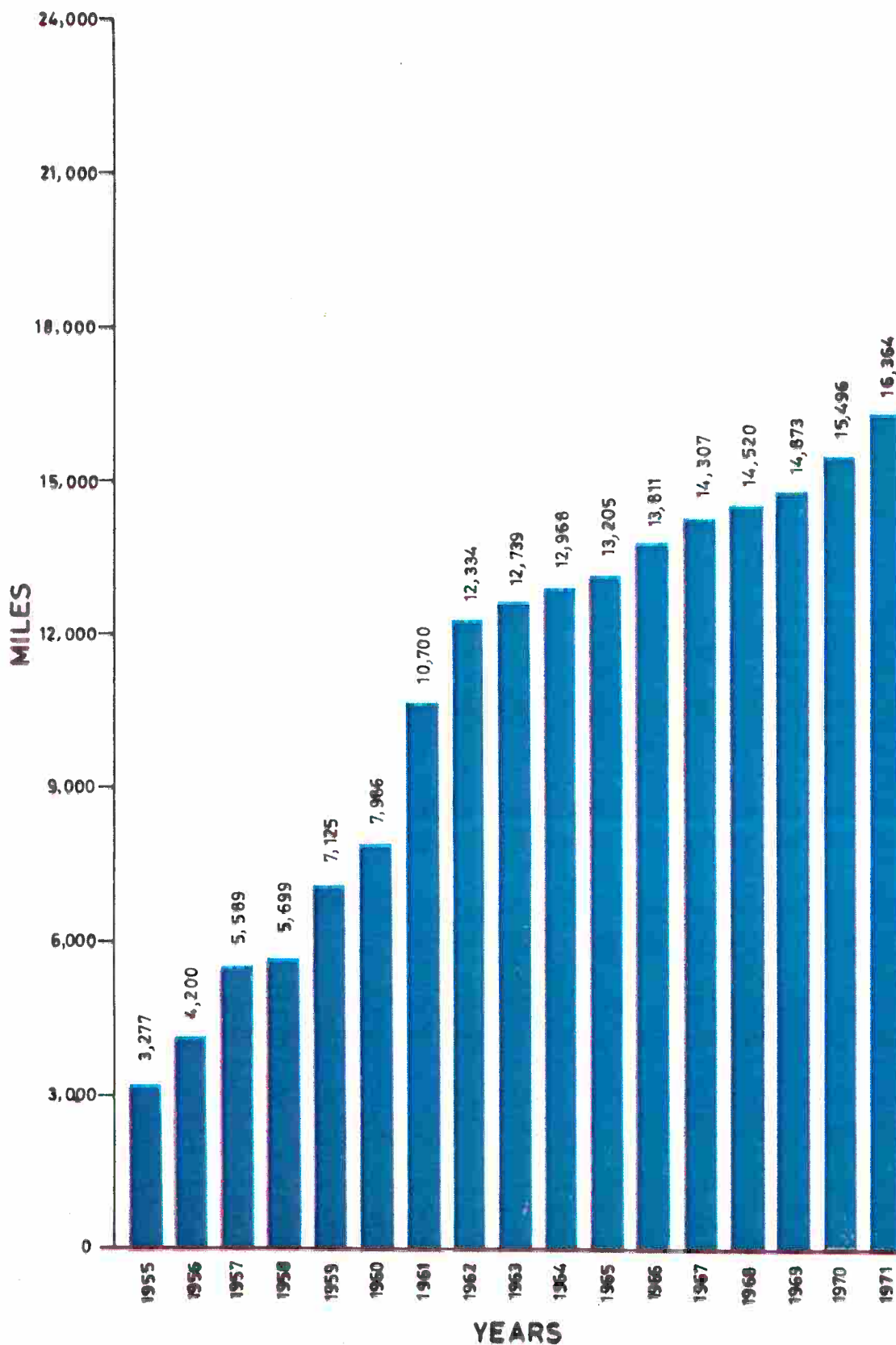
- ZONE CENTRE
- RURAL EXCHANGE
- ZONE BOUNDARY
- - - EXCHANGE BOUNDARY



Overhead Line Distribution.

Item	Unit	1966	1967	1968	1969	1970	1971
Pole routes installed	Miles	79	40	17	24	87	58
Single Wire installed	Miles	606	496	213	353	623	868
Pole Routes overhauled	Miles	28	285	268	491	125	90
Single Wire overhauled	Miles	358	4,110	4,288	7,140	2,124	1,190

GRAPH 'B' OVERHEAD WIRE MILEAGE INSTALLED



IV. Communal Installations.

During 1971 the undermentioned villages were provided with communal telephone facilities.

Village	District	Exchange		
Piyenia	Nicosia	Polis		
Kapilio	Limassol	Pera Pedhi		
Mathicoloni	Limassol	Limassol		
Total communal call offices connected				
on the system as at the end of	..	1970	504	
Villages connected during	..	1971	3	
<hr/>				
Total as at the end of	..	1971	507	

Also the following 13 communal call offices which were disconnected as a result of the prevailing situation after the 1963 disturbances have been reconnected and normal telephone service was reestablished after a period of 8 years.

Village	District	Exchange
Exo Metochi	Nicosia	Kythrea
Lymbia	Nicosia	Dhali
Kato Pyrgos	Nicosia	Polis
Pachyammos	Nicosia	Polis
Mosphileri	Nicosia	Polis
Marathovouno	Famagusta	Kythrea
Angastina	Famagusta	Kythrea
Lyssos	Paphos	Polis
Koutsoventis	Kyrenia	Nicosia
Vouno	Kyrenia	Nicosia
Sykhari	Kyrenia	Nicosia
Kato Dhikomo	Kyrenia	Nicosia
Pano Dhikomo	Kyrenia	Nicosia

V. Subscribers Telephone Installations.

With the expansion of the line plant and the increase in capacity of the telephone exchanges, the highest ever number of telephone installations was achieved, reaching a figure of 4,292 against 410 withdrawals. Despite, however, the number of new telephones installed, applicants on the waiting list increased, as the demand was greater than the number of applicants satisfied. At the end of the year there were 6568 applicants on the waiting list.

In addition to the abovementioned installations, one thousand eight hundred and fifty-five (1855) telephone instruments were installed as extensions on Private Exchanges, Switchboards and parallel telephones.

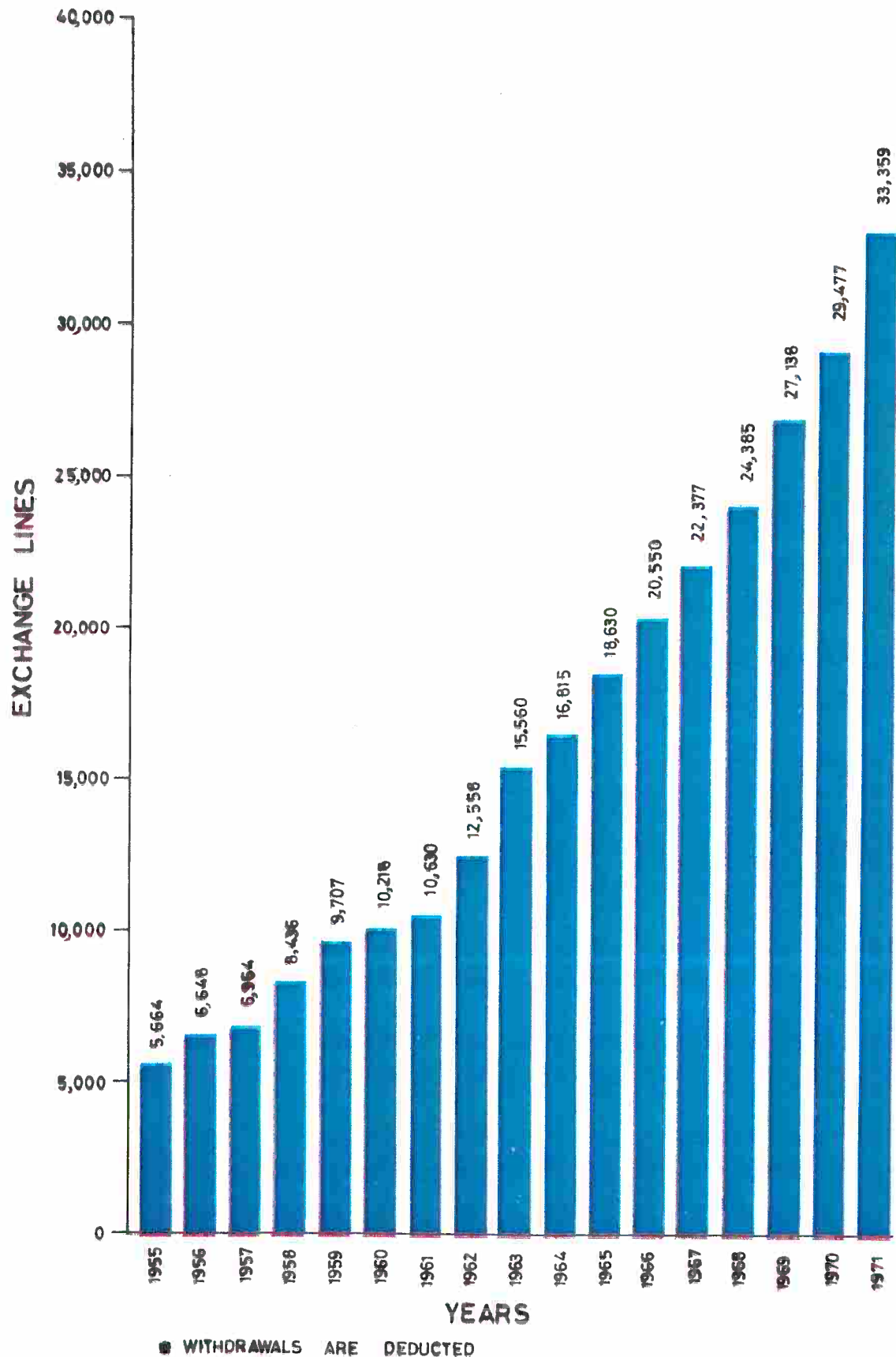
The Authority provided, as in previous years, a prompt and efficient service to the Government, the National Guard, the United Nations Force in Cyprus and the U.K. Sovereign Base Areas.

The following is a comparative table of Works Orders executed, during the last three years, at the various zones, for telephone installations and associated works:-

	1969	1970	1971
(a) Nicosia (covering Kyrenia & Morphou)	6790	5791	7749
(b) Limassol (covering Paphos & Platres)	3017	2450	3259
(c) Famagusta	1992	1960	2063
(d) Larnaca	932	804	974
Total	12731	11005	14045

The graph appearing below shows the growth of Direct Exchange Lines for the past few years.

GRAPH "C" GROWTH OF DIRECT EXCHANGE LINES



The 1964 figures erroneously contained various PABX extensions as direct exchange lines. These have now been deleted and the graph corrected accordingly in order to show the true picture of direct exchange lines working.

VI. Radio and Transmission Installations.

The installation of transmission and radio equipment intended for the provision of trunks for the S.T.D. network which commenced and was half-finished in 1970 was completed and commissioned in 1971. This project was carried out in several stages, i.e. Nicosia-Yaila-Kyrenia, Nicosia-Yaila-Famagusta, Nicosia-Yaila-Larnaca, Nicosia-Madhari-Pissouri-Kili, Pissouri-Limassol and Kili-Paphos.

In addition, the installation work for the Towers, Dishes and Radomes at Nicosia, Larnaca, Famagusta, Limassol, Kyrenia, Paphos and the Repeater Stations of Yaila, Madhari, Pissouri and Kili was completed in 1971.

VII. Buildings.

During 1971 parts of the buildings of Kyrenia and Morphou were completed to house the new equipment. The rest of the buildings will be demolished and rebuilt after the dismantling and removal of the old equipment.

Work commenced on the building extensions of Famagusta, Larnaca and Limassol and all are expected to be completed by July 1972.

Work on the construction of the new Timi Rural Exchange building commenced during the year.

Air Conditioning.

Air Conditioning equipment was installed and commissioned in the following buildings:-

Nicosia 'C', Morphou, Kyrenia & Paphos.

The buildings of Famagusta, Larnaca and Limassol will also be fitted with air conditioning equipment and building work to this effect commenced during the year under review.

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

As at 1/1/1970

	No. of telephones	Telephones per 100 population	Per Cent Automatic
CYPRUS	40,744	6.35	100.0
Bulgaria	473,047	5.54	76.4
Greece	1,044,777	11.96	97.7
Italy	9,368,732	17.38	100.0
Spain	4,604,368	13.56	82.1
Turkey	576,943	1.62	76.4
Yugoslavia	736,045	3.57	96.6
Algeria	184,063	1.28	79.2
Iran	307,500	1.06	86.1
Iraq	119,650	1.24	81.8
Israel	510,550	17.47	100.0
Jordan	31,104	1.30	82.7
Kuwait	66,551	9.08	100.0
Lebanon	192,000	6.78	94.0
Syrian A. R.	114,590	1.84	86.6

**TELEPHONES IN THE PRINCIPAL CITIES OF CYPRUS AND NEIGHBOURING
COUNTRIES.**

	No. of Telephones	Population (thousands)	Telephones per 100 pop.
NICOSIA	15,202	119	12.8
Sofia	180,511	992	18.2
Athens	644,971	2,474	26.1
Rome	1,083,420	2,420	44.8
Madrid	1,011,702	3,037	33.3
Ankara	92,023	1,209	7.7
Belgrade	144,986	772	18.8
Algiers, Greater	73,108	941	7.8
Teheran	161,900	3,197	5.1
Baghdad	65,120	2,501	2.6
Tel Aviv-Jaffa	242,502	862	28.1
Amman	23,528	450	5.2
Kuwait City	64,000	712	9.0
Beirut	140,000	1,200	11.7
Damascus	49,768	835	6.0

Total number of telephones in the World as at 1st January, was 272,700,000.
Note: The above informations were obtained from the World's Telephones.

D. GENERAL TELECOMMUNICATION FACILITIES

During the year under review there was great activity in the field of overseas communications with the opening of additional channels, the establishment of alternative routes and the introduction of new direct communication systems. There has also been a trend towards reducing point-to-point H.F. channels and accommodating them on other radio systems.

I. Broadcasts.

The Authority's Services and Plant have been made available to Broadcasting Corporations for effecting outside broadcasts (live programmes) local or overseas from any point in Cyprus. Such broadcasts include Church Services, Theatrical Performances, Fairs, Christmas Celebrations, Football Matches, Voice Casts etc..

During 1971 the following outside broadcasts have been effected via the Authority's network:-

	1969	1970	1971
(a) Outside broadcasts held (local)	161	158	145
(b) Outside broadcasts held (overseas)	21	40	53

II. Overseas Voicecasts.

There was a marked drop in the number of voicecasts during the year which may be attributed to the relatively calm political situation in the Island and the consequent small number of visiting political correspondents. The majority of voice casts covered international football matches and music programmes relayed for the British Forces Broadcasting Service.

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

	1969	1970	1971
(a) Number of Voicecasts	89	133	57
(b) Number of Minutes	3194	4262	2987

III. Ship-to-Shore Radio Service.

There has been a considerable increase in traffic handled during 1971 especially in telephony. This was mainly due to the erection of an improved transmitting aerial at the new Heracles Transmitting Station and the installation of a new set of receivers at Paphos. Still more improvement is expected when the installation of a more powerful H.F. transmitter is completed early in 1972.

Comparative figures for 1969, 1970 and 1971 are as follows:-

(a) *Telephony*

	1969	1970	1971
(i) Calls	2637	2815	4585
(ii) Minutes	10188	10154	16911

(b) *Telegraphy*

(i) Telegrams	4564	4578	5223
(ii) Words	70491	71535	82000

IV. Facsimile (Radio Pictures).

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

	1969	1970	1971
(a) Received	73	52	94
(b) Forwarded	43	158	87

V. Automatic Message Switching Centre.

The computerised Automatic Message Switching Centre which was introduced in May 1970 has continued to carry an increasing number of messages both in the inland and overseas public telegraph network as well as traffic exchanged between civil airports in Europe and the Middle East within the Aeronautical Fixed Telecommunications Network.

The number of duplex channels operated through the Automatic Message Switching Centre has been increased from 21 to 23, out of which 12 are used for Public Telegraphy and the remaining 11 for the Department of Civil Aviation (AFTN).

The following Overseas countries are connected to the Centre:-
United Kingdom, Greece, Lebanon, Israel, Sweden & Canada.

VI. Civil Aviation Signals.

With the exception of the Control Tower & Meteorological facilities all telecommunication services are operated by the Authority on behalf of the Department of Civil Aviation of the Ministry of Communications & Works 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, as well as telephone

and telegraph communication with international airports of the countries shown below:—

Athens—Greece, Ankara—Turkey, Beirut—Lebanon, Lod—Israel.

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

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

The introduction of the Nicosia Automatic Message Switching Centre since 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. During 1971 two more channels were added to this network, one with Athens and one with Beirut.

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:—

- | | | | | | |
|----------|------------|--------|-------------|-----|----------|
| (a) 1969 | 28,918.330 | groups | transmitted | and | received |
| (b) 1970 | 38,866.060 | ” | ” | ” | ” |
| (c) 1971 | 46,955.620 | ” | ” | ” | ” |

All the above traffic was handled over Radio Teletype circuits. In general, the operation of the Nicosia 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.

VII. Overseas Radiotelephone Service.

Various developments described as hereunder were effected in the Overseas Radiotelephone Service during 1971, which resulted in both the improvement and the expansion of the service.

In the case of the United Kingdom, the 4 high frequency channels which have been fitted with Lincompex equipment to improve their quality, have been supplemented by an additional five channels established via Greece over the Tropospheric Scatter System.

The channels with Greece have been increased from 8 to 14.

Two new channels were opened with Italy, also via Greece.

A number of channels were leased for transit traffic via Cyprus.

All the above developments were made possible with the introduction of the microwave link between Nicosia and Kili, the terminal station of the Tropospheric Scatter System, in August, 1971.

The following chart shows comparative figures of the services provided with countries connected with Cyprus either by direct point-to-point circuits or by leased channels via Greece.

Country	Number of Channels			Hours of operation per week			Traffic Figures in Minutes		
	1969	1970	1971	1969	1970	1971	1969	1970	1971
Greece	8	8	14	1344	1344	2352	444127	680986	971826
U.K.	5	5	9	474	474	1169	212923	257819	383603
Italy	—	—	2	—	—	336			7925 as from 16/10/71
Lebanon	2	2	2	336	336	336	134978	142783	220005
Israel	2	2	2	336	336	336	73655	78844	121030
Turkey	1	1	1	12	12	12	11410	18930	23377
U.A.R.	1	1	1	6	6	6	2012	2213	2347
Syria	1	1	1	6	6	6	1761	1693	1853

In the case of Turkey, in addition to the direct circuit shown above, traffic may also be relayed via Athens on a 24-hour basis.

VIII. New H.F. Transmitting Station.

The transfer of the H.F. Transmitting Station to the new site at Heracles was completed last September and all H.F. services are now operating from this station.

Among the installation at Heracles was the erection of several new aerials including two Log-Periodics.

IX. New U.H.F. Link with Israel.

Following several months of tests and observations a U.H.F. radio link was established with Israel towards the end of 1971.

This system has a capacity of 24 telephone channels as compared with the existing V.H.F. link which can accommodate only 5 channels. Most of these channels will be leased for transit traffic.

E. MAINTENANCE.

I. Routine & Preventive Maintenance.

(a) General Maintenance.

The rendering of a prompt and efficient service to subscribers

was also realised in 1971. Every effort was made for the restoration of faults, breakdowns and malicious damages with the minimum possible delay.

With the continued introduction of new plant and equipment and the expansion of local and overseas facilities the quality of service rendered to subscribers has been considerably improved.

From an analysis of the fault statistics the average of faults for the three major representative categories of telephone circuits is as follows:-

(i) Town subscribers	0.81 faults per circuit per year
(ii) Rural subscribers	2.5 " " " " "
(iii) Rural call offices	10 " " " " "

(b) *Preventive Maintenance.*

The Authority adopts in this respect the recommendation of the British Post Office for the majority of its plant and those of the Japanese Post Office (N.T.T.P.C.) for Crossbar Exchange Equipment.

The whole plant was routine tested during the year and any defects or weak points found were rectified in time thus ensuring smooth operation of the system.

II. Workshops.

As usual the Authority's Engineering Workshops carried out repairs to switchboards, telephone instruments, teleprinter, etc. In addition, stock items such as switchboards, instrument cords and other items used in line plant (such as metal frames, cable runways and similar other items) are also made in the workshops.

Furthermore the workshops carried out certain woodwork in some exchanges and maintained the Authority's furniture.

III. Transport.

During the year under review twelve (12) more vehicles have been added to the existing number of cars making a total of 124. These vehicles, which are maintained by the Authority, are allocated to the various sections for providing transport facilities to all services.

The statistical data regarding the Authority's fleet is as follows:-

	1970	1971
(a) Miles run	937,475	1,079,845
(b) Petrol Consumption	50,163 gls	61,633 gls
(c) Oil Consumption	3,543 gls	3,185 gls
(d) Average Cost per mile (excluding drivers emoluments)	33.67 mils	35.72 mils

4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES.

I. GENERAL

The Authority's objective is to convert all its operating services into fully automatic, thus providing the public with "no delay" facilities. It is expected that the Subscribers Trunk Dialling System in telephony, already introduced in Nicosia, Famagusta, Larnaca, Limassol, Papho, Kyrenia and Morphou towns during 1971, will be extended to the whole Island until the end of 1973. Plans for the International Trunk Dialling are being finalised and will be implemented in due course.

The Telegraph Service has been converted into fully automatic since June 1970 and plans for the automation of the Telex Service within 1974 are being worked out.

The abovementioned improvements and the general expansion of the operating services have resulted into an increase of traffic as evidenced herebelow.

II. TELEPHONE OPERATING.

From 30th July until the end of the year the towns of Nicosia, Limassol, Famagusta, Larnaca, Papho, Kyrenia and Morphou were connected on the Subscribers Trunk Dialling System.

(a) *Local Calls*

	1969	1970	1971
	43,309,122	47,533,145	71,005,287*

(b) *Trunk Calls*

	1969	1970	1971
	4,000,000	4,178,000	2,707,216**

(c) *Overseas Radiotelephone Service.*

There was a remarkable increase in overseas telephone traffic. The installation of additional high quality circuits between Nicosia, London, Athens, Rome, Milano and the introduction of "Number to Number" calls with U.K., Greece, Lebanon, Israel, Italy, Austria and West Germany, at cheaper rates than those of the personal calls, have encouraged subscribers to make more frequent use of the overseas service.

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

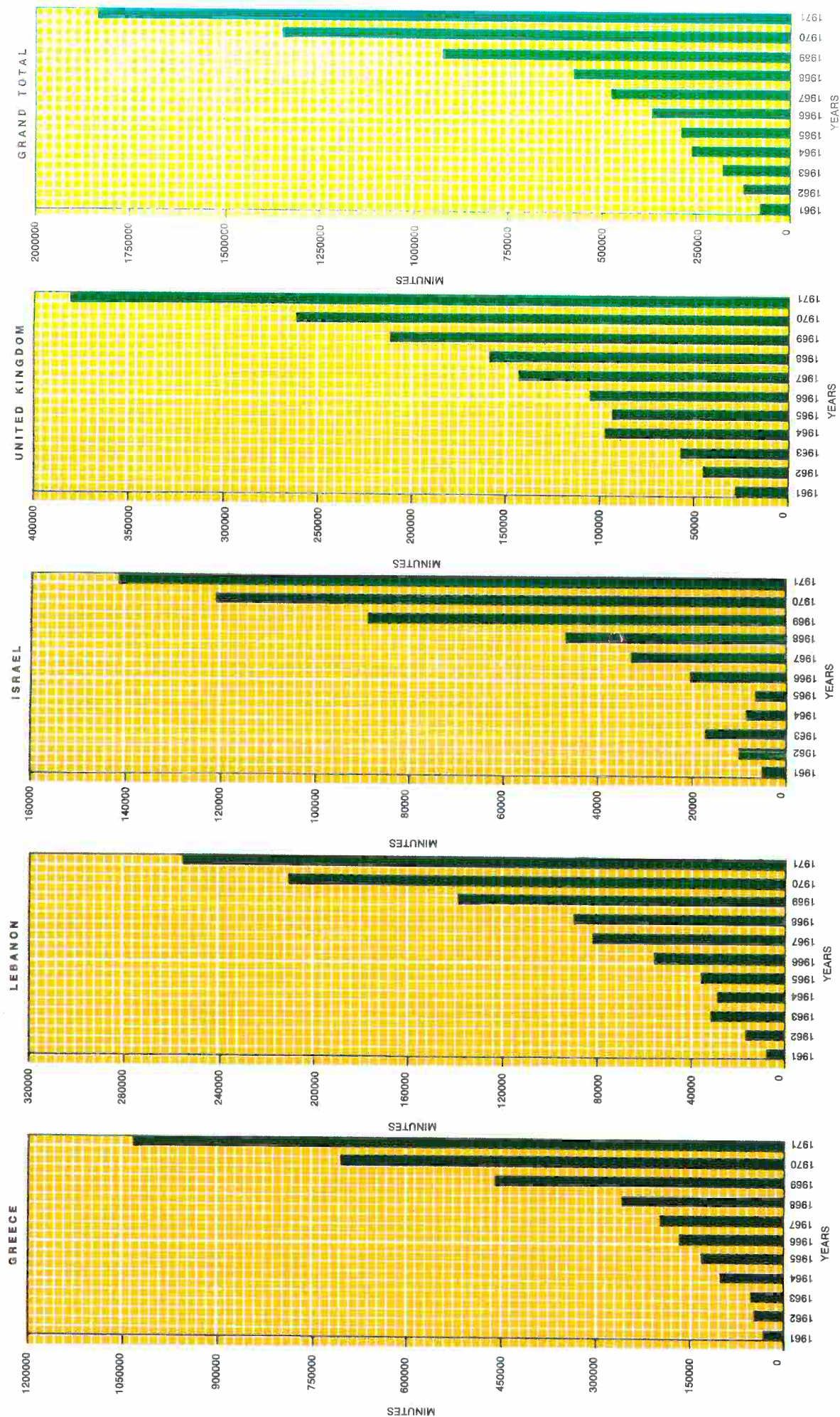
* The abovementioned number includes, in addition to local calls, trunk calls, which after the introduction of the Subscribers Automatic Trunk Dialling Service on 30th July, 1971 are recorded on the same meter.

** Trunk calls after the introduction of S.T.D. are recorded on the same meter with local calls. Please read above note.

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)



(d) *Telephone Directory—Enquiry Service.*

With the rapid growth of the telephone system there is a corresponding increase in the number of entries appearing in the Telephone Directory and the Authority with effect from the year 1972 will be issuing annually and distributing to the subscribers a complete and up to date directory, with both alphabetical and classified business sections.

Following the introduction of the S.T.D. Service the Enquiries have been called upon to assist, in addition to their normal duties (increased due to additional entries and change of the numbers of thousands of telephone sets due to technical reasons), subscribers in the use of the new system.

The calls answered by the Enquiries Service during 1971 are estimated to 2 million.

(e) *Annoying Telephone Calls.*

185 complaints for annoying telephone calls were received, out of which 51 detected and necessary action taken against offenders.

III. TELEX

An overall increase in traffic of more than 50% over that of 1970 with a continuous upward trend is evidenced.

Statistical data regarding channels and traffic for the years 1969, 1970 and 1971 is shown below:—

(a) *Channels.*

Country	Outgoing			Incoming			Both Way		
	1969	1970	1971	1969	1970	1971	1969	1970	1971
U.K.	2	3	10	2	2	8	—	1	—
Greece	2	2	3	2	2	8	1	1	—
Italy	1	1	1	—	—	1	1	1	1
Sweden	—	—	1	—	—	1	1	1	—
Lebanon	1	2	2	1	2	2	—	—	—
Israel	1	1	1	1	1	1	—	—	—
U.S.A.	—	—	—	—	—	—	—	—	1
Total	7	9	18	6	7	21	3	4	2

(b) *Traffic.*

		1969	1970	1971
(i) Outgoing	Calls	41479	62104	91567
	Minutes	215510	321685	480996
(ii) Incoming (including terminal transit by estimation due to automation)	Calls	41026	54518	—
(iii) Local	Calls	354673	543013	1051788

IV. TELEGRAPH OPERATING.

Commercial telegraph traffic was normal throughout the year. The volume of press traffic during the year was very little due to the reason that most of the foreign newspaper correspondents are telex subscribers and transmit their news through the International Telex Exchange Nicosia.

Comparative statistical information on telegraph work appears herebelow:—

Number of Inland telegrams forwarded:				1969	1970	1971
January	..	..	..	6993	7805	8969
February	..	..	..	5119	4302	5577
March	..	..	..	3271	5797	2978
April	..	..	..	7260	4553	6570
May	..	..	..	6239	8131	8366
June	..	..	..	6741	7993	7036
July	..	..	..	7769	10774	11380
August	..	..	..	4711	5150	5186
September	..	..	..	6584	7929	9683
October	..	..	..	6237	8018	11179
November	..	..	..	7714	8698	10057
December	..	..	..	9206	8272	13901
				77844	87422	100882

An increase of 15.40% has been observed in 1971 over 1970.

Number of Overseas telegrams forwarded (incl. Cyprus radio)				1969	1970	1971
January	..	..	..	11604	11453	10229
February	..	..	..	11226	10216	7640
March ..	..	..	..	12506	11871	11563
April ..	..	..	..	12816	11569	13256
May ..	..	..	..	12474	12127	12734
June ..	..	..	..	11554	10787	11129
July ..	..	..	..	12696	11941	12857
August ..	..	..	..	11933	11910	12369
September	..	..	..	13077	13152	12898
October	..	..	..	12758	12406	12089
November	..	..	..	11188	11550	12007
December	..	..	..	13347	13474	14021
				147179	142456	142792

An increase of 0.24% has been observed in 1971 over 1970.

Number of Phototelegrams forwarded:				1969	1970	1971
January	..	..	..	—	—	8
February	..	..	..	1	3	5
March ..	..	..	..	—	33	1
April ..	..	..	..	14	5	4
May ..	..	..	..	3	4	11
June ..	..	..	..	1	3	1
July ..	..	..	..	3	2	5
August ..	..	..	..	12	3	16
September	..	..	..	5	96	3
October	..	..	..	1	2	6
November	..	..	..	—	6	8
December	..	..	..	3	1	16
				43	158	84

A decrease of 46.84% has been observed in 1971 over 1970.

5. ADMINISTRATION AND STAFF

I. TRADE UNIONS — STAFF RELATIONS AND JOINT COMMITTEES

During the year under review the outstanding labour disputes mentioned in the previous report were settled, and negotiations regarding the claims of the union, which by the end of the year 1970 were still in progress, resulted in to an agreement on the following basis:-

- (a) The Authority agreed to follow the policy of the Government of the Republic of Cyprus and pay a 13th salary at the rate of 3/4ths, of the basic salary in 1971 and full basic salary from the year 1972 onwards.
- (b) The promotion of the Weekly Paid Skilled Workmen to the monthly staff with effect from 1st January, 1972.

As a result of the claims submitted by the union for job evaluation and meritorious service Allowance and the Mediator's recommendation to this effect (appointment of experts for examining, inter alia, the possibility of combined scales in certain categories of employees where there is no difference of duties and responsibilities), the Authority has undertaken to submit a comprehensive study, taking into consideration the systems adopted by various organizations, covering the following:-

Job Evaluation, Meritorious Service Allowance, Schemes of Service for all posts and the possibility of combined scales and creation of new posts, Efficiency and Productivity, Staff Rules and Regulations, and General Conditions of employment.

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 prevention of accidents and to this effect the following action was taken.

- (i) The "Safety Notice Boards" were properly maintained by the exhibition of Safety Posters for the prevention of accidents.
- (ii) The First Aid Boxes provided by the Authority were properly maintained with prescribed contents.

(iii) Booklets embodying revised "Safety Rules and Regulations" were distributed to the staff for guidance and adherence.

(iv) Regular First Aid lessons were included in CY.T.A.'s Training Programmes and 34 employees were awarded the "St. John's Ambulance Association" Certificate for First Aid.

(v) A safety campaign was organized at the places of work for the prevention of accidents and the proper use of the fire precaution equipment.

(vi) All accidents reported during the year were promptly investigated and every effort was made for their reduction to the minimum.

In spite of the above it was not possible to avoid the incidence of accidents altogether but generally it is expected that the progressive policy adopted by the committee and the efforts of the Safety and Welfare Officer will give effect to the Authority's desire to promote the safety and welfare of the staff to the maximum.

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

	1970	1971
Accidents which did not necessitate sick leave	15	8
Accidents which necessitated 1-3 days sick leave	15	7
Accidents which necessitated 4-30 days sick leave	22(3)*	28(3)*
Accidents which necessitated over 30 days sick leave	3(2)*	3(1)*
	<u>55</u>	<u>46</u>

* One out of the three major accidents of the year under review (2 out of the 3 in 1970) which necessitated sick leave over 30 days and three out of the twenty eight (3 out of 22 in 1970) 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) The Joint Management/Staff Welfare Fund Committee submitted its recommendations to the Authority for the organization of a rest camp near the beach of Kyrenia for employees and their families and realisation of this project is closely connected with the decision relating to the disposal of 1/4th of the awarded 13th salary. (Please see page 37)

(ii) Parties for the employees' children were organized and the Fund rendered financial assistance to a number of deserving cases

amongst the staff and to families of deceased employees. To this effect the Welfare Fund was financed by the Authority with the amount of £2,250.

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 1971 establishment resulted in the following promotions and confirmations:-

	1971	1970
Promotions & Confirmations	103	64
Transfers of TMP to Permanenet Staff	1	66
Transfers of W.P. to Permanent Staff	10	1
Various transfers to other scales	6	5
Comparison of staff strength for the year 1970-1971.		
	1971	1970
Administration & Accounts	271	277
Engineering	1007	1010
Telegraph Operating	135	138
Telephone Operating	273	292
Total	<u>1686</u>	<u>1717</u>
Monthly Paid	1404	1431
Weekly Paid	282	286
	<u>1686</u>	<u>1717</u>
Less		
Turkish employees not attending to duty (Out of 282 Turks only 21 attended to duty)	261	265
	<u>1425</u>	<u>1452</u>
	6*	5*

NOTE: Average number of casual employees

* 6 (5 in 1970) Part-time Charwomen.

IV. TRAINING

The Authority, appreciating the value of training, continued the implementation of a Training Programme designed to enable the staff to acquire the skills necessary to cope with the Authority's activities.

The Authority's expenses for training during 1971, amounted to £63,484.- (£42,953 were spent in 1970) and included the following:-

(i) Training in CYTA's Training Centre

a) Course on Teleprinters Model Creed 444	9 employees
b) Jointing of PVC moisture Barrier Cable	10 "
c) Course on ELSTOR Machines	7 "
d) Special preliminary Course for Technical Assistants	17 "
e) Faultsmen Course	26 "
f) Preliminary course for admission to the High Telecom. School of OTE in Greece	2 "

(ii) Training Abroad

a) Course on Computers — Egypt	11 employees
b) VOR/DME course in U.S.A.	2 "
c) Course in Israel on U.H.F. System	2 "
d) Course in U.K. for Disc Drivers	2 "
e) Course in Holland (Philips Course)	2 "
f) Follow up of new Technological Developments (U.K., Italy & Greece)	3 "

(iii) Scholarships

- a) Six members of the Authority's technical staff awarded a 4-year scholarship by the Authority for acquiring the B.Sc. degree in Electrical Engineering, continued satisfactorily their studies during 1971 in U.K..
- b) Three members of the Authority's non technical staff awarded a 3-year scholarship at the High Telecommunications School of OTE in Athens, continued satisfactorily their studies during 1971.
- c) Two additional employees of the Authority were awarded a 3 year scholarship at the Telecommunications School of OTE in Athens.
- d) 91 employees of the Authority attended Night Classes at the Nicosia Technical Institute for the year 1971/1972.

(iv) Payment of Tuition and Examination Fees.

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

IV. MEDICAL FUNDS — MEDICAL TREATMENT — SICK LEAVE.

a. Monthly Paid Personnel

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

The administration of the Fund is carried out by a 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 1971 the sum of £32,582.230 was paid out of the Fund in benefits and the Fund's cash position as at 31st December, 1971, was £2,541.890.

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 this Scheme.

Membership to the Fund requires a contribution of 1% by each member and of an equal amount by the Authority.

c. Sick leave granted to the Monthly Paid employees.

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	
	1970	1971
Clerical Staff	2,379	2,804
Telephone Operating Staff	3,086	2,624
Telegraph Operating Staff	313	361
Technical Operating Staff	237	219
Technical Staff	1,707	1,678
Skilled Staff	2,288	1,764
Messengers and Watchmen	584	1,091
	<u>10,594</u>	<u>10,541</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 1971, were 1288 (1,102 in 1970).

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 reimbursed was £2,084.143 mils.

V. ANNUAL LEAVE — ALL STAFF

Table showing the leave entitlement:-

	No. of working days	
	1970	1971
Balance brought forward from previous year	8,651	9,999
Leave entitlement for the year	38,064	39,356
	46,715	49,355
Leave granted during the year	36,716	35,807
Balance due to employees	9,999	13,548

VI. RETIREMENTS, RESIGNATIONS, DISMISSALS ETC.

a. Retirements

Eight employees retired from the Authority's service.

b. Resignations, Dismissals & Deaths.

- (i) Twelve employees resigned from the Authority's service two of whom Turks from those not reporting to duty.
- (ii) Seventeen employees out of whom 15 employees — Telephone Operators recruited in 1970 on absolutely temporary basis on a fixed term contract were dismissed from the Authority's services.
- (iii) Six employees (two of whom Turks from those not reporting to duty) passed away.

c. Recruitments

Thirteen employees (7 unskilled workmen, 4 Store Labourers, 1 Charwoman and 1 part-time charwoman) were recruited.

6. COMMONWEALTH TELECOMMUNICATIONS BUREAU

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 Seventh and Eighth Council Meetings during the year.

The Annual (Seventh) Council Meeting was held in Port of Spain, Trinidad, from 31 March to 8 April 1971, and was attended by Representatives of 19 Commonwealth Countries and the British Overseas Territories. The Council approved the Budget for 1971/72 and re-elected Mr. G. A. Richards TC, QC, as Chairman for 1971/72. Mr J. Cl. Christophides was re-elected Vice-Chairman and Mr. E. Habwe (Representative for East Africa) was also elected Vice-Chairman. Considerable time was devoted at this Meeting to the planning of the Commonwealth Telecommunications network and future financial arrangements.

The Eighth Council Meeting held in Nairobi from 4 to 15 October 1971, was attended by Representatives of 23 Commonwealth countries and the British overseas Territories. The deliberations of this Meeting covered mainly the development of a new accounting Scheme for the Commonwealth Telecommunications systems and other matters relating to Planning of the Commonwealth Telecommunications Network.

7. FINANCIAL REPORT

GENERAL

This has been a historic year in the country's telecommunications by the introduction of the automatic subscribers dialling which has provided an efficient service to the public and contributed to the increase in trunk traffic.

Although this service was introduced in the 4th quarter of the year there was a marked increase in the dial calls revenue; the reduction in the manual trunk calls revenue is simply due to the transfer to the automatic calls.

The full effect on the revenues of the Authority will be reflected in the coming year which will be the first full year of the automatic service.

The operating revenue was £418,263 higher than in 1970 whilst the expenditure rose by £407,367. The net surplus for the year was £219,984 (£209,096 in 1970) which is an increase of £10,888.

The main contribution to the surplus, apart from the automatic trunk dialling, came from the overseas telephone and telex calls; on the expenditure side as in every year the Staff costs including the 13th salary were mainly responsible for the relevant rise. During the year only the 3/4 of the 13th salary was paid to the Staff whilst the remaining 1/4 was given as a grant to the Employees Welfare Fund. In 1972 the whole of the 13th salary will be paid to Staff.

A comparison of the cost and revenue per employee in the last five years is:-

YEAR	1967	1968	1969	1970	1971
COST	£688	£815	£992	£1,060	£1,226
REVENUE	£1,100	£1,140	£1,400	£1,577	£1,903

DEVELOPMENT

The continuous demand for more and better telecommunications facilities calls for the investment of substantial amounts in capital works and in this respect an amount of £1,456,296 was spent during the year.

Included in the above figure are the completion of the towns automatic trunk dialling installations, the new telephone Exchanges in Nicosia, Paphos, Kyrenia and Morphou as well as additions to other Exchanges and telephone line plant and apparatus all over the Island.

The Authority's main policy in improving the efficiency and effectiveness of the telecommunications facilities is consistently applied throughout the service. This is the reason that substantial sums are being spent in develop-

ment and acquisition of more advanced types of plant in conjunction with the application of higher productivity methods and better managerial techniques.

CASH POSITION

The expansion during the year and the increased costs have depleted the Authority's cash reserves resulting at the end of the year to a bank overdraft of £281,484; however the main reason for this situation is the non-settlement of a debt to the Authority in the region of £400,000 which it is expected will be settled in 1972.

THE ACCOUNTS

A comparison of Revenue/Expenses 1970-71 shows:-

Revenue

	1970	1971
Telephone Services	£1,550,216	£1,889,774
Telegraph Services	381,253	409,713
Telex Services	153,878	234,336
Other Services	206,593	176,380
	<u>£2,291,940</u>	<u>£2,710,203</u>

Expenses

	1970	1971
System Operational	£1,525,270	£1,725,251
Establishment	74,197	97,804
Administrative	277,145	376,876
	<u>£1,876,612</u>	<u>£2,199,931</u>
Operating Expenses	£1,876,612	£2,199,931
Financial & Other Expenses	206,305	290,353
	<u>£2,082,917</u>	<u>£2,490,284</u>
Total Expenses	<u>£2,082,917</u>	<u>£2,490,284</u>

REVENUE ACCOUNT

	1971
Income for the year from Operations amounted to	£2,710,203
Which after deduction of Operating Expenses	£2,199,931
	<hr/>
resulted in an Operating balance of	£ 510,272
	<hr/>
To the Operating Revenue of	£2,710,203
there was added other income of	65
	<hr/>
which made a total of	£2,710,268
Less :-	
Operating Expenses	£2,199,931
Financial & Other Expenses	290,353
	<hr/>
made a total to be deducted of	£2,490,284
	<hr/>
resulting in a Revenue Balance for the year of	£ 219,984
	<hr/>

APPROPRIATIONS

The Revenue balance of £219,984 has been increased by £873 in respect of revenue relating to prior years and the resultant balance has been appropriated as follows:-

Revenue balance for year	219,984	
Add : Net Revenue relating to prior years	873	£ 220,857
	<hr/>	
Less : Provision for Staff Superannuation		
Back Service credits		30,000
		<hr/>
		£ 190,857
		<hr/>

The said amount of £190,857 has been added to the Revenue Balance of £1,408,928 as at 31.12.1970 thus making a total of £1,599,785 Revenue Balance as at 31st December, 1971.

BALANCE SHEET

Fixed Assets

As at 1st January, 1971, the net book value of the fixed assets was £5,500,916.

Sundry capital works executed during 1971 together with other capital expenditure increased the Fixed Assets as follows:-

Gross book value as at 1st January, 1971			£8,097,750
Capital Development during year:-			
i) Telecommunications installations	£1,271,790		
ii) Other Expenditure	184,506		
			<u>£1,456,296</u>
Less : Installation and Removal			
Charges Recovered	£66,021		
Disposals during year	66,355	132,376	1,323,920
			<u>9,421,670</u>
Accumulated depreciation 31st December, 1971			<u>2,951,671</u>
Resulted in a Net Book value as at 31st December, 1971 of			<u><u>£6,469,999</u></u>

Current Assets

The increase in debtors is due to the additional subscribers and a substantial debt, for services rendered, which has been agreed to be settled early in 1972.

The stocks at £996,312 mainly include capital equipment scheduled for installation in 1972.

Creditors

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

	1970	1971
Suppliers	£ 418,590	£ 576,278
Bank Overdraft	—	281,484
Staff Costs accruals	43,120	58,233
Telephone and Telex Rentals (in advance)	21,681	33,900
Accrued Charges and credit balances	467,549	562,557
	<u>£ 950,940</u>	<u>£1,512,452</u>
Creditors and Accrued Charges		
Add : Long-Term Liabilities (Suppliers)	984,195	893,412
Total	<u><u>£1,935,135</u></u>	<u><u>£2,405,864</u></u>

Capital Borrowings

There was a new Debenture Stock issue in the year for £650,000 at 7 1/2 % interest out of which the £300,000 advance, made by Government in 1970, was settled.

Therefore the Loans structure at the end of the year was:-

Government		
Loan 1973/87		£2,988,000
Loan Commissioners:-		
Loan 1965/76	£ 24,424	
" 1969/83	163,046	
" 1970/84	143,982	331,452
Telecommunications Stock		
7 1/2 % 1980/82	£ 600,000	
7 1/2 % 1981/83	£ 650,000	1,250,000
Total Borrowings		<u>£4,569,452</u>

Interest on Borrowings

The interest accrued on capital borrowings of £88,383 is the interest due at 31st December, 1971 payable on due dates in 1972 under the terms of the Loan agreements and the Debenture Stock.

Contractual Commitments

The amount of £1,500,000 shown in the Notes on the Accounts represents mainly the cost of capital equipment on order for delivery in 1972/73.

N. ROUSSOS

Chairman

A. N. STYLIANIDES

General Manager

S. A. KOKKINIDES

Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY
FINANCING OF THE YEAR'S CAPITAL REQUIREMENTS

1962-1971

(£ thousand)

	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
CAPITAL REQUIREMENTS										
Expenditure during year on Fixed Assets	592.3	405.1	246	381.1	371.3	881.1	806.1	688	1,536.3	1,456.3
Less: Residual Value of assets disposed	—	3	24.2	3.6	8.6	13.5	81.6	85	11.5	38.4
Government Loan Repayments	592.3	402.1	221.8	377.5	362.7	867.6	724.5	603	1,524.8	1,417.9
	—	—	—	3.2	3.3	3.4	4.6	12.1	119.7	320.8
Increase/Decrease in Working Capital	592.3	402.1	221.8	380.7	366	871	729.1	615.1	1,644.5	1,738.7
	-302.1	-140.6	224	-98.7	155	-189.5	805.9	-202.7	466.9	-539.8
Total Requirements	290.2	261.5	445.8	282	521	681.5	1,535	412.4	2,111.4	1,198.9
FINANCED FROM										
<i>Internal resources:-</i>										
Depreciation	148.2	166.2	170.1	186.9	191.3	213.9	247.8	272.5	299.1	382.8
Balance of Revenue for year	14.3	2.1	215.6	172.2	184.1	163.4	62.3	141.8	209.1	220.0
Prior Period Recoveries/Expenses	8.3	-2.1	29.7	-31.9	-15.9	19.3	168.5	28.2	-19.7	-29.1
Installation Fees Recovered	27.9	27.9	31.4	26.6	25.3	34	35.5	44.9	89.5	66.0
Capital Reserves	198.7	194.1	446.8	353.8	384.8	430.6	514.1	487.4	578	639.7
<i>External Borrowings:-</i>										
Government Loan	—	11.6	—	—	—	—	—	—	—	—
Debentures	—	—	50	—	—	—	149.7	—	300	—
Capitalised Interest (Consolidated into Loans)	—	—	—	—	—	—	—	—	600	650.0
Increase/Decrease in long-term creditors	91.5	55.8	-51	-71.8	136.2	250.9	19.6	5.5	633.4	-90.8
Total Finance	290.2	261.5	445.8	282	521	681.5	1,535	412.4	2,111.4	1,198.9

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

CYPRUS TELECOMMUNICATIONS AUTHORITY

RETURN ON CAPITAL

1962-1971

(£ thousand)

	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
NET ASSETS										
Fixed Assets less depreciation	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	6,470
<i>Stores in Stock</i>	432	380.1	414.4	380.2	744.9	786.3	781.5	666.5	862.2	996.3
Other net assets	-281.2	-425.7	-185	-177.7	-523.6	-1,005.5	-214.4	-221.4	-583.6	-1,166.8
Net total Assets	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	6,299.5
RETURN										
Revenue surplus (including Prior Period Revenue/Expenses):-										
i) Before interest on borrowings	159.6	141.2	395.7	300.5	336.9	360.2	331	272	301.6	366.6
ii) After interest on borrowings	22.6	—	245.3	140.3	168.2	182.7	230.8	170	189.4	190.9
<i>Return as % on the net total assets</i>										
i) Before interest on borrowings	6.1	5.3	13.5	9.8	10.4	10.5	7.1	5.7	5.2	5.8
ii) After interest on borrowings	.9	—	8.3	4.6	5.2	5.3	5	3.5	3.3	3.0

CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING EXPENDITURE 1967 - 1971

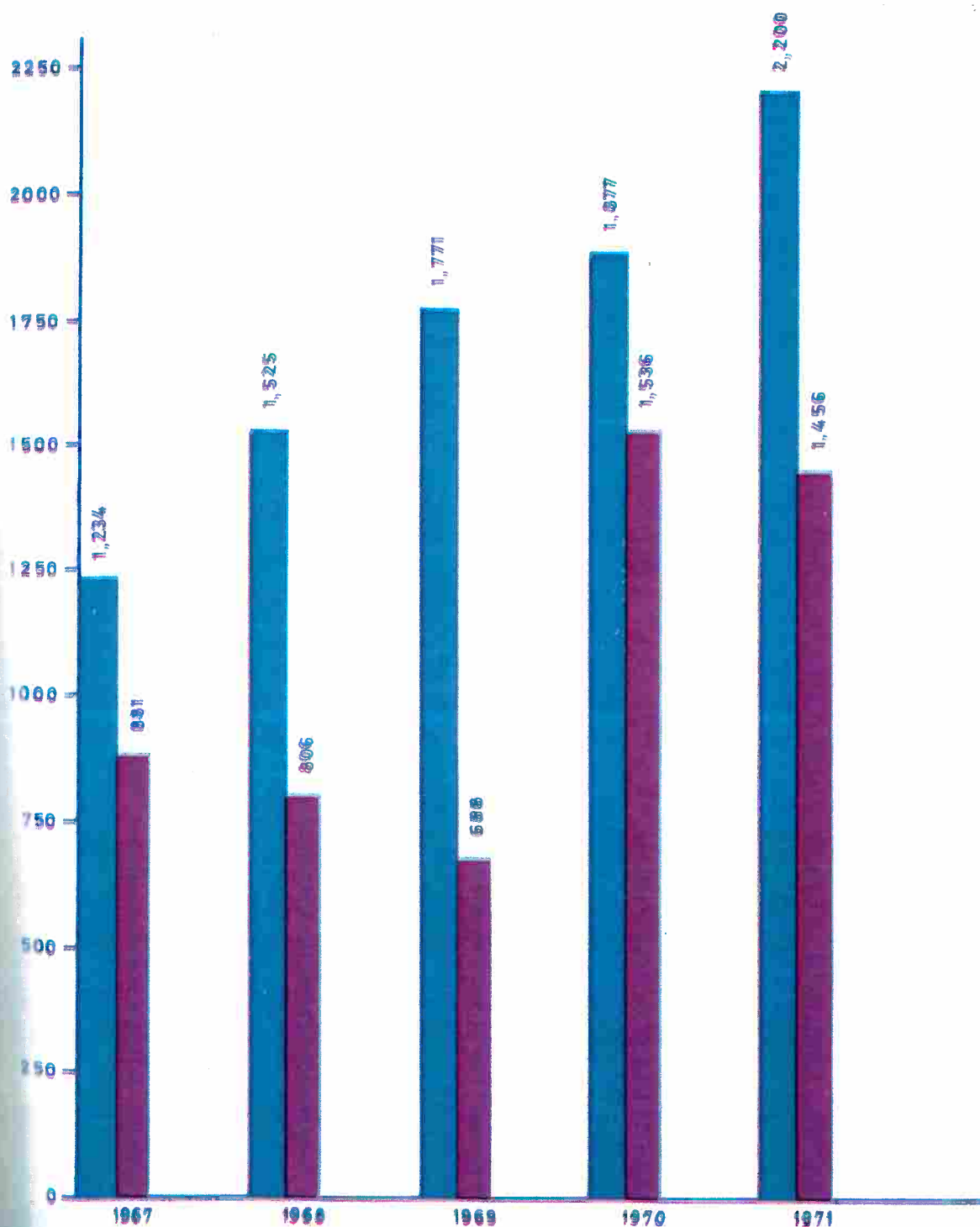
I OPERATING EXPENDITURE

II CAPITAL EXPENDITURE

(£ thousand)

	I	II
1962	765	591
1963	869	405
1964	828	246
1965	948	381
1966	992	371

■ OPERATING EXPENDITURE
■ CAPITAL EXPENDITURE



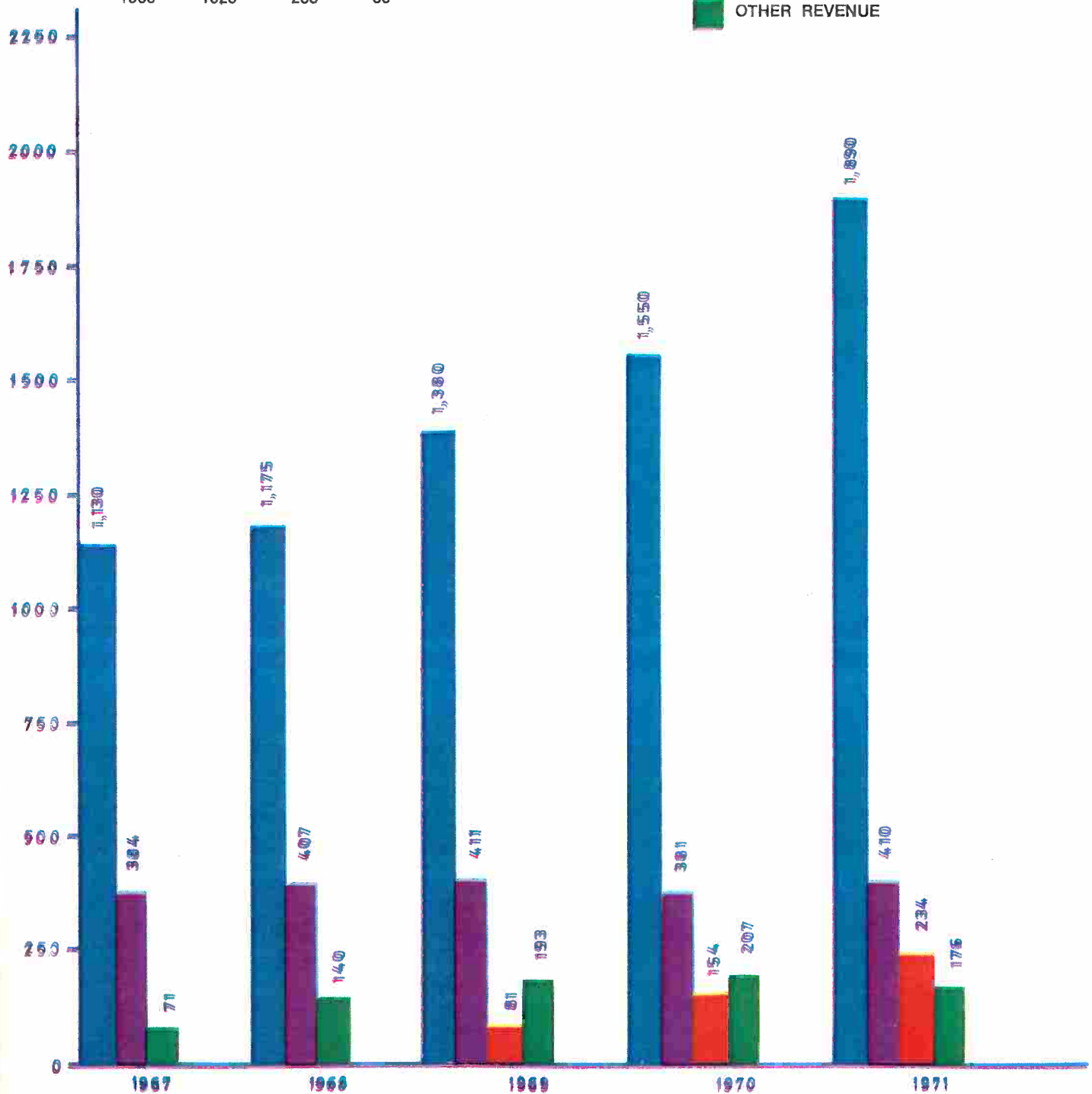
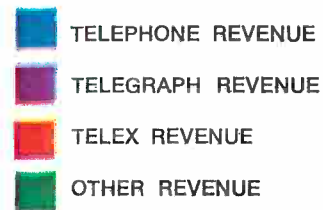
CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING OPERATING REVENUE 1967 - 1971

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

(£ thousand)

	I	II	IV
1962	753	168	
1963	826	196	
1964	865	365	
1965	946	279	67
1966	1026	268	66



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, 1971 and of the balance of revenue for the year ended on that date.

SCOTTIS & POLYDORIDES
Chartered Accountants

"Pantheon" Building,
40, Evagoras Avenue,
NICOSIA.

3rd August, 1972.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 1971.

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 and a provision for £20,000 has been made for obsolete items.

2. DEBTORS AND OTHER ACCOUNTS

The Debtors and Other Accounts include £379,193 (1970—£355,248) due from the Government of the Republic.

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, 1971 stands at £210,000. In addition to the aforesaid, the Authority has assumed liability in respect of certain other staff benefits against which an amount of £31,500 was provided for in 1971 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. OPERATING EXPENSES — Administration

The Authority, during the year under review, has agreed to the annual payment of 13th salary to its staff. In respect of the year 1971, however, there has been agreed than an amount equivalent to 25% thereof is to be granted, by the Authority, to the Staff Welfare fund. This grant, amounting to £21,928 is reflected in the Miscellaneous.

5. OPERATING REVENUE

The Inland Dial Calls represent the automatic trunk and local calls whilst the corresponding figure for 1970 is in respect of the local calls only.

6. 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.

7. CONTRACTUAL COMMITMENTS

Contractual commitments, repayable over a period of years, amounted to approximately £1,500,000 as at 31st December, 1971. (1970—£946,500).

8. CONTINGENT LIABILITIES

Contingent liabilities in respect of claims against the Authority amounted to approximately £9,500 as at 31st December, 1971. (1970—£25,000).

9. FOREIGN CURRENCY BALANCES

Foreign currency balances have been converted into Cyprus pounds at the rates of exchange ruling on 31st December, 1971.

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET AS AT 31ST DECEMBER, 1971

1970		£	£
£	FIXED ASSETS		
8,097,750	At cost or valuation	9,421,670	
2,596,834	Less: Depreciation	2,951,671	
<u>5,500,916</u>	(Statement 8)		6,469,999
	NET CURRENT ASSETS		
	CURRENT ASSETS		
862,186	Stores less Provision for Obsolescence (Note 1)	996,312	
1,086,452	Debtors and Other Accounts less Provisions (Note 2)	1,226,128	
265,074	Bank balances and cash in hand	12,966	
<u>2,213,712</u>		<u>2,235,406</u>	
	Deduct		
	CURRENT LIABILITIES AND PROVISIONS		
686,903	Creditors and Other Accounts	932,585	
—	Bank Overdraft	281,484	
84,037	Interest accrued on capital borrowings	88,383	
180,000	Provision for staff superannuation back service credits (Note 3)	210,000	
<u>950,940</u>		<u>1,512,452</u>	
1,262,772			722,954
<u>6,763,688</u>			<u>7,192,953</u>
	Deduct		
984,195	LONG-TERM LIABILITIES		893,412
<u>£5,779,493</u>	NET TOTAL ASSETS		<u>£6,299,541</u>

1970

£

4,240,261

64,304

66,000

1,408,928

£5,779,493

FINANCED FROM

CAPITAL BORROWINGS (Statement 9)

CAPITAL RESERVE

GENERAL RESERVE

REVENUE BALANCE

£

£

4,569,452

64,304

66,000

1,599,785

£6,299,541

The Notes on pages 56 and 57 are an integral part of these Accounts.

N. S. ROUSSOS

Chairman

A. N. STYLIANIDES

General Manager

M. E. CHRISTOFIDES

Chief Accountant

CYPRUS TELECOMMUNICATIONS AUTHORITY

REVENUE ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 1971

1970 £		£	£
	OPERATING REVENUE		
	Telephone Services:-		
520,613	Rentals	564,450	
375,816	Inland Dial Calls (Note 5)	639,158	
365,988	Inland Manual Calls	299,453	
266,126	Overseas Calls	363,593	
—	Leased Circuits	856	
21,673	Miscellaneous	22,264	
<u>1,550,216</u>			1,889,774
	Telegraph Services:-		
300,781	Telegrams	323,689	
56,065	Leased Circuits	59,927	
14,153	Teleprinter Rentals	15,144	
10,254	Miscellaneous	10,953	
<u>381,253</u>			409,713
	Telex Services:-		
31,467	Rentals	37,347	
5,408	Local Calls	10,718	
117,003	Overseas Calls	186,271	
<u>153,878</u>			234,336
206,593	Other Services		176,380
<u>2,291,940</u>			2,710,203
	OPERATING EXPENSES		
1,525,270	System Operational (Statement 1)	1,725,251	
74,197	Establishment (Statement 2)	97,804	
277,145	Administration (Statement 3)	376,876	
<u>1,876,612</u>			2,199,931
415,328	NET OPERATING REVENUE		510,272
73	OTHER INCOME		65
<u>415,401</u>			510,337
206,305	FINANCIAL AND OTHER EXPENSES (Statement 4)		290,353
<u>£209,096</u>	REVENUE BALANCE FOR YEAR		<u>£219,984</u>

1970			
£		£	£
1,219,530	REVENUE BALANCE 1st January, 1971		1,408,928
	Add		
209,096	Revenue balance for year brought forward	219,984	
10,302	Net revenue relating to prior years	873	
<u>219,398</u>			<u>220,857</u>
1,438,928			1,629,785
	Deduct		
30,000	Provision for staff superannuation back service credits (Note 3)		30,000
<u>£1,408,928</u>	REVENUE BALANCE 31st December, 1971		<u>£1,599,785</u>

The Notes on pages 56 and 57 are an integral part of these Accounts.

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

OPERATING EXPENSES

System Operational

1970 £		£	£
	Telephone Services		
226,164	Operators' salaries etc.	244,399	
242,228	Maintenance salaries etc.	264,427	
288,117	Other salaries etc.	313,417	
11,502	Materials	18,400	
11,355	Electricity	15,236	
20,592	Transport	23,251	
205,666	Depreciation	270,255	
68,467	Radio and Repeater Stations expenses	75,452	
10,396	Miscellaneous	17,459	
<u>1,084,487</u>			<u>1,242,296</u>
	Telegraph Services		
167,184	Operators' salaries etc.	181,930	
19,496	Maintenance salaries etc.	18,800	
9,246	Other salaries etc.	21,140	
643	Materials	398	
963	Electricity	1,114	
11	Transport	9	
10,505	Depreciation	21,289	
44,350	Radio and Repeater Stations expenses	43,004	
4,669	Miscellaneous	6,506	
<u>257,067</u>			<u>294,190</u>
		C/F	<u>1,536,486</u>

1970		£	£
£		B/F	1,536,486
	Telex Services		
8,452	Operators' salaries etc.	9,562	
5,557	Maintenance salaries etc.	6,760	
1,241	Other salaries etc.	2,729	
471	Materials	432	
450	Electricity	550	
27	Transport	65	
10,447	Depreciation	11,659	
46,108	Radio and Repeater Stations expenses	70,190	
65	Miscellaneous	580	
<u>72,818</u>			102,527
	Other Services		
39,265	Operators' salaries etc.	24,338	
12,673	Maintenance salaries etc.	11,238	
9,063	Other salaries etc.	11,938	
1,722	Materials	2,819	
415	Transport	309	
14,117	Depreciation	9,555	
29,958	Radio and Repeater Stations expenses	20,539	
3,685	Miscellaneous	5,502	
<u>110,898</u>			86,238
<u>£1,525,270</u>	As per Revenue Account		<u>£1,725,251</u>

STATEMENT 2

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

OPERATING EXPENSES

Establishment

1970		
£		£
36,502	Salaries etc.	37,546
4,748	Maintenance of buildings	13,588
3,283	Maintenance of Furniture and Fittings and Office Equipment	5,549
215	Transport	392
8,243	Rents, Rates and Taxes	13,758
5,703	Light, Heat and Water	9,814
4,647	Insurances	5,102
9,478	Depreciation	10,419
1,378	Miscellaneous	1,636
<u>£74,197</u>	As per Revenue Account	<u>£97,804</u>

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

OPERATING EXPENSES

Administration

1970		
£		£
200,802	Administration and Accounts Salaries etc.	225,672
15,461	Printing and Stationery	18,365
13,397	Telephones, Telegrams and Postages	22,683
8,519	Travelling and Transport	11,239
8,265	Office Machinery Rental	11,454
11,482	Training Expenses	32,993
484	Newspapers and Periodicals	923
4,428	Advertisements	16,293
14,307	Miscellaneous (Note 4)	37,254
<u>£277,145</u>	As per Revenue Account	<u>£376,876</u>

STATEMENT 4

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

FINANCIAL AND OTHER EXPENSES

1970		
£		£
	Financial	
112,221	Interest on Capital Borrowings	175,759
46,355	Other interest	70,563
29,994	Provision for bad and doubtful debts	7,707
—	Provision for Scrap and Obsolete Stores	24,229
12,062	Miscellaneous	6,176
<u>200,632</u>		<u>284,434</u>
	Other	
2,468	Authority's Members emoluments and expenses	2,525
3,205	Commonwealth Telecommunications Council Expenses	3,394
<u>5,673</u>		<u>5,919</u>
<u>£206,305</u>	As per Revenue Account	<u>£290,353</u>

STATEMENT 5

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

RADIO AND REPEATER STATIONS EXPENSES

1970		
£		£
36,764	Operators' salaries etc.	40,882
26,993	Maintenance salaries etc.	33,116
50,330	Other salaries etc.	52,922
6,500	Materials	3,539
17,998	Electricity	19,553
1,480	Transport	2,283
43,889	Depreciation	50,256
4,929	Miscellaneous	6,634
<u>£188,883</u>	Total Allocated to System Operational	<u>£209,185</u>
	Allocated to:-	
68,467	Telephone Services	75,452
44,350	Telegraph Services	43,004
46,108	Telex Services	70,190
29,958	Other Services	20,539
<u>£188,883</u>		<u>£209,185</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

MOTOR TRANSPORT EXPENSES

1970				
£	£		£	£
15,252		Drivers, Garage and Other salaries		16,595
1,988		Licences		1,815
2,077		Insurances		2,419
5,021		Fuel		6,207
5,347		Spares and Accessories		2,137
5,027		Depreciation		9,324
2,628		Miscellaneous		6,935
<u>£37,340</u>				<u>£45,432</u>
Allocated to:-				
8,103		Capital Works		13,332
1,504		Recoverable Works		1,133
		Operating Expenses:-		
	21,045	System Operational	23,634	
	215	Establishment	392	
	4,993	Administration	4,658	
	<u>26,253</u>			<u>28,684</u>
	1,480	Radio and Repeater Stations Expenses		2,283
<u>£37,340</u>				<u>£45,432</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

STAFF COSTS

1970				
£	£		£	£
1,540,166		Salaries, Wages, Allowances etc.		1,746,162
		Less: Amount charged to:-		
	126,512	Capital	213,381	
	18,325	Recoverable Works	15,370	
144,837				228,751
<u>£1,395,329</u>				<u>£1,517,411</u>
		Allocated to:-		
		Operating Expenses:-		
	1,028,686	System Operational	1,110,678	
	36,502	Establishment	37,546	
	200,802	Administration	225,672	
1,265,990				1,373,896
114,087		Radio and Repeater Stations		126,920
15,252		Motor Transport Expenses		16,595
<u>£1,395,329</u>				<u>£1,517,411</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

FIXED ASSETS

	Cost or Valuation as at 1.1.71	Additions at cost less Disposals	Cost or Valuation as at 31.12.71	Aggregate Depreciation	Written Down Value 31.12.71	Value 31.12.70
	£	£	£	£	£	£
Land and Buildings	555,856	215,151	771,007	95,601	675,406	471,325
Exchanges, Telegraph and Line Plant and Apparatus	5,224,197	1,563,653	6,787,850	2,345,717	4,442,133	3,149,253
Radio Stations	755,627	113,747	869,374	278,843	590,531	522,475
Motor Vehicles, Tools and Equipment	158,183	57,645	215,828	152,255	63,573	28,998
Office Furniture and Equipment	133,947	8,610	142,557	79,255	63,302	58,925
	6,827,810	1,958,806	8,786,616	2,951,671	5,834,945	4,230,976
Assets under Construction	1,229,022	(672,076)	556,946	—	556,946	1,229,022
Payments on account of Equipment	40,918	37,190	78,108	—	78,108	40,918
TOTAL	£8,097,750	£1,323,920	£9,421,670	£2,951,671	£6,469,999	£5,500,916

NOTES:- 1) The Depreciation of Fixed Assets for the year ended 31st December, 1971 amounted to £382,757 (1970—£299,129).

2) Certain Lands were in course of registration in the name of the Authority as at 31st December, 1971.

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1971

CAPITAL BORROWINGS

1970		
£		£
300,000	6% Government Advance	—
28,633	5% Government Loan 1965/76	24,424
172,319	5 $\frac{3}{4}$ % Government Loan 1969/83	163,046
151,309	5 $\frac{3}{4}$ % Government Loan 1970/84	143,982
2,988,000	2 $\frac{1}{2}$ % Government Loan 1973/87	2,988,000
<hr/> 3,640,261		<hr/> 3,319,452
600,000	7 $\frac{1}{2}$ % Guaranteed Debenture Stock 1980/82	600,000
—	7 $\frac{1}{2}$ % Guaranteed Debenture Stock 1981/83	650,000
<hr/> £4,240,261		<hr/> £4,569,452

- NOTES:- 1) Under the terms of issue of the 7 $\frac{1}{2}$ % Guaranteed Debenture Stock 1980/82 and 1981/83 the Authority is required as from 1972 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 $\frac{1}{2}$ % 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% Government Advance of £300,000 was repaid during the year out of the proceeds of the Guaranteed Debenture Stock 1981/83 issued in 1971.