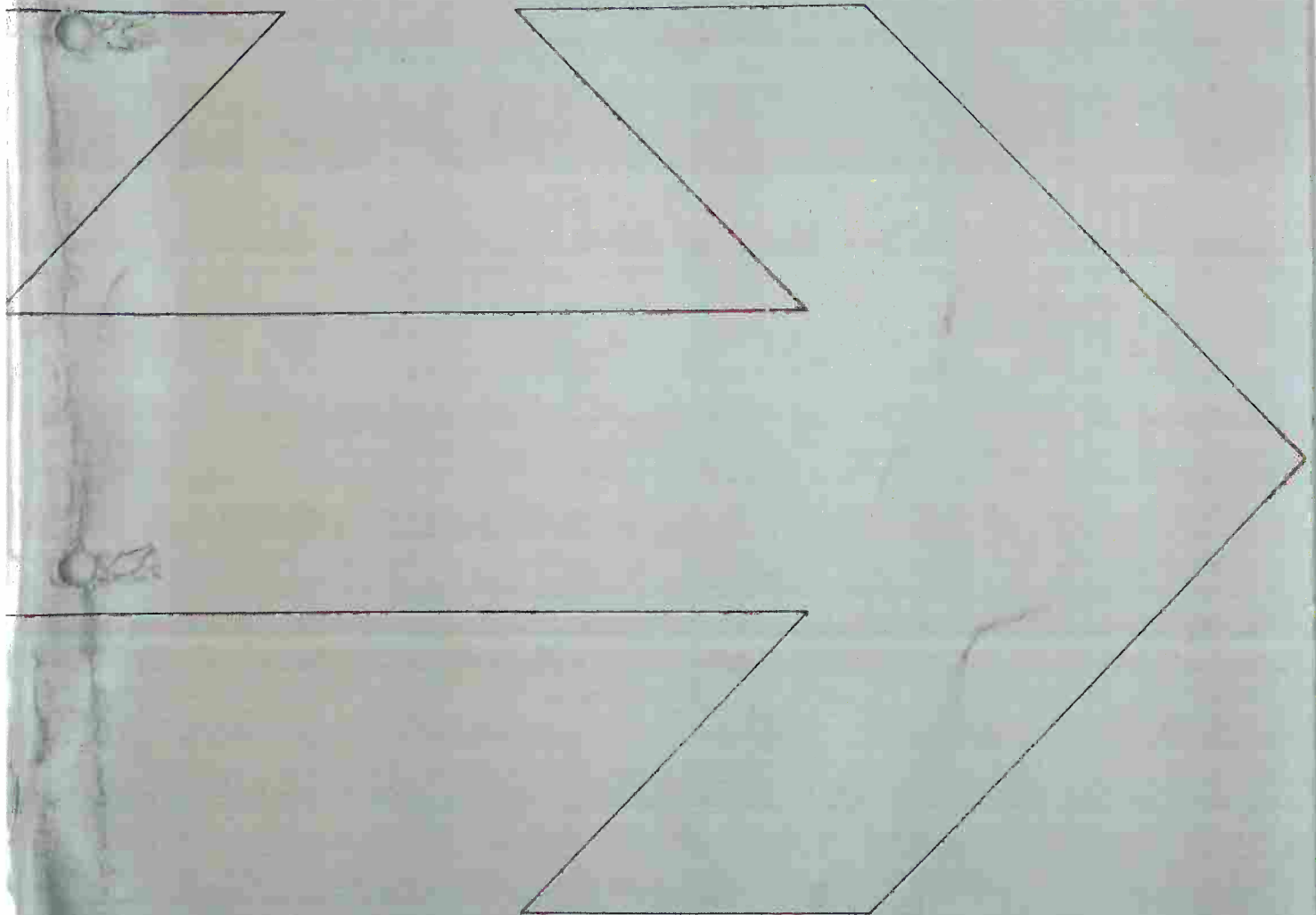


Cyprus Telecommunications Authority

18th Annual Report 1973



CYPRUS TELECOMMUNICATIONS AUTHORITY

**EIGHTEENTH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December 1973.

[PRICE 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
HadjiKyriakos Building,
4th Floor,
Prodromos Avenue 121,
P.O.Box 1929 and as from
16/1/74 4929,
NICOSIA.

Date: 27th May, 1974.

Your Excellency,

I have the honour to submit herewith the eighteenth Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December, 1973, 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 : N. S. Roussos, Civil Engineer,
Graduate of
Ethnicon Metsovion Polytechnion, Athens
(Former Minister of Communications & Works)

Vice-Chairman : S. Ioannou

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

H. Horomian

P. G. Psaras Chemist Engineer, Graduate of the
Ethnicon Metsovion Polytechnion, Athens

C. Constantinides Diploma in Engineering
(as from 23rd August 1973).

L. Tryfon B.Com., B.A.
(as from 23rd August 1973).

Dr. A. Papageorgiou M.A., PH.D. (Economics)
(up to 8th February 1973).

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

Auditors : Scottis & Polydorides, Chartered Accountants.

ADMINISTRATION

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

Secretary:

S. A. Kokkinides,
ACIS, AMBIM,
Social Science & Administration Cert.
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.

Telecommunications
Officer:

E. Charalambous

Head Office : Electra House, 1, Museum Street, Nicosia and as from
16/1/74 Prodromos Avenue 121, Nicosia.

Telephone : 771111

Branches:

NICOSIA	—	Egypt Avenue	Tel.	021-77111
LIMASSOL	—	4, Marcos Botsaris Street	Tel.	051-62500
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.	078-17-459

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INTRODUCTION

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.

With the appointment of two additional members in August 23rd, Messrs. Costas Constantinides, Diploma in Engineering and Loris Tryfon, B. Com., B.A. the number of members including the Chairman and the Vice Chairman is now seven as provided by Law. To deal with the various matters necessitating their attention, the Members held 28 meetings during 1973.

The year under review was a period of extensive development, planning and construction in order to cope with the ever increasing telecommunications needs of the general public.

Some of the most important development work is scheduled below:

a) Inland Automatic Telephone System:-

All preliminary work was completed and orders placed for the completion of the last stage of the STD i.e. the connection onto the automatic system of all call boxes (rural and urban).

b) Extension of Exchanges.

- i) Orders were placed and all preliminary work completed for the increase of the Exchanges capacity from a total of 50.600 lines, as at the end of 1973, to 106.400, by the end of 1975.
- ii) Orders were also placed for additional circuits between Zone Centres and Zone and Dependent Exchanges.

c) New fully Automatic Electronic Telex Exchange.

An order was placed and work commenced for the completion within 1974 of a new fully automatic electronic telex exchange with increased capacity, to cater for all outstanding and future applications for this service.

d) International Telephone Exchange

Orders were placed for an international telephone exchange for the introduction of I.S.D. (International Subscribers Dialling), i.e. automatic dialling with other countries, planned to operate early in 1975 and agreements were reached and orders placed for co-axial submarine cable systems linking Cyprus with Greece and Lebanon.

e) Expansion of the network:

The expansion of underground and overhead network continued and facilitated the installation of additional telephones.

The Authority is very conscious of the great importance of the Telecommunications and its effect on the island's progress, as well as of its obligations to promote and expand same to the fullest possible extent with a view to serve to the maximum a progressive and rapidly developing country like Cyprus. For the purpose of accomplishing such a target the Authority has approved a development budget of £13m. for the 3rd five year plan 1972-1976.

Because of the increase in labour and material costs and the need for ensuring the requisite funds to give effect to the aforesaid target the Authority had to resort to a slight revision of the rates in 1973. The funds for financing the development will be derived mainly from internal sources and partially from outside sources in the form of credit facilities and/or of borrowing. Should, however, labour and material costs rise still further and other means of financing cannot be secured, further rates revision may have to be considered.

The financial results of 1973 have shown an improvement with a total revenue of £4,601,000, which produced a revenue balance (surplus) of £1,403,000; but development expenditure, at £1,636,000, is slightly lower than that during the previous year, due to delay in deliveries of equipment and postponement of projects.

The Authority, in consultation with the Government, which is a Member of the International Telecommunications Union (ITU) and the European Conference of Posts and Telecommunications (CEPT), has been following their activities by exchanging useful information and statistics, and implementing their recommendations where possible, in collaboration with other countries.

FINANCIAL STATEMENTS FOR THE LAYMAN

How the Authority Operated During the Year 1973.

		1972
	£	£
The Income from the Authority's operations was	4,512,274	3,551,020
Other Income	70,966	22,518
	<u>4,583,240</u>	<u>3,573,538</u>
The Expenses were:-		
Total Salaries, Allowances, etc. ..	2,291,267	2,012,114
Less : Utilised for Development 230,399		178,157
Utilised for repayment works 33,343		16,503
	<u>263,742</u>	<u>194,660</u>
Administration, Operating and Maintenance Salaries	2,027,525	1,817,454
Administration Expenses	447,142	399,902
Telephone services expenses	1,587,755	1,437,918
Telegraph services expenses	357,048	342,291
Telex services expenses	155,772	146,956
Other services expenses	98,829	91,425
Maintenance of Buildings, etc. ..	104,911	93,611
Members' emoluments and expenses ..	2,675	2,663
Interest on capital borrowings ..	185,715	186,966
Interest to Suppliers	100,292	102,108
Bank Interest	47,860	28,137
Provision for doubtful debts ..	19,827	16,351
Scrap and Obsolete Stores and Equipment	60,486	50,620
Miscellaneous financial charges ..	11,328	9,498
	<u>3,179,640</u>	<u>2,908,356</u>
Resulting in a Revenue Balance for the year of	<u>1,403,600</u>	<u>665,182</u>

FINANCIAL STATEMENTS FOR THE LAYMAN

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

	£	£	1972 £
HOW THE AUTHORITY WAS FINANCED			
Borrowings from Government .. .. .	..	3,266,273	3,297,477
Debenture Stocks .. .. .	..	1,250,000	1,250,000
Surpluses from past years' operations .. .. .	..	2,389,786	1,736,913
Surplus from this year's operation .. .. .	..	1,403,600	665,182
Total Financing		8,309,659	6,949,572
WHAT THE AUTHORITY OWNED			
Land, Buildings, Plant and Machinery on 1.1.73	10,939,663		9,421,670
Spent for Development in the year	1,635,594		1,811,700
Less: Installation Fees Recovered	145,216		119,025
	1,490,378		1,692,675
	12,430,041		11,114,345
Less: Disposals	106,082		174,682
Total: 31.12.73	12,323,959		10,939,663
Set aside over past years and this year to meet wearing out of the equipment ..	3,691,049		3,299,492
		8,632,910	7,640,171
Debenture Redemption Investments .. .. .	..	99,643	40,654
Materials in Stores .. .. .	..	1,061,866	1,185,228
Money owed to the Authority by Subscribers and debit balances .. .. .	..	1,546,212	1,448,564
Cash in Hand and at bank (Current account) .. .. .	..	180,601	4,002
So altogether the Authority's belongings were ..	..	11,521,232	10,318,619
WHAT THE AUTHORITY OWED			
To various suppliers for equipment and services	983,157		986,512
To various suppliers for equipment and services (long term)	877,696		1,184,836
To Bank (Overdraft)	645,990		648,205
To subscribers for deposits and other credit balances	617,090		461,472
To Government for interest on borrowings	87,640		88,022
		3,211,573	3,369,047
The difference between WHAT THE AUTHORITY OWNED and WHAT THE AUTHORITY OWED was the Authority's Net Total Assets			
		8,309,659	6,949,572
The difference between the net total assets of:- .. and the Debentures and borrowings from Government of:-			
		8,309,659	6,949,572
		4,516,273	4,547,477
was the Authority's net property at the end of the year ..		3,793,386	2,402,095

3. TECHNICAL SERVICES

A. GENERAL

All technical developments in telecommunications are followed closely by the Engineering Department and applied, where possible, in the promotion of the service throughout the island. The staff is getting gradually more qualified and experienced in the interpretation and application of modern methods and techniques.

During the year under review, there was an overall progress in the development of telecommunications in all sectors, both inland (rural and urban) and overseas, as detailed hereunder.

B. CONSTRUCTION

All construction works, as detailed below, were carried out by the Authority's personnel, except for certain projects such as digging of holes, excavation of trenches and construction of manholes, which were entrusted to private contractors.

I. Telephone Exchanges

(a) *Nicosia 'C' Exchange (Crossbar Exchange)*

The installation of 3000 lines extension with junction equipment was completed.

(b) *Nicosia, Pallouriotissa and Acropolis Satellite Exchanges.*

The installation of junction equipment was completed.

(c) *Famagusta Crossbar Exchange*

The installation of 3000 lines extension with ancillary equipment was completed.

(d) *Limassol Crossbar Exchange*

The installation of 7000 lines exchange with ancillary equipment was completed by about 80%.

(e) *Larnaca Crossbar Exchange.*

The installation of 2000 lines exchange with ancillary equipment was completed by about 20%.

(f) *Rural Exchanges*

- (i) The capacity of the following exchanges was increased as shown below:—

Name of Exchange	Increased by	CAPACITY	
		31.12.72	31.12.73
Dheftera	50	100	150
Kythrea	50	100	150
Lyssi	50	100	150

- (ii) The installation of equipment for centralizing 19X services was completed at the following Rural Exchanges:-

Lyssi

Trikomo

Lefkoniko

Yialousa

Rizokarpasso

Note: Appendix 'A' Map of Cyprus gives full details of exchanges and relevant code numbers.

(g) *Subscribers Private Exchanges*

During 1973 thirty-six Private Automatic Branch Exchanges were installed at various business and hotel establishments all over Cyprus.

(h) *Exchanges Capacity in lines*

The capacity in lines of the various main, rural and private exchanges for 1973 is shown in the following table:-

Type of Equipment	No.	Capacity
Zone Main Auto Telephone Exchanges	7	39,600
Towns Satellite Exchanges	3	11,000
Rural Exchanges	29	3,630
Mobile Exchanges	1	100
	40	54,330
Private Auto Exchanges	145	8,360
Private Manual Branch Exchanges	1112	15,536

II. Line Plant

Construction for the provision of Underground and Overhead lines and Manholes and Ducts was carried out during the year under review as shown in the following tables (Table 1 and Table 2).

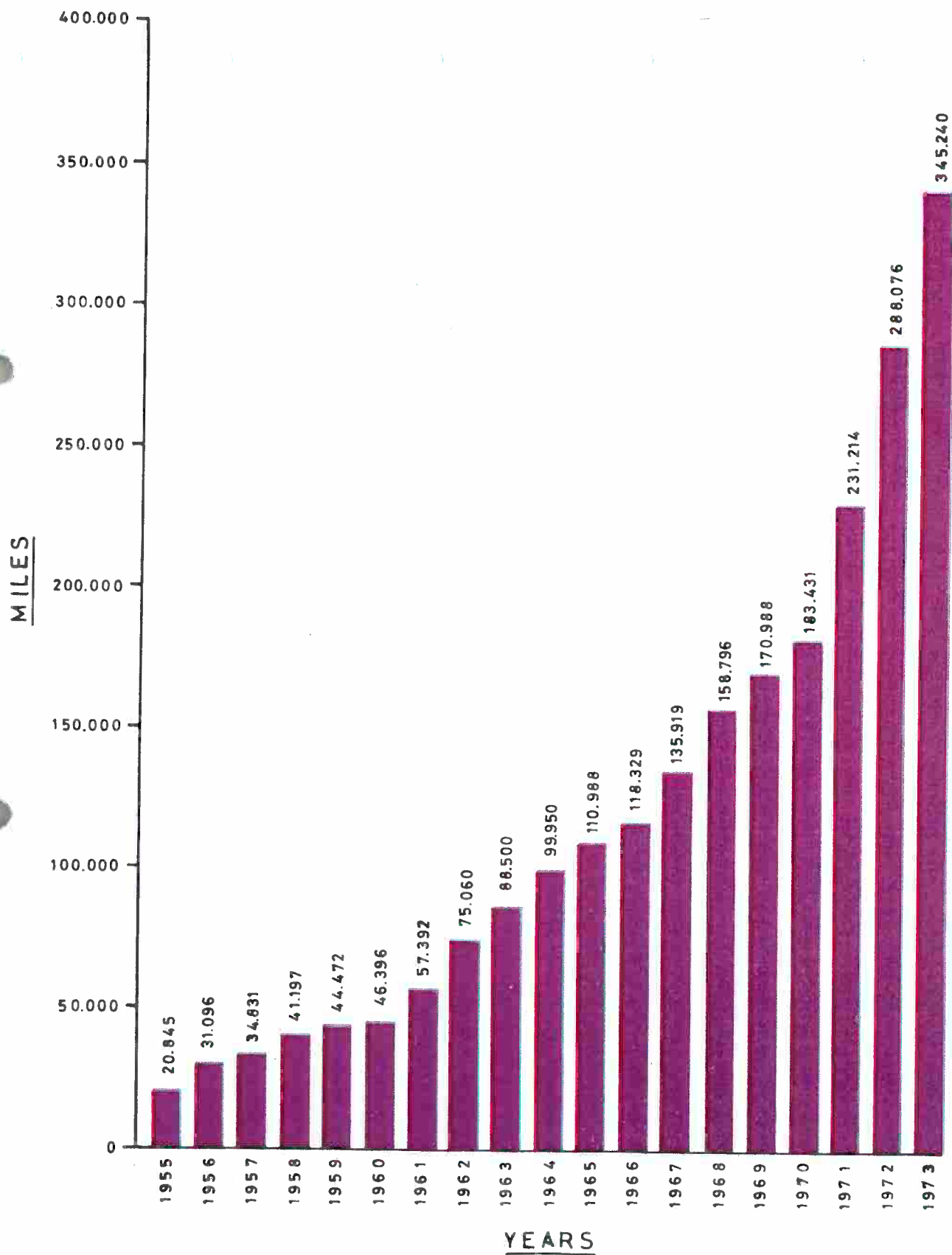
Table 1

I t e m	Unit	1970	1971	1972	1973
Manholes Constructed	No.	130	83	142	224
Duct line laid	Miles	54.09	32.43	53.64	76.57
Cables laid/drawn	"	68.17	173	126.83	76.00
Above cables in single wire	"	12443	47783	56569	57163

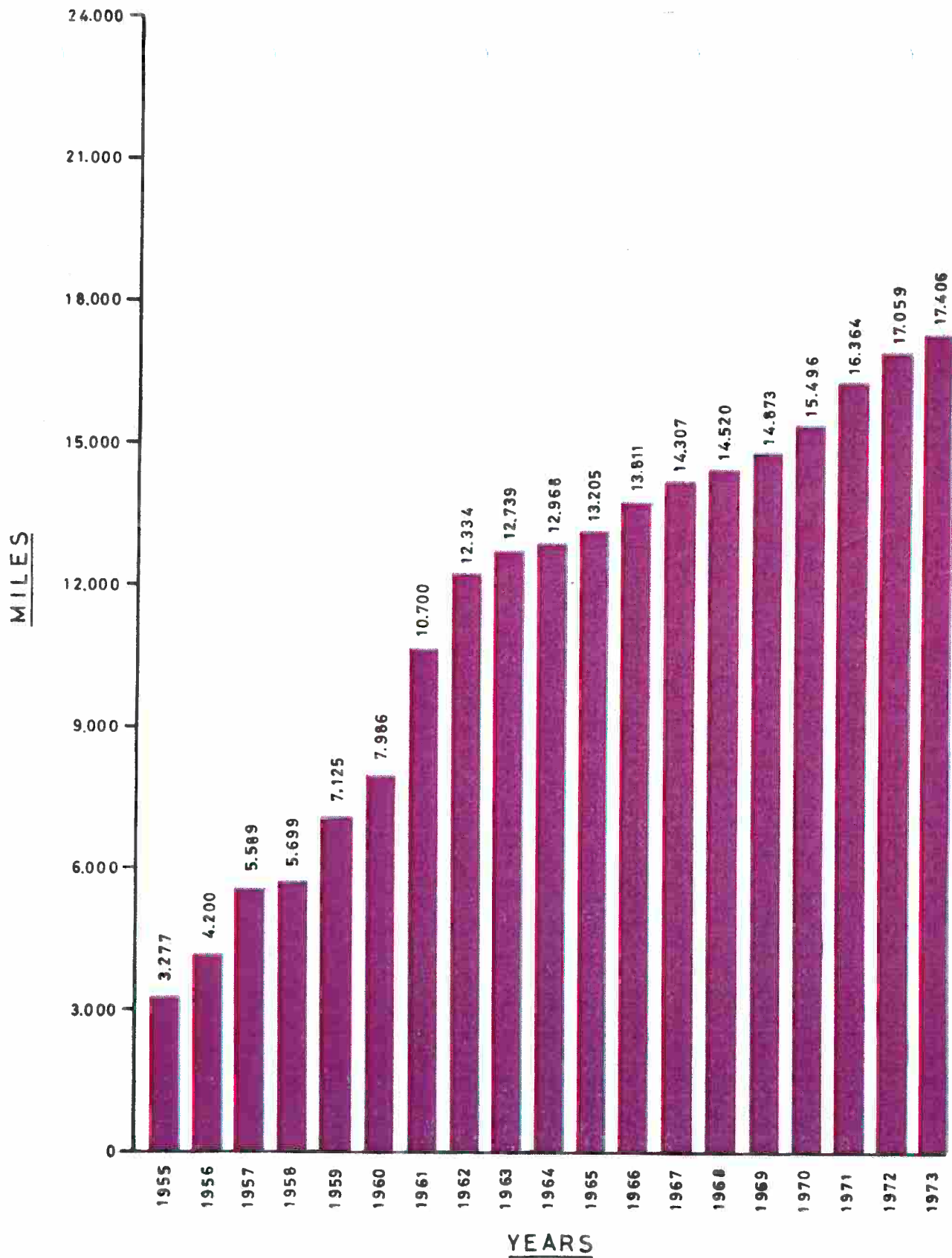
Table 2

I t e m	Unit	1970	1971	1972	1973
Pole routes installed	Miles	87	58	29	32
Single wire installed	"	623	868	695	347
Pole Routes Overhauled	"	125	90	163	98
Single Wire Overhauled	"	2124	1190	1163	818

GRAPH "A" UNDERGROUND CABLES SINGLE WIRE LAID



GRAPH "B" OVERHEAD SINGLE WIRE MILEAGE INSTALLED



CYPRUS

SUBSCRIBERS TRUNK DIALING

1.

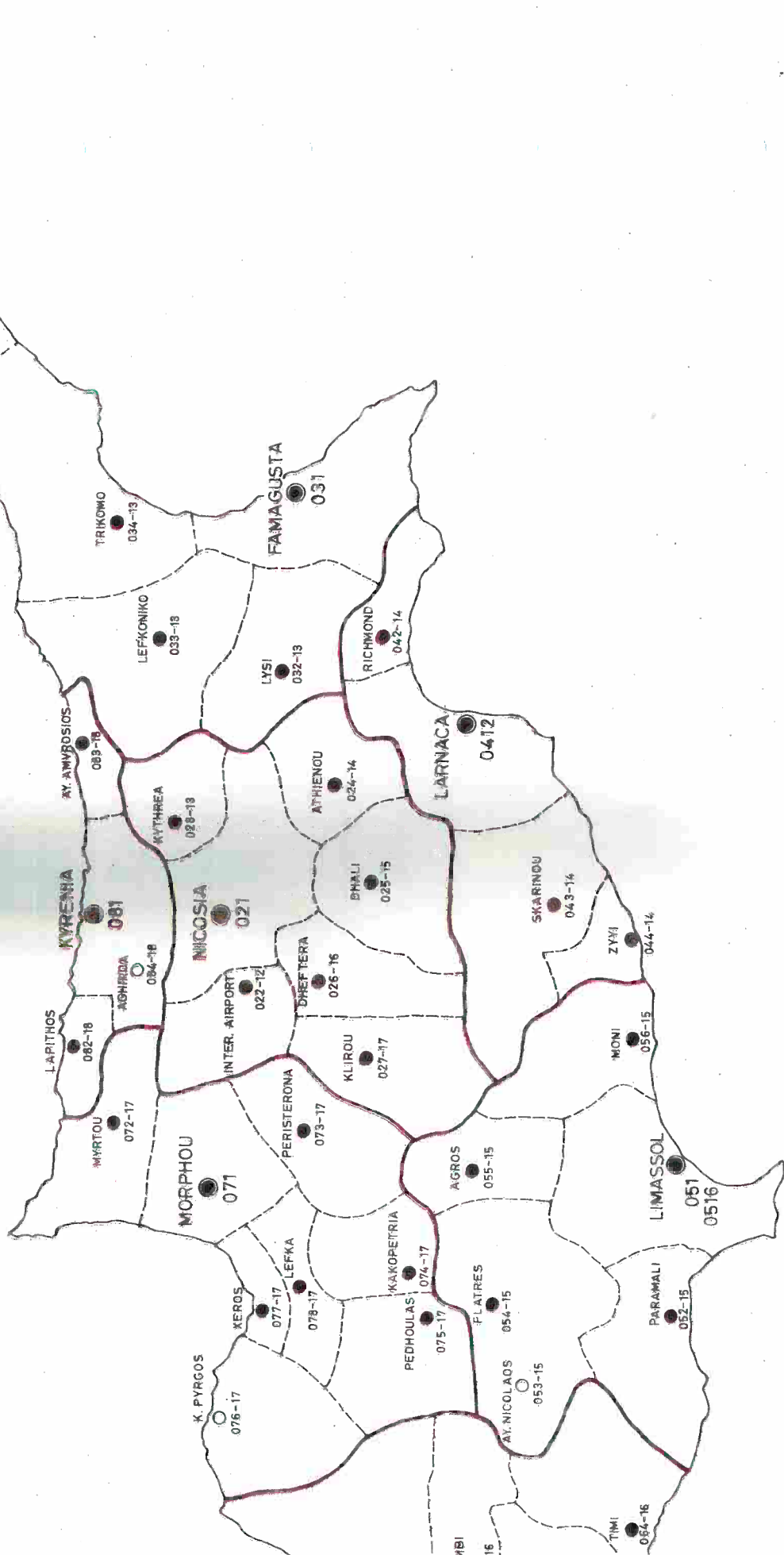
NTRE

CHANGE

NDARY

BOUNDARY

ECTED.



III. Communal Installations.

During the year under review the following villages have been provided with communal telephone facilities.

Village	District	Exchange
Ay. Marina Xyliatou	Nicosia	Peristerona
Peristeronari	Nicosia	Xeros
Tripimeni	Famagusta	Lefkonico
Moniatis	Limassol	Platres
Louvaras	Limassol	Agros
Phylousa	Paphos	Polis
Peristerona	Paphos	Polis
Steni	Paphos	Polis
Ambelitis	Paphos	Timi
Elea	Kyrenia	Lapithos
Agridaki	Kyrenia	Myrtou

Also the following communal call offices which have been disconnected since 1963 have been reconnected and normal service established.

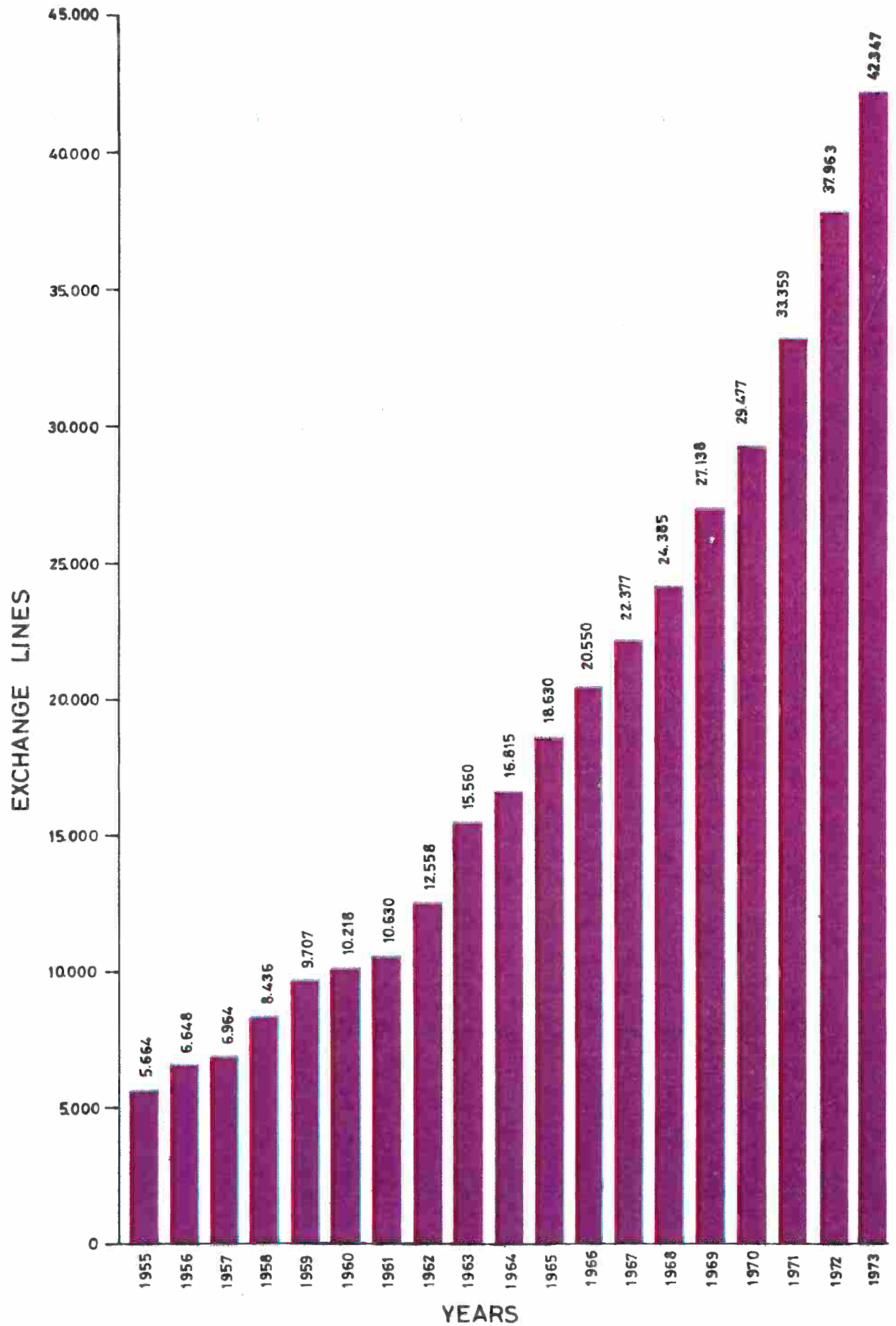
Village	District	Exchange
Kelokedhara	Paphos	Timi
Trakhypedoula	Paphos	Timi

The total number of village Call offices connected as at the end of 1973 was 462. In addition, there were 173 public telephone kiosks and 33 private subscribers telephone kiosks operating throughout the island as at the end of 1973.

IV. Subscribers Telephone Installations.

The Authority has continued its efforts to satisfy as many new applicants as possible. The growth in direct exchange lines is shown in Graph 'C'. The demand for telephone service for the last three years is shown in the following comparative table.

GRAPH "C" GROWTH OF DIRECT EXCHANGE LINES



• WITHDRAWALS ARE DEDUCTED

	1971	1972	1973
Applications in hand as at 1st of January	5689	6568	7220
New applications received during the year	6984	7971	7614
Applications for new direct exchange lines released during the year	5565	6533	6479
Applications cancelled during the year	540	786	860
Balance of the waiting list as at the end of the year	6568	7220	7495

COMPARATIVE CHART SHOWING TELEPHONES OF CYPRUS AND NEIGHBOURING COUNTRIES

As at 1/1/1973

	No. of Telephones	Telephones Per 100 Population	Per Cent Automatic
CYPRUS	54,030	8.30	100.0
Lebanon	227,000	7.67	95.0
Israel, State of	619,709	19.37	100.0
Iran	447,100	1.49	88.3
Iraq, Rep. of	121,500	1.20	73.0
Kuwait, State of	85,066	9.93	100.0
Syrian Arab Rep.	131,760	2.01	88.8
Greece	1,437,578	16.32	98.6
Turkey	728,358	1.94	78.6
Yugoslavia	910,695	4.38	97.1
Roumania	n.a.	—	—
Bulgaria	581,657	6.77	89.4
Italy	11,345,497	20.76	100.0
Algerian Dem. & Pop. Rep.	211,252	1.40	79.1
Spain	5,712,549	16.45	85.1

Total number of telephones in the world as at 1st January, 1973 was 312,902,000.

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

TELEPHONES IN THE PRINCIPAL CITIES OF NEIGHBOURING COUNTRIES

	No. of Telephones	Population (thousands)	Telephones per 100 pop.
Nicosia (A)	28,369	118	24.0
Beirut (A)	168,000	1,200	14.0
Tel Aviv-Jaffa (A)	289,595	905	32.0
Teheran (A)	232,400	3,320	7.0
Kuwait (A)	85,066	857	9.9
Damascus	58,787	917	6.4
Athens (A)	875,731	2,548	34.4
Ankara (B)	117,907	1,357	8.7
Belgrade	169,575	742	22.9
Sofia	202,231	995	20.3
Madrid	1,195,661	3,260	36.7
Roma (B)	1,244,999	2,610	47.7

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

During 1973 the following Works Orders were executed at various Zones for telephone installations and associated works:-

	1971	1972	1973
Nicosia (covering Kyrenia and Morphou)	7749	8711	8499
Limassol (covering Paphos and Platres)	3259	3302	3003
Famagusta	2063	2094	2091
Larnaca	974	947	943
Total	14045	15054	14536

The decrease in the number of Works Orders is due to the fact that certain minor works are now executed without issuing such documents.

V. Subscribers Telex Installations.

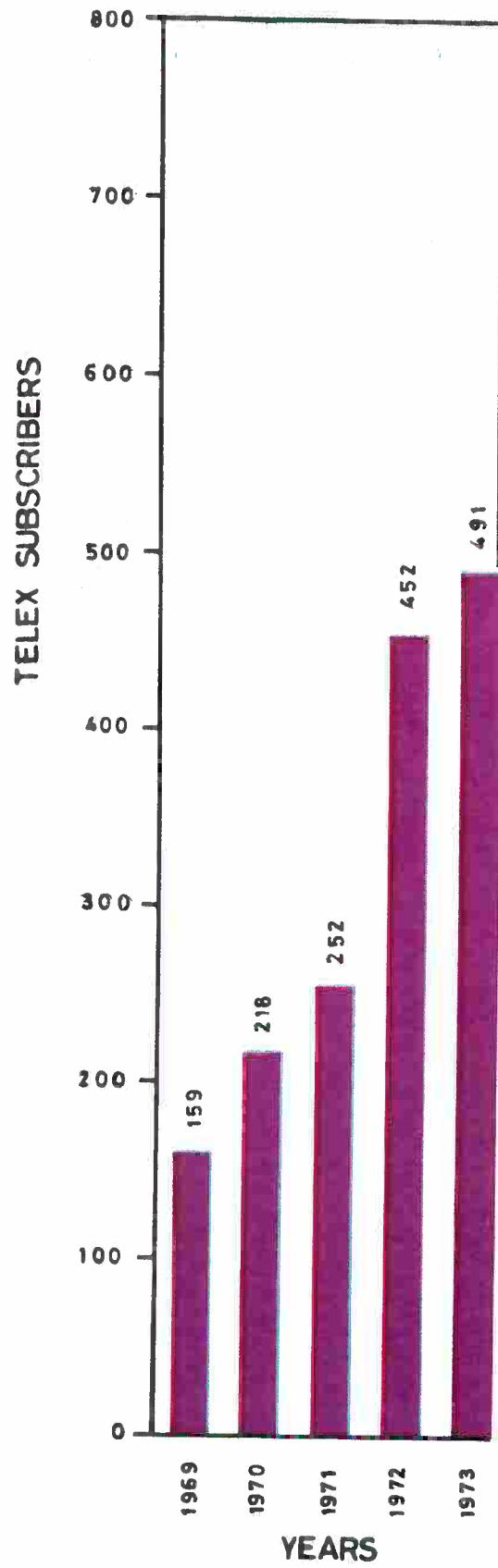
The growth in Telex Subscribers is shown in Graph 'D'.

VI. Transmission and Radio.

During 1973 radio and multiplex equipment was installed for the increase of S.T.D. trunk lines for all main and rural centres, as well as V.F.T. equipment for telex and telegraph operation.

At Madhari Repeater Station a new dish and additional equipment were installed to facilitate frequency diversity operation of the Cyprus-Israel link.

GRAPH "D" GROWTH OF TELEX SUBSCRIBERS



VII Stand-by Generating Sets.

Stand-by Generating Sets of 5 KVA capacity were installed at Pissouri Repeater Station and Paramali Rural Exchange. The sets are new and equipped with fully automatic start/stop cubicles.

VIII. Buildings.

Work has already started for the extension by three floors of the present Nicosia 'C' Exchange building as well as for the construction of a new telephone exchange building at Lapithos.

C. PLANNING AND DEVELOPMENT

I. National Communications Network.

Orders for the provision of additional trunk circuits, between Zone Centres and between Zone Centres and Dependent Exchanges, were placed during the year and the equipment is expected to be received and installed during 1974/75.

II. Zone Telephone Exchanges.

The following table shows the planned increase in capacity of the Zone Telephone Exchanges:-

Exchange	Existing Lines in 1973	Under Installation	Ordered in 1973 for delivery in 1974/75	Planned total number of Lines in 1975	Remarks
Nicosia	27,400	—	22,000	49,400 (52,400)	Notes 1 and 2
Limassol	7,600	7,000	8,000	22,600 (19,600)	Notes 2 and 3
Famagusta	9,000	—	7,000	16,000	
Larnaca	2,400	2,000	1,500	5,900	
Paphos	1,400	—	2,600	4,000	
Morphou	1,400	—	2,600	4,000	
Kyrenia	1,400	—	3,100	4,500	
Total	50,600	9,000	46,800	106,400	

Note 1: Includes Pallouriotissa and Acropolis Satellite Exchanges.

Note 2: Limassol Satellite will be dismantled and 3000 lines will be transferred to Nicosia. The planned total capacity of Limassol will, therefore, be 19,600 lines and that of Nicosia 52,400 lines.

Note 3: Existing 4600 4-digit lines in Limassol will be converted to 5-digit during 1974.

III. Rural Exchanges.

The necessary additional equipment to be used with the two crossbar exchanges which will be redeployed at Lapithos and Platres was placed on order.

This equipment is expected to be delivered in 1974 and on completion of the installations both Lapithos and Platres will each have an initial capacity of 1200 lines.

The eleven 50-line units which will be thrown spare as a result of the above work will be re-deployed at various dependent exchanges.

IV. Line Plant Development.

(a) *Urban Development*

Plans were prepared for further expansion of the underground and overhead network in the towns of Nicosia, Limassol, Famagusta, Larnaca and Morphou.

(b) *Rural Development*

The completed plans mainly call for the installation of telephone call offices at Kapedhes, Palekhor (Morphou, Lagoudhera, Apsiou, Vitsadha, Ayios Nicolaos (Lefkoniko), Galataria, Kilinia, Ayia Varvara (Paphos), Motidhes, Nicos, Linou, Kalia and Ayios Georgios (Lefka) villages, as well as for the expansion of the underground and overhead network in Lyssi, Trikomo and Myrtou.

V. Telex Service.

This will be fully automated and the exchange capacity increased as soon as the ordered computerised telex exchange is installed in 1974.

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

An order for an international telephone exchange was placed during 1973. Installation of the equipment is expected to commence around mid-1974.

VII. Submarine Cable Systems.

Agreements have been reached with the Greek and Lebanese Administrations and relevant orders were placed for co-axial submarine cable systems of 480, 4-kHz, channels capacity linking Cyprus with Greece and Lebanon.

VIII. General.

(a) *Centralisation of 19X Services.*

19X services, already provided to the public by the respective Zone Centre Exchanges, cater for operators' assistance, complaints, telegrams etc.

In order to improve and expand such services, equipment was ordered to facilitate individual centralisation of some of these services whenever this is required.

It is planned that, in addition to the time announcement being extended on an islandwide basis, further new services will be introduced in 1974.

(b) *Improvement of broadcast facility.*

Equipment was ordered and installed to enable broadcasts of up to 15 kHz bandwidth to be extended from the place of event to Nicosia.

With the new equipment the quality of outside broadcasts, carried out by the Cyprus Broadcasting Corporation, will be substantially improved.

(c) *New coin-collecting boxes.*

An order was placed for 1200 coin-collecting boxes to replace the existing ones and to meet additional requirements.

When the new coin-collecting boxes are installed, it will be possible for the public to dial automatically local, trunk and overseas calls.

The installation of these units will commence in 1974.

(d) *Private Meters*

An order was placed for the provision of private meters for use by business subscribers and/or hotels. This facility is considered essential because of the introduction of automatic trunk and forthcoming (early in 1975) international dialling.

(e) *Push button telephones, loud Speaking telephones.*

These types of telephones are made available to the public for the first time and orders were placed to cope with the anticipated demand.

D. GENERAL TELECOMMUNICATIONS FACILITIES

I. Broadcasts (Local)

The Authority's services and plant have been made available to the Broadcasting Corporations for effecting outside local broadcasts (alive programmes) from any point in Cyprus.

Such broadcasts include Church Services, Theatrical Performances, Fairs, Christmas Celebrations, Football Matches, Voice Casts, etc.

During 1973, 116 outside broadcasts were effected through the Authority's network as against 130 realised in 1972.

II. Overseas Voicecasts.

Voicecasts to and from overseas countries covered such events as press reports, international football matches, music festivals and music programmes relayed for the British Forces Broadcasting Service.

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

	1971	1972	1973
Number of Voicecasts	57	99	158
Number of Minutes	2987	3029	6824

III. Communication with Ships at Sea (Maritime Mobile Service).

The continuing increase in radiotelephone traffic handled by the Authority's Coast Station reached still higher figures in 1973, registering an increase of 139% over 1972.

In order to keep up with the increased demand for such traffic, an additional operating position was opened and facilities were provided so that all bookings and call connections are handled by the Coast Station.

At the same time, a number of new transmitting aerials were rigged up and new H.F. receivers were put into use.

Comparative figures of the traffic effected during the past four years are as follows:-

Telephony	1970	1971	1972	1973
Calls	2815	4585	6804	15632
Minutes	10154	16911	24272	58056
Telegraphy	1970	1971	1972	1973
Telegrams	4578	5223	5440	7272
Words	71535	82000	91425	126297

IV. Fascimile (Radio Pictures)

There was a considerable increase in the number of forwarded pictures during this year, which were mainly transmitted to news agencies in the United Kingdom.

The following table shows comparative figures of pictures handled over the past three years:-

	1971	1972	1973
Received	94	106	105
Forwarded	87	110	320

V. Civil Aviation Signals.

The Authority continued to provide technical and operational service to the Department of Civil Aviation for the running of all telecommunication facilities of the Nicosia International Airport with the exception of those for the Control Tower and the Meteorological Office. These facilities conform with the standards and Recommended Practices laid down by the International Civil Aviation Organization (I.C.A.O.).

These services comprise radiotelephone communication with aircraft in flight within the Cyprus Flight Information Region, as well as telegraph and telephone communication with airports of the countries shown below:-

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

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

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

By arrangement with the Ministry of Communications and Works, U.K. trained personnel of the Authority assisted in the installation of an Instrument Landing System (I.L.S.) at the Nicosia International Airport.

Ground and flight checks, will determine the category of the System under ICAO classification standards, as well as the date by which it may be declared operational.

In the field of telegraph communication in the Aeronautical Fixed Telecommunications Network, Cyprus stands ahead of many countries in the Eastern part of Europe and the Middle East. This is mainly due to the speed and efficiency with which messages can be transferred from one airport to the other through the Nicosia Automatic Message Switching Centre. As a result traffic has been speedily increasing, as may be seen from the following figures (a slight drop in 1973 is due to numerous outages (breakdowns) on the Lebanon circuit because of technical difficulties in Beirut).

- | | | | | | | |
|----|------|------------|-------|-----------|-----|-----------|
| a) | 1970 | 38,886,060 | words | forwarded | and | received. |
| b) | 1971 | 46,955,620 | " | " | " | " |
| c) | 1972 | 69,082,310 | " | " | " | " |
| d) | 1973 | 67,229,150 | " | " | " | " |

In general, the operation of the Nicosia 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.

E. MAINTENANCE

I. Routine and Preventive Maintenance

(a) General Maintenance

The maintenance services of the Authority continued to improve and the following table gives an analysis of faults for the three major categories of telephone circuits:-

Category	Percentage of faults per circuit per year		
	1971	1972	1973
Town Subscribers	0.81	0.65	0.53
Rural Subscribers	2.50	2.0	1.5
Rural Call Offices	10.0	6.9	7.8

Every effort was made to render prompt and efficient service to the public.

(b) *Preventive Maintenance*

The recommendations of the British Post Office were adopted by the Authority for the majority of its plant and those of Japanese Post Office (N.T.T.P.C.) for Crossbar Exchange Equipment.

Routine testing was carried out systematically during 1973 to ensure smooth and efficient operation of the system.

II. Workshops

The Authority continued to maintain its Engineering Workshops for the repairs of Switchboards, Teleprinters, Telephone Instruments, etc. In addition, stock items such as Switchboards, Instrument Cords, Metal Frames, Cable Runways and similar items were constructed in the Workshops.

The Workshops are also responsible, as from 1973, for the maintenance of the forty-eight standby alternating sets, which are installed at all main and rural exchanges, radio and repeater stations and the sixteen package and fifty-eight room air conditioning units installed in the various buildings of the Authority.

III. Transport

The Authority maintains its own mobile fleet amounting to one hundred and forty-four vehicles.

Statistical data in respect of the Authority's fleet is shown in the following table:-

	1972	1973
(a) Miles run	1,068,783	1,080,545
(b) Fuel Consumption	58,889 gls	58,526 glns
(c) Oil Consumption	3,623 glns	3,859 glns
(d) Average cost per mile (excluding drivers emoluments)	38.08 mils	51 mils

4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES

I. GENERAL.

All operating services functioned satisfactorily during 1973.

The automation of the inland telephone service, (STD), is nearing its completion and the automation of the Overseas Telephony i.e. the introduction of the ISD (International Subscribers Dialling) is being pursued by the following action:-

- (a) Orders have been placed for a fully automatic Overseas Telephone Exchange and
- (b) Agreements for the laying of submarine cables to link Cyprus with Greece and Lebanon have been concluded. Therefore it is expected that the installation of the Automatic Overseas Telephone Exchange and the submarine cables will be completed by the end of 1974 and beginning of 1975 so that the Automatic Overseas Telephone Service is put into operation early in 1975.

The expansion of the Telex Service and its conversion into fully automatic is expected to be completed by August 1974.

Public Telegraphy through the Automatic Message Switching Centre introduced in 1970 is fully automatic and proved adequate both for local and overseas purposes.

II. TELEPHONE OPERATING.

(a) *Inland Service.*

With the exception of a number of Call Boxes, the service is converted into fully automatic and its effectiveness is reflected in the comparative results shown below:

	<u>1971</u>	<u>1972</u>	<u>1973</u>
(i) Inland dial calls	71,005,287	135,368,987	164,739,545
(ii) Trunk calls via operators	2,707,788	956,673	759,102

(b) *Overseas Radiotelephone Service.*

This service is still carried out on a manual basis and though certain improvements were effected, as stated in the 1972 Annual Report, yet difficulties were experienced for outgoing traffic due mainly to the shortage of Nicosia International Exchange switching capacity and to the non-prompt answering of calls by incoming operators in the destination countries.

The Authority being fully conscious of the importance of efficient international communications, has finalised its plan and has taken the necessary action, (as already mentioned herein) so that operation of the Cyprus Automatic International Telephone Exchange may commence early in 1975.

The following chart shows comparative figures of the service provided with countries connected with Cyprus either by direct point-to-point circuits or relayed automatically via Greece. Connections to any other part of the world are made through these countries.

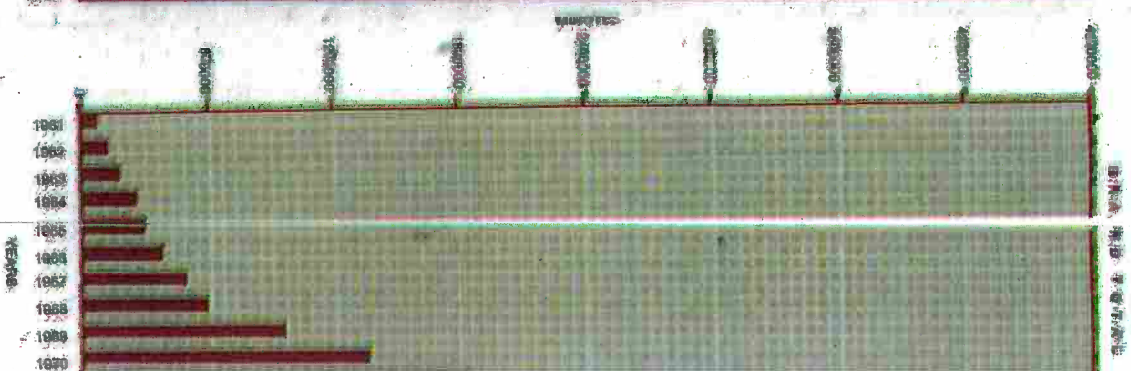
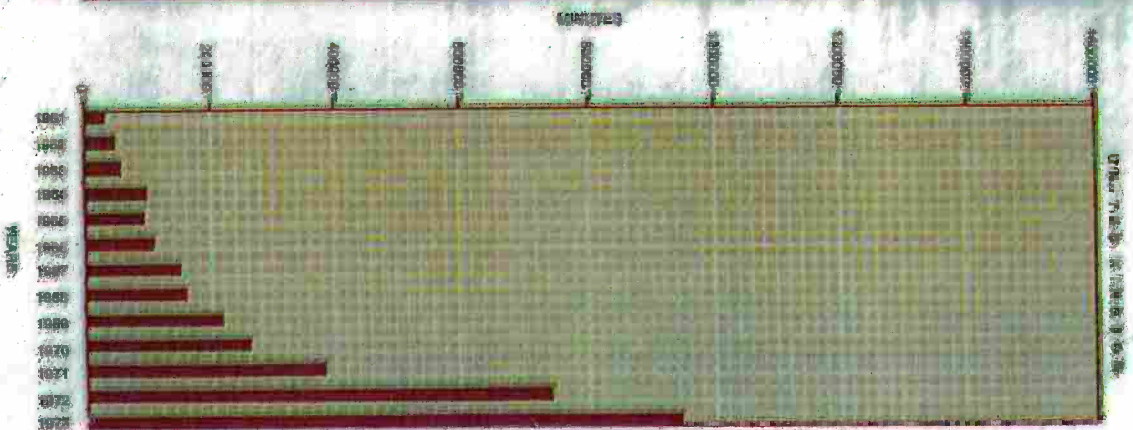
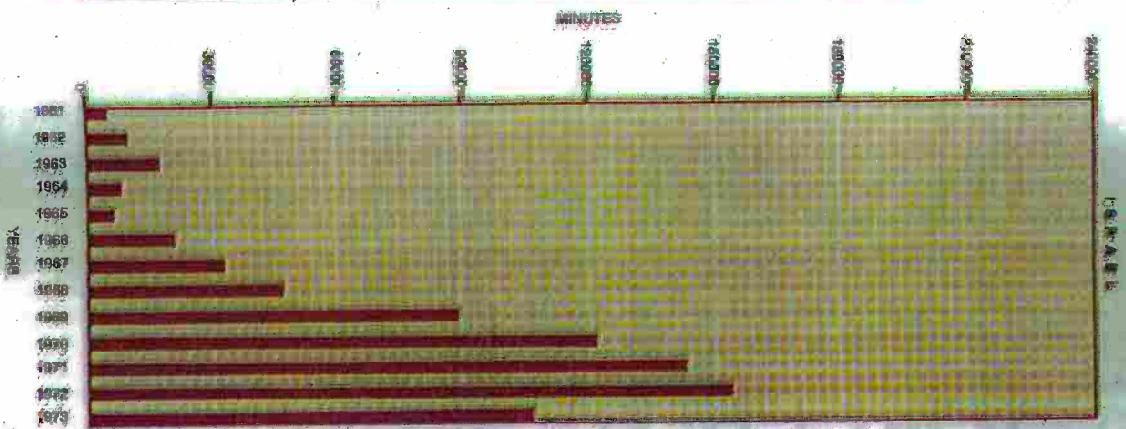
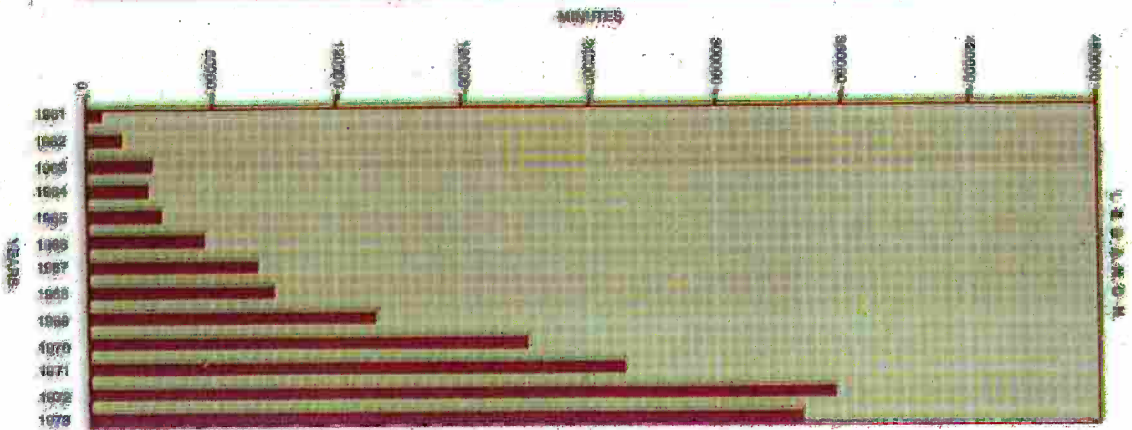
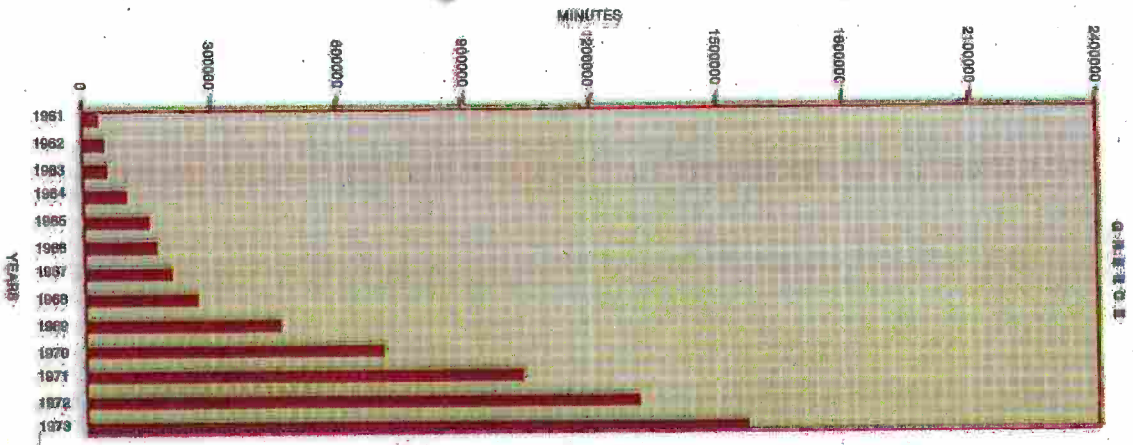
Country	Number of Channels			Hours of operation per week		
	1971	1972	1973	1971	1972	1973
Greece	14	17	17	2352	2856	2856
U.K.	9	11	11	1169	1848	1848
Italy	2	2	2	336	336	336
U.S.A.	—	1	1	—	168	168
W. Germany	—	1	1	—	168	168
Lebanon	2	2	2	336	336	336
Israel	2	2	6	336	336	1008
Turkey	1	1	1	12	12	12
Syria	1	1	1	6	6	6

The Comparative increase in Overseas traffic (main streams) are shown in Graph 'E' but a direct comparison of the last two years shows an increase of 1,434,969 minutes during the year 1973 i.e. 36.43% over that of the year 1972 for outgoing calls and an increase of 1,376,908 minutes i.e. 28.03% for incoming calls.

(c) *Telephone Directory.*

A new Telephone Directory was published and distributed to all subscribers in November 1973 and it is expected that future Directories will be more successful as new methods and modern means and techniques are utilised for the compilation thereof.

OVERSEAS TELEPHONE TRAFFIC (MAIN STREAMS)



(d) *Annoying Telephone Calls.*

A total of 273 complaints for annoying calls were received, out of which 107 were detected and necessary action taken against the offenders.

III. TELEX OPERATING.

The demand for telex service continued to rise steadily. By the end of 1973, 481 subscribers were connected to the Telex Exchange and 177 were on the waiting list.

The existing Telex exchange will be replaced by a new fully computerised electronic exchange of higher capacity to cater for local and overseas traffic. This exchange will be operational by August 1974.

Statistical data regarding channels and traffic for the years 1971, 1972 and 1973 is shown below:-

	1971	1972	1973
(a) Overseas outgoing calls	91,567	128,480	182,303
minutes	480,996	583,293	798,144

An increase of 36.83% in minutes in 1973 over those in 1972.

(b) Local calls

(30 seconds Units) 1,051,788 1,077,930 1,399,018

An increase of 29.78% in 1973 over those in 1972.

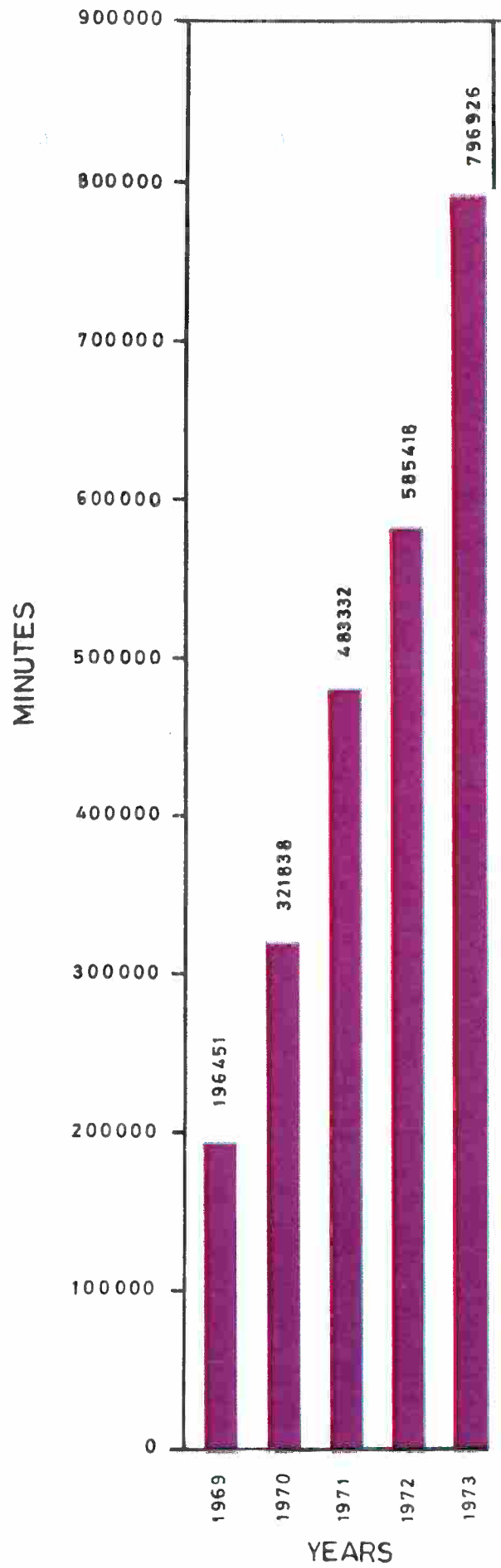
Statistical data regarding channels for the years 1971, 1972 and 1973.

Channels

COUNTRY	OUTGOING			INCOMING			BOTHWAY		
	1971	1972	1973	1971	1972	1973	1971	1972	1973
U.K.	10	11	11	8	8	8	—	—	—
GREECE	3	3	4	8	9	10	—	—	—
ITALY	1	2	2	1	1	2	1	1	—
SWEDEN	1	1	1	1	1	1	—	1	1
F.R. GERMANY	—	—	—	—	—	2	—	—	—
ISRAEL	1	1	1	1	1	2	—	—	—
LEBANON	2	2	2	2	2	2	—	—	—
USA (RCA)	—	—	—	—	—	—	1	1	1
USA (ITT)	—	—	—	—	—	—	—	1	1
USA (WUI)	—	—	—	—	—	—	—	—	1
	18	20	21	21	22	27	2	4	4

Graph 'F' shows the growth in Telex Traffic over the past 5 years.

GRAPH "F"



IV. TELEGRAPH OPERATING.

In spite of substantial growth in the telex service, which absorbs traffic from the telegraph service, an increase in the number of telegrams has been observed during 1973.

Statistical information regarding the number of telegrams appears herebelow:-

	1971	1972	1973
(a) Overseas telegrams forwarded			
(incl. Cyprus radio)	142,792	140,979	150,576
An increase of 6.8% in 1973 over 1972.			
(b) Inland telegrams forwarded	100,882	78,897	97,050
An increase of 23% in 1973 over 1972.			
(c) Phototelegrams forwarded	84	100	320
An increase of 220% in 1973 over 1972.			

Automatic Message Switching Centre.

The computerised Automatic Message Switching Centre, which was introduced in 1970, continued to function satisfactorily with a reduction in processing and transmission times for the inland and overseas public telegraph traffic, as well as, for traffic exchanged between civil airports in Europe and the Middle East with the Aeronautical Fixed Telecommunications Network.

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

The following Countries are directly connected to the Centre:

<i>Public Telegraphy</i>	<i>Civil Aviation</i>
UK	Greece
Greece	Turkey
Lebanon	Lebanon
Israel	Israel
Sweden	
Canada	

5. ADMINISTRATION AND STAFF

I. TRADE UNIONS — STAFF RELATIONS AND JOINT COMMITTEES

The satisfactory labour relations already established continued during the year under review and the close co-operation of Management and staff, together with the introduction of improved methods, resulted in a better and more efficient service to the public.

The Major Standing and other Joint Committees worked satisfactorily and all matters discussed by them were amicably resolved.

(a) *Subscribers Trunk Dialling — Redundancy.*

The outstanding labour dispute regarding the redundant female Telephone Operators mentioned in last year's report was settled after discussions under the chairmanship of the Ministry of Labour and Social Insurance. A decision for the termination of the services of the redundant female Temporary Monthly Paid Telephone Operators was taken and the Authority in order to assist them further in their effort to secure new employment offered them financial and other assistance.

(b) *Collective Agreement.*

The Collective Agreement between the Authority and the Unions expires on 31st December, 1973 and the Unions advised that they will submit claims for the revision of the conditions of employment and the salary scales of the staff.

II. ESTABLISHMENT — PROMOTIONS — ADVANCEMENT OF STAFF

As mentioned in the 1972 Annual Report the establishment was prepared and issued in a new form and the adhoc Committee, which was appointed in accordance with the provisions of the revised staff rules and regulations, completed its work on the establishment satisfactorily.

The implementation of the establishment resulted in the following Promotions — Confirmations and transfers:—

Promotions — Confirmations and transfers:—

Promotions & Confirmations	97
Transfer of Weekly Paid to Permanent Staff	2
Various transfers to other scales	17
Transfer of TMP (Temporary Monthly Paid Employees) to Permanent Staff	15

Comparison of staff for the years 1972 & 1973.

	1973	1972
Administration & Accounts	258	259
Engineering	1043	1013
Telegraph Operating	144	135
Telephone Operating	248	267
Total	<u>1693</u>	<u>1674</u>
Monthly Paid	1587	1567
Weekly Paid	106	107
	<u>1693</u>	<u>1674</u>
Less		
Turkish employees not attending to duty (Out of 270 Turks only 18 attended to duty)	252	259
	<u>1441</u>	<u>1413</u>
	2*	4*

Note: Average number of casual employees
*2 (4 in 1972) Part time charwomen

III. RETIREMENTS, RESIGNATIONS, DISMISSALS ETC.

a. Retirements

17 employees retired from the Authority's service.

b. Resignations, Dismissals and Deaths

- i. 8 employees resigned.
- ii. 6 employees were dismissed.
- iii. 3 employees passed away.

c. Recruitments

53 employees (6 Engineers III, 1 Engineer III (on absolutely temporary basis—Fixed Term Contract), 19 Technicians III, 19 Skilled III, 1 Messenger, 5 Charwomen, 1 Store Labourer and 1 Cleaner) were recruited.

IV. JOINT CONSULTATION

The Joint Managment/Staff Committees functioned most satisfactorily during the year under review as hereunder:-

1. Staff Safety & Welfare

(a) *Safety*

The Safety Committee's main effort during the year was towards the prevention of accidents and to this effect the following action was taken:-

- (i) A safety campaign for the prevention of accidents was organised with speeches on safety at the various places of work.
- (ii) The Authority's Offices and other places of work were regularly inspected by the Safety and Welfare Officer, who made suggestions for the prevention of accidents and elimination of accident hazards.
- (iii) The fire precautions equipment installed in the Authority's premises was replaced to a great extent by modern equipment.
- (iv) The delivery of First Aid lessons to staff under training continued.
- (v) The First Aid Boxes provided by the Authority were properly maintained with prescribed contents.
- (vi) Safety posters, safety news etc. were regularly exhibited at the Authority's "Safety Notice Boards".
- (vii) During the year under review 53 accidents were reported which resulted in 1053 days lost, as sick-leave, compared with 49 accidents which resulted in 396 days lost, as sick-leave, during the previous year 1972.

The increase of the number of accidents during 1973 was mostly due to traffic accidents to employees proceeding from their residence to the place of work or vice versa (14 out of the 53 accidents reported were due to traffic accidents).

(viii) The accidents reported during the year were statistically analysed as hereunder:-

Causation groups	No. of Accidents	Percentage
1. Traffic Accidents	14	26.41
2. Persons falling on same level	9	16.98
3. Use of hand tools and machinery	9	16.98
4. Persons falling from heights	6	11.32
5. Falling objects	6	11.32
6. Handling and lifting goods and material	4	7.55
7. Stepping on or striking against	1	1.89
8. Other causes	4	7.55
	53	100%

LOCATION OF ACCIDENTS		
	Percentage	No.
HEAD	11.32	6
EYES	5.66	3
TRUNK	20.75	11
UPPER LIMB	9.43	5
WRIST & HAND	20.75	11
LOWER LIMB	18.77	10
FEET	13.21	7
	100 %	53

(ix) Accidents reported during the year and comparison with the previous year:-

	1972	1973
Accidents which did not necessitate sick-leave	13(3)*	8(1)*
Accidents which necessitated 1-3 days sick-leave	7(1)*	8(2)*
Accidents which necessitated 4-30 days sick-leave	26	27(6)*
Accidents which necessitated over 30 days sick-leave	3(1)*	9(4)*
Fatal accidents	—	1(1)*
	49	53

(*) Traffic accidents

(x) Protective clothing and personal protective devices were provided to the staff.

(xi) 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 Safety Committee and the efforts of the Safety and Welfare Officer will give effect to the Authority's desire to reduce the accidents to the minimum.

(b) *Welfare*

The joint management/staff Welfare Fund continued its efforts during the year towards the organisation of projects of interest to all employees.

- (i) The Committee of the Welfare Fund is now directing its efforts to buy a site by the sea in order to organise on a long-term basis a permanent seaside Holiday Centre. For the purpose of organising, in parallel to the above, another rest-camp on the mountains, the Welfare Fund succeeded in buying a suitable site near Pedhoulas village of 14 1/2 donums at the reasonable price of £3,000.-.

Messrs. Stavrinides, Pieris and Associates have already submitted to the Welfare Fund the preliminary plans for the construction of the Holiday Centre at Pedhoulas, which provide for the erection of 32 houses of 2-bedrooms each, 6 houses of 3-bedrooms each and one Recreational Centre, all estimated to cost about two hundred thousand pounds. It is expected that construction will commence the soonest possible and in any case during the forthcoming year 1974.

- (ii) In order to finance the abovementioned welfare projects, the following was decided by the Authority in consultation with the Unions.

- 1) Membership to the Welfare Fund becomes obligatory for all monthly paid employees of the Authority as from 1.1.1974 and provides for a monthly contribution of not less than 100 mils by each member.
- 2) The Authority will contribute to the Fund an amount equal to that of the employees' contributions.
- 3) The amount of £21,928.000 mils with the interest earned, being the 1/4 of the 13th salary of the Authority's employees for the year 1971 which was kept by the Authority in order to be allocated for projects of general welfare to the staff, was agreed to be donated to the Welfare Fund.
- 4) In addition to the above, a generous contribution to the Fund (of about forty thousand pounds) was promised by the Authority and together with the Funds own capital, which is estimated to be about fifteen thousand pounds, it is expected that the organisation of major welfare projects will become a reality.

- (iii) The Authority's Offices and other places of work were inspected for welfare purposes and improvements were effected where required.

- (iv) All canteens and rest-rooms of the Authority's Offices and other places of work were reviewed and arrangements were made for the provision of all necessary furniture and other relevant equipment.
- (v) Christmas Parties were organised for all employees of the Authority. Christmas presents, including presents generously donated by OTE (Greek Telecommunication Organisation), were distributed to children of the employees. All expenses incurred were paid by the Authority.
- (vi) The Welfare Fund rendered financial assistance to a number of deserving cases amongst the staff as well as to families and orphans of recently deceased employees.
- (vii) The first farewell party for the employees who retired during 1972 and 1973 was organised in December, 1973 and the General Manager handed to each pensioner a special silver gift.
- (viii) Sport activities were encouraged by the Welfare Fund Committee and football teams, one in Nicosia and another in Famagusta, were taking part in their respective District Company Employees Amateur Football Leagues. An Important sport event took place during the year i.e. the friendly football match in Nicosia between CYTA and OTE-GREECE employees teams (CYTA-OTE 0-1).

V. MEDICAL FUNDS — MEDICAL TREATMENT — SICK LEAVE.

a. Monthly Paid Personnel

All monthly paid employees of the Authority are members of the existing CYTA 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 1973 the sum of £34,868.395 mils was paid out of the Fund in benefits and the Fund's cash position as at 31st December 1973 was £16,582.163 mils.

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 of contribution is provided by the Authority.

c. Sick leave granted to the Monthly Paid employees.

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

	No. of man-days lost	
	1972	1973
Clerical Staff	2,677	2,607
Telephone Operating staff	2,581	2,787
Telegraph Operating staff	461	838
Technical Operating staff	345	475
Technical staff	1,220	1,599
Skilled staff	3,335	3,715
Messengers and Watchmen	1,037	584
	<u>11,656</u>	<u>12,605</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 1973 were 452 (554 in 1972).

The cost of the man-days lost (except the first day of each period of sick leave granted to employees) are reimbursed to the Authority by the Government Social Security Scheme and the total amount reimbursed was £488.-

VI. ANNUAL LEAVE ALL STAFF

Table showing the leave entitlement:

	No. of working days	
	1972	1973
Balance brought forward from previous year	13,548	8,664
Leave entitlement for the year	39,541	41,710
	<u>53,089</u>	<u>50,374</u>
Leave granted during the year	44,425	42,956
Balance due to employees	<u>8,664</u>	<u>7,418</u>

VII. TRAINING

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

The Authority's expenses for training during 1973, amounted to £67,545.- (£59,358.- were spent in 1972) and included the following:

(i) Training in CY.T.A.'s Training Centre.

a) Training on Teleprinters Type "Sagem"	2 employees
b) Basic Mathematics & Electricity Course	5 "
c) Training on Teleprinters Type RFT	14 "
d) Training on Wayleaves Procedures	6 "
e) Training on "SODECO" Teletax Units (Subs meters)	8 "
f) Training for Test Clerks	4 "
g) Special preliminary and Telephone/Radio course for Technicians	18 "
h) Special preliminary and Overhead Construction Course for S/W	19 "

(ii) Training Abroad

Training on Telex Exchange Type T201 (Switzerland)	1 employee
-------------------------------------------------------	------------

(iii) Scholarships

- a) Five members of the Authority's technical staff to whom a 4 years scholarship was awarded by the Authority for acquiring the B.Sc. degree in Electrical Engineering continued satisfactorily their studies during 1973 in U.K.
- b) Two additional employees 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) One employee was awarded a 3 1/2 months scholarship by The Government of Japan for attending a Training Course in Telephone Switching Engineering.

- d) Two members of the Authority's staff who were awarded a 3-year scholarship at the High Telecommunications School of OTE Athens completed their studies and returned to Cyprus.
- f) 54 employees of the Authority attended Night classes at Technical Institutes for the year 1973/74.

(iv) Payment of Tuition & Examination fees.

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

(v) Study leave without pay abroad.

Two employees were granted study leave without pay abroad.

6. COMMONWEALTH TELECOMMUNICATIONS COUNCIL

The Chairman of the Authority, Mr. N.S. Roussos in his capacity as appointed Representative of the Government of Cyprus on the Commonwealth Telecommunications Council attended the Eleventh Annual Council Meeting, held in Bangalore, India, from 5th to 14th July 1973. The Chairman was accompanied by his adviser, the Telecommunications Officer Mr. Evanthis Charalambous.

This Meeting was attended by Representatives of 21 Partner Commonwealth countries and the British Overseas Territories as well as by Mr. P. Snelson representing the Commonwealth Secretary General.

The Commonwealth Telecommunications Organization new Financial Agreement 1973 was signed by Cyprus. In accordance with article 3 of this Agreement, CY.T.A. was nominated by the Cyprus Government as the "National Body" responsible for the operation and maintenance of the common-user facilities and services.

The basis of sharing costs as from 1st April 1973 in accordance with the provisions of the New Financial Agreement 1973 shall be in the proportion of actual utilisation of common user facilities by National Bodies. This constitutes a fundamental departure from the previous "wayleave" arrangements whereby the sharing of costs among Partners was in the same proportion that existed between their respective revenues and the overall revenues of the Partnership.

Certain aspects of the new Financial Agreement have yet to be finalised. Cyprus participated actively during the year by the appointment of Members on the undermentioned five Specialist Groups constituted to carry out urgent studies for the refinement of all relevant Definitions and Procedures governing the new Financial Agreement:

1. Network Operation
2. System Development
3. Unified Accounting
4. Accounting Arrangements
5. Marketing and Tariffs.

The Chief Engineer, Mr. G. Papaioannou, (1 & 2), the Chief Accountant Mr. Marios Christofides, (3 & 4) and the Telecommunications Officer, Mr. Evanthis Charalambous (5), were appointed as Members on these Specialist Groups.

These Specialist Groups will study and recommend through the Standing Committee of Council a number of adjustments with a view to improving the operation of the Commonwealth Telecommunications Network and alleviating any unfavourable financial impact on Partners in the first years of application of the new financial Arrangements.

The C.T. Council will consider these recommendations at its next (twelfth) Meeting in Lagos Nigeria, October 1974.

Cyprus offered to host the thirteenth Council Meeting in Nicosia, during 1975.

7. FINANCIAL REPORT

GENERAL

The year 1973 was a record year in the operating turnover which reached the sum of £4,512,274 (£3,551,020 in 1972).

The increased revenue was the combined result of the increase in the telephone and telex traffic, both inland and overseas, and the revision of the rates.

The Authority is considering the effect in projection of this year's results in conjunction with the revised 5-year plan capital requirements and the upward trend of material and labour costs and, unless it becomes absolutely necessary by the development planning or other substantial reasons, will not propose a further rates revision.

However the Authority is, in this respect, thoroughly examining other means of financing but should a rates revision prove inevitable this will be restricted to the minimum, in line with the Government's declared policy on the level of prices and incomes.

It is gratifying to observe the achievement of a record net surplus of £1,404,000 despite the rise in expenditure. This net surplus, as a return on capital, is also at record level and it is the first time in the history of the Authority that such satisfactory return has been reached. It is unlikely, however, that such return will be repeated with the existing rates, if despite the expected increase in traffic, there is a substantial salaries revision.

The expenses have risen by the 4% salary revision, the increase in cost of living allowances and material, as well as by other costs.

It is expected that the operating expenses as a ratio to turnover will continue to decrease especially because of the automatisisation of the overseas telephone and telex services.

DEVELOPMENT

There was again a substantial investment in capital works for the expansion and modernisation of services; this development expenditure reached the level of £1,635,594 in 1973.

However, an unprecedented investment of approx. £9,000,000 has already been committed for the years 1974/75 which includes, apart from the normal expansion to the exchanges and line plant, the following five major projects:-

1) Greece-Cyprus Submarine Cable (Aphrodite)	£1,800,000
2) Lebanon " " " (Adonis)	400,000
3) International automatic Telex (incl. Subs Units)	1,000,000
4) International automatic Telephone Exchange	300,000
5) IRUs i.e. purchase of circuits on foreign Submarine cables mainly Greece-France (Ariadni)	1,000,000

The Authority's share in the submarine cables is 50% in Aphrodite (the Greek link) and 35% in Adonis (the Lebanese link); it is estimated that an amount of £700,000 will be recovered from this expenditure by the sale of IRUs (Cable Circuits from our share on Aphrodite and Adonis) to foreign Administrations.

It is fair to mention on this occasion, that, for the cost of the Authority's share on the Greece-Cyprus cable and the greatest part of the IRUs (under item 5 above), beneficial long term credit facilities have been granted by the Greek Telecommunications Organization (OTE). Credit facilities for other projects were also secured from the respective manufacturers.

CASH POSITION

The bank overdraft has been maintained at the same level whilst the cash in hand has improved by £176,000 (in 1972 was £4,000). This cash-flow problem has been a regular feature in recent years and is forecasted to continue in the coming year due to the required cash outlay on the substantial development. This situation may be remedied in the years 1975/76 from the additional revenues to be derived from the planned and envisaged for operation, during 1974 & 1975, automatic services.

THE ACCOUNTS

	1973	1972
Income from Operations amounted to	4,512,274	3,551,020
which after deduction of Operating Expenses	2,751,457	2,512,103
resulted in an Operating balance of	1,760,817	1,038,917
Other income amounted to	70,966	22,518
making a total of	1,831,783	1,061,435
Less: Financial expenses of	428,183	396,253
resulted in a Revenue Balance of	<u>£1,403,600</u>	<u>£ 665,182</u>

APPROPRIATIONS

The Revenue balance of £1,403,600 has been increased by £17,691 in respect of revenue relating to prior years and the resultant balance has been appropriated as follows:-

Revenue balance for year	1,403,600	
Add : Net Revenue of prior years	17,691	
		1,421,291
Deduct : Provision for staff superannuation back service credits		30,000
Net revenue balance		<u>£1,391,291</u>

The said amount of £1,391,291 has been added to the accumulated Revenue Balance of £2,271,791 at 31.12.72 thus making a total of £3,663,082 Revenue Balance as at 31st December, 1973.

BALANCE SHEET

Fixed Assets

The net book value as at 1st January, 1972 was £7,640,171.

Sundry Capital works executed during 1973 together with Other Capital expenditure increased the fixed assets as follows:-

Gross book value as at 1st January, 1973		£10,939,663
Plus : Capital development during year:-		
(i) telecommunication installations	£1,506,161	
(ii) other expenditure	129,433	
	<u>£1,635,594</u>	
Less : Installation and Removal		
Charges recovered	£145,216	
Disposals during year	<u>106,082</u>	
	251,298	
		<u>1,384,296</u>
		£12,323,959
Accumulated depreciation 31st December, 1973		<u>3,691,049</u>
resulted in a Net Book value as at 31st December, 1973		<u>£8,632,910</u>

Investments

According to the terms of the issue of the Debenture Stock 1980/82 and 1981/83 the Authority makes investments with the Central Bank of Cyprus for the stock's redemption and these at the end of the year stood at £99,643.

Current Assets

The debtors have been increased due to the rise in traffic and the additional subscribers.

The stocks at £1,061, 866 include, to a great extent, capital equipment scheduled for installation in 1974. The maintenance of substantial stocks is necessary because of the many and varied installations operated by the Authority and the long delivery periods required by manufacturers.

The deferred charges at £233,942 refer to interest and expenses chargeable against revenues of subsequent years.

Creditors

The deferred liabilities at £617,090 represent mainly deposits by subscribers and others for various installations and the accumulated provision for the staff superannuation back service credits.

The creditors and long term liabilities, amounting to £1,860,853, consist mainly of the amounts due to the various manufacturers.

Capital Borrowings

The loans structure at the end of the year after repayment of certain instalments was:-

	1973	1972
	£	£
Loan Commissioners (1965/76, 1969/83, 1970/84)	286,273	309,477
Government Loan 1973/87	2,980,000	2,988,000
	3,266,273	3,297,477
Telecommunications Stock (1980/82, 1981/83)	1,250,000	1,250,000
Total borrowings	4,516,273	4,547,477

Contractual Commitments

The noticeable rise in these commitments amounting to £ 8,115,600 (£546,000 in 1972) is due to the additional substantial credit facilities on equipment that include the committed principal and interest of five major projects i.e. the Greece-Cyprus submarine Cable, Aphrodite, the Lebanon-Cyprus submarine Cable, Adonis, the International Telex and Telephone Exchanges as well as the IRUs (ownership of circuits on foreign cables).

N. S. ROUSSOS
Chairman

A. N. STYLIANIDES
General Manager

S. A. KOKKINIDES
Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY
FINANCING OF THE YEAR'S CAPITAL REQUIREMENTS

1964-1973

(£ thousand)

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
CAPITAL REQUIREMENTS										
Expenditure during year on Fixed Assets	246	381.1	371.3	881.1	806.1	688	1,536.3	1,456.3	1,811.7	1,635.6
Less: Residual Value of assets disposed	24.2	3.6	8.6	13.5	81.6	85	11.5	38.4	89.4	45.2
	221.8	377.5	362.7	867.6	724.5	603	1,524.8	1,417.9	1,722.3	1,590.4
Loan repayment and debenture investments	—	3.2	3.3	3.4	4.6	12.1	119.7	320.8	62.6	90.2
	221.8	380.7	366	871	729.1	615.1	1,644.5	1,738.7	1,784.9	1,680.6
Other net assets	224	—98.7	155	—189.5	805.9	—202.7	466.9	—539.8	—290.4	1.2
Total Requirements	445.8	282	521	681.5	1,535	412.4	2,111.4	1,198.9	1,494.5	1,681.8
FINANCED FROM										
<i>Internal resources:-</i>										
Depreciation	170.1	186.9	191.3	213.9	247.8	272.5	299.1	382.8	433.1	452.4
Balance of Revenue for year	215.6	172.2	184.1	163.4	62.3	141.8	209.1	220.0	665.2	1,403.6
Prior period recoveries/Expenses	29.7	—31.9	—15.9	19.3	168.5	28.2	—19.7	—29.1	6.8	—12.3
Installation Fees Recovered	31.4	26.6	25.3	34	35.5	44.9	89.5	66.0	119.0	145.2
	446.8	353.8	384.8	430.6	514.1	487.4	578	639.7	1,224.1	1,988.9
<i>External Borrowings:-</i>										
Government Loan	50	—	—	—	149.7	—	300	—	—	—
Debentures	—	—	—	—	—	—	600	650.0	—	—
Capitalised Interest (Consolidated into Loans)	—	—	—	—	851.6	5.5	—	—	—	—
Increase/Decrease in long-term creditors	—51	—71.8	136.2	250.9	19.6	—80.5	633.4	—90.8	270.4	—307.1
Total Finance	445.8	282	521	681.5	1,535	412.4	2,111.4	1,198.9	1,494.5	1,681.8

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

CYPRUS TELECOMMUNICATIONS AUTHORITY

RETURN ON CAPITAL

1964-1973

(£ thousand)

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
NET ASSETS										
Fixed Assets less depreciation	2,708.4	2,872.4	3,018.5	3,638.2	4,079.4	4,364.7	5,500.9	6,470	7,640.2	8,632.9
Stores in Stock	414.4	380.2	744.9	786.3	781.5	666.5	862.2	996.3	1,185.2	1,061.9
Other net assets	-185	-177.7	-523.6	-1,005.5	-214.4	-221.4	-583.6	-1,166.8	-1,875.8	-1,385.2
Net total Assets	2,937.8	3,074.9	3,239.8	3,419	4,646.5	4,809.8	5,779.5	6,299.5	6,949.6	8,309.6
RETURN										
Revenue surplus (including prior period Revenue/Expenses):-										
i) Before interest on borrowings	395.7	300.5	336.9	360.2	331	272	301.6	366.6	859.0	1,577.0
ii) After interest on borrowings	245.3	140.3	168.2	182.7	230.8	170	189.4	190.9	672.0	1,391.3
<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	13.5	9.8	10.4	10.5	7.1	5.7	5.2	5.8	12.4	19.0
ii) After interest on borrowings	8.3	4.6	5.2	5.3	5	3.5	3.3	3.0	9.7	16.7

CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING EXPENDITURE 1969-1973

I OPERATING EXPENDITURE

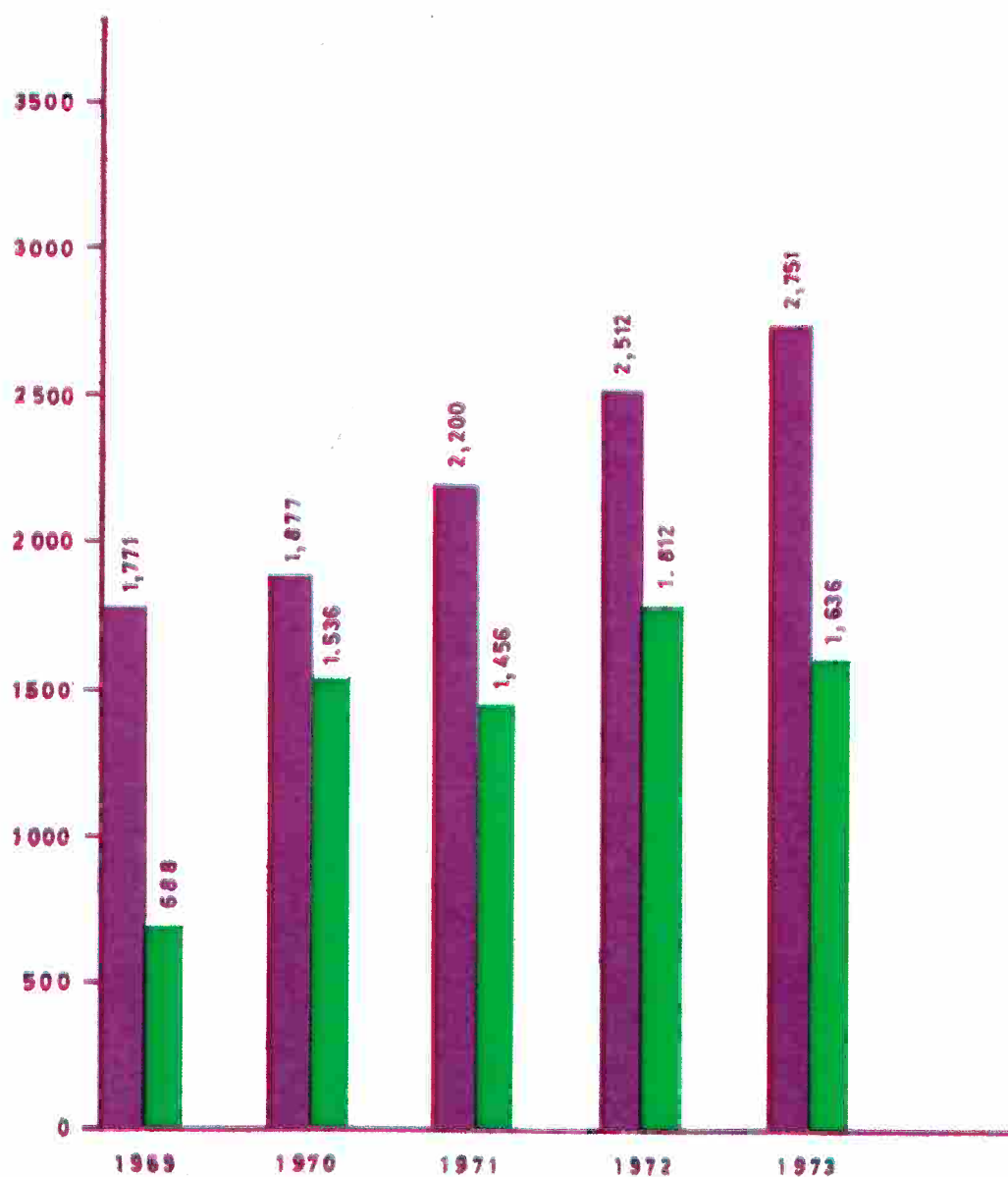
II CAPITAL EXPENDITURE

(£ thousand)

	I	II
1964	828	246
1965	948	381
1966	992	371
1967	1234	881
1968	1525	806

OPERATING EXPENDITURE

CAPITAL EXPENDITURE



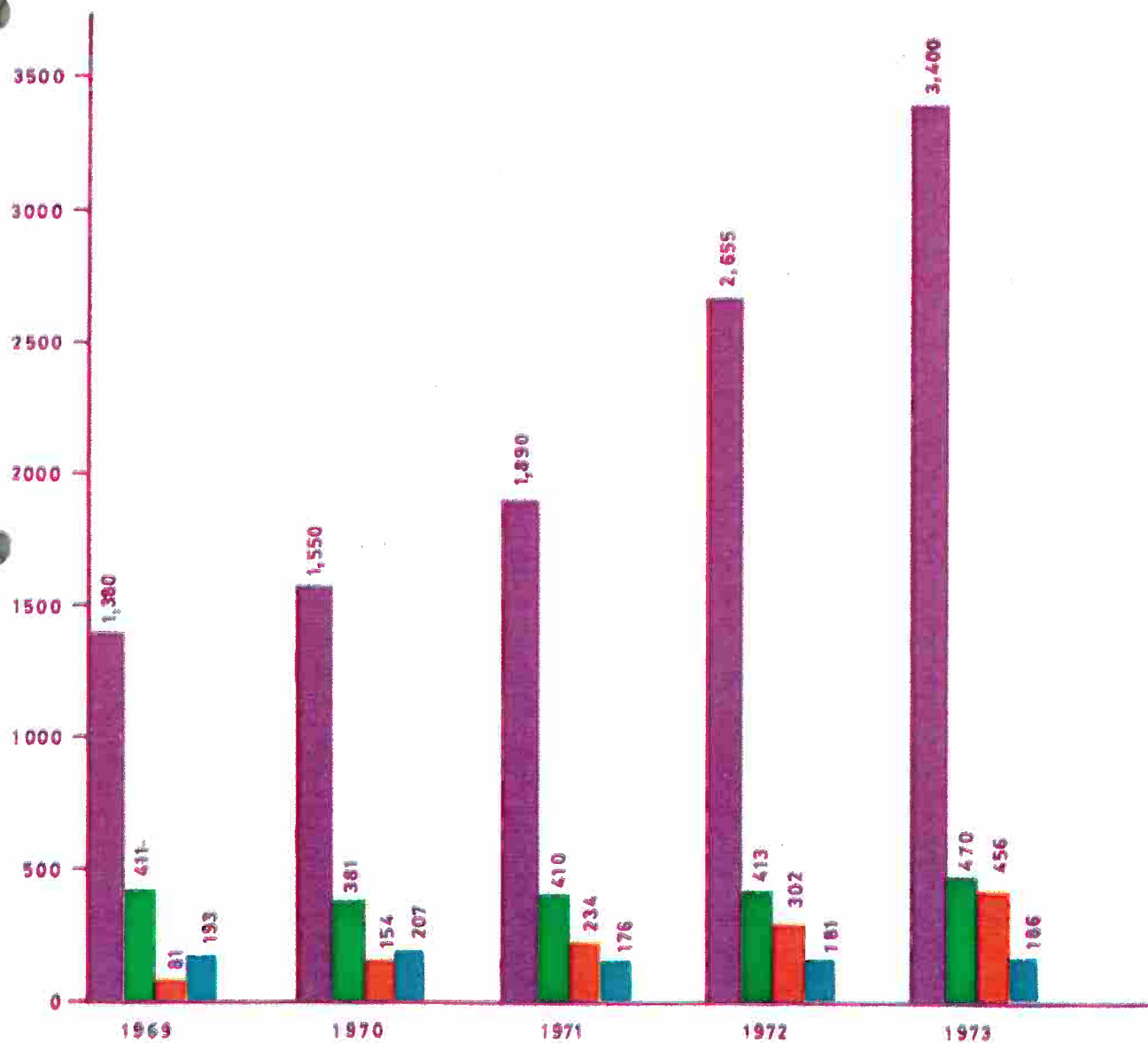
CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING OPERATING REVENUE 1969-1973

I TELEPHONE REVENUE
 II TELEGRAPH REVENUE
 III TELEX REVENUE
 IV OTHER REVENUE
 (£ thousand)

	I	II	IV
1964	865	365	
1965	946	279	67
1966	1026	268	66
1967	1130	384	71
1968	1175	407	140

TELEPHONE REVENUE
 TELEGRAPH REVENUE
 TELEX REVENUE
 OTHER REVENUE



ACCOUNTS

CYPRUS TELECOMMUNICATIONS AUTHORITY

AUDITORS' REPORT

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

In our opinion the said Accounts, together with the Notes thereon, give, respectively, a true and fair view of the state of affairs of the Authority as at 31st December, 1973 and of the balance of revenue for the year ended on that date.

SCOTTIS & POLYDORIDES

Chartered Accountants

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

14th June, 1974.

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTING POLICIES

FIXED ASSETS

Amortisation of leasehold properties is provided so as to write off the cost of these properties by equal annual instalments over the terms of the leases. Depreciation on other assets is calculated on a straight line basis at annual rates estimated to write off each asset within its normal useful life.

In respect of additions to fixed assets during a financial period, a full year's depreciation charge is applied and in the case of disposal of fixed assets during a financial period no depreciation charge is applied in that period.

Capital work projects undertaken by the Authority are valued individually at material cost plus an addition for direct labour and other appropriate expenses. Expenditure on such projects is capitalised on the completion of the project.

Interest payable on the suppliers' extended credit on the purchase of plant and equipment is not included in the capital cost of the respective asset but is written off to Revenue as it arises.

Profits and losses on the disposal of fixed assets, unless otherwise stated, are reflected in the Revenue Account.

DEBTORS

Known bad debts are written off and specific provision is made for any considered to be doubtful of collection.

STORES

Stores, which include plant and equipment for current development, are physically verified by continuous stock takings carried out throughout the year; they are valued at cost less provision for obsolescence.

REPAIRS AND RENEWALS

Expenditure on repairs and renewals is written off in the year in which it is incurred.

BALANCES AND TRANSACTIONS IN FOREIGN CURRENCY

Foreign currency balances are converted into Cyprus pounds at the rates of exchange ruling at the end of the financial year. The gains or losses arising on such conversions are carried forward and are reflected in Deferred Accounts.

Significant gains or losses attributable to liabilities outstanding at Balance Sheet date in respect of fixed assets purchased from overseas suppliers during the year are dealt with by the adjustment, in that year, of the cost of the relevant asset account.

Realised gains or losses due to exchange rate fluctuations on capital or revenue transactions are dealt with through the Revenue Account.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 1973.

1. INVESTMENTS

Under the terms of issue of the 7 1/2% Guaranteed Debenture Stock 1980/82 and 1981/83 the Authority is required 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. In the opinion of the Authority the value of the investments of the Fund is not less than the amount at which they are stated in the Balance Sheet.

2. DEBTORS

Included in this figure is £265,000 in respect of a debt due from the Government of the Republic. Arrangements have been made for the payment of the said amount in 5 equal yearly instalments with interest at a rate equal to the rate of interest born by the Authority on its bank overdraft.

3. DEFERRED CHARGES

This amount is made up of expenses attributable to subsequent years:-

	£
Interest	139,902
Other Expenses	94,040
	<hr/>
	£233,942
	<hr/>
(1972 —	£322,708)

4. DEFERRED LIABILITIES AND OTHER CREDITS

This amount is made up as follows:-

	£
Rentals and installation fees relating to subsequent years	88,597
Deposits for recoverable works	113,074
Provision for staff superannuation back service credits and other staff benefits (Note 5)	352,900
Net gain on conversion of foreign currency balances	62,519
	<hr/>
	£617,090
	<hr/>
(1972 —	£461,472)

5. STAFF BENEFITS

There is a liability towards funding of staff superannuation back service credits against which the Authority provides annually out of its revenues £30,000. The aggregate amount of this provision as at 31st December, 1973 was £270,000 (1972 — £240,000). In addition to the aforesaid, the Authority has assumed liability in respect of certain other staff benefits against which an amount of £82,900 (1972 — £53,300) was provided for in 1973 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. The payment of these liabilities is being deferred until the amounts involved are finally ascertained.

6. TAXATION

No amount has been set aside to provide for income tax on the net revenue of the year or in respect of the net revenue of prior years, as the position of the Authority's liability to income tax, in general, has not yet been determined.

7. CONTRACTUAL COMMITMENTS

Contractual commitments as at 31st December, 1973 not provided for in these Accounts amounted to approximately £8,116,000 (1972 — £546,000) of which £4,255,000 is in respect of the submarine cable links and £3,861,000 is in respect of exchanges and other equipment (including the International Telex/Telephone Exchanges).

8. CONTINGENT LIABILITIES

Contingent liabilities in respect of claims against the Authority amounted to approximately £4,900 at 31st December, 1973 (1972 — £2,350).

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET

31st DECEMBER, 1973

	1973	1972
	£	£
FIXED ASSETS (STATEMENT 4)	8,632,910	7,640,171
INVESTMENT at cost (Note 1)	99,643	40,654
NET CURRENT ASSETS (STATEMENT 5)		
Current Assets	2,554,737	2,315,086
Deduct		
Current Liabilities	1,716,787	1,722,739
	<hr/>	<hr/>
	837,950	592,347
DEFERRED CHARGES (Note 3)	233,942	322,708
	<hr/>	<hr/>
	9,804,445	8,595,880
Deduct		
DEFERRED LIABILITIES AND OTHER CREDITS (Note 4)	617,090	461,472
LONG-TERM LIABILITIES	877,696	1,184,836
	<hr/>	<hr/>
	1,494,786	1,646,308
	<hr/>	<hr/>
NET ASSETS	£8,309,659	£6,949,572
	<hr/>	<hr/>
FINANCED BY		
CAPITAL BORROWINGS (STATEMENT 6)	4,516,273	4,547,477
RESERVES (STATEMENT 7)	3,793,386	2,402,095
	<hr/>	<hr/>
	£8,309,659	£6,949,572
	<hr/>	<hr/>

The Notes on the Accounts and the attached Statements and Appendices form 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, 1973

	1973	1972
	£	£
Operating Revenue (Statement 1)	4,512,274	3,551,020
Deduct		
Operating Expenses (Statement 2)	2,751,457	2,512,103
NET OPERATING REVENUE	1,760,817	1,038,917
Add		
Investment Income	4,353	654
Other Income	66,613	21,864
	70,966	22,518
	1,831,783	1,061,435
Deduct		
Financial and Other Expenses (Statement 3)	428,183	396,253
REVENUE BALANCE FOR YEAR	1,403,600	665,182
Deduct		
Provision for staff superannuation back service credits (Note 5)	30,000	30,000
	1,373,600	635,182
Add		
Revenue Balance 1st January, 1973	2,271,791	1,599,785
Net revenue relating to prior years	17,691	36,824
	2,289,482	1,636,609
REVENUE BALANCE 31st December, 1973	£3,663,082	£2,271,791

The Notes on the Accounts and the attached Statements and Appendices form an integral part of these Accounts.

STATEMENT 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

OPERATING REVENUE

	£	£	1972 £
Telephone services			
Rentals	773,676		614,832
Inland dial calls	1,798,048		1,333,323
Inland manual calls	55,342		70,041
Overseas calls	700,911		491,501
Leased circuits	36,492		116,743
Miscellaneous	34,946		28,501
		3,399,415	2,654,941
Telegraph services			
Telegrams	375,933		320,969
Leased circuits	63,269		63,577
Teleprinter rentals	16,391		15,714
Miscellaneous	14,691		12,422
		470,284	412,682
Telex services			
Rentals	99,622		59,074
Local calls	15,366		10,835
Overseas calls	341,191		232,685
		456,179	302,594
Other services		186,396	180,803
As per Revenue Account		£4,512,274 ✓	£3,551,020

STATEMENT 2

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973
OPERATING EXPENSES

	£	£	1972 £
System operational			
Telephone services			
Operators' salaries etc.	303,882		277,003
Maintenance salaries etc.	342,430		318,872
Other salaries etc.	453,606		394,903
Materials	19,274		17,505
Electricity	18,241		17,881
Transport	25,063		24,289
Depreciation	324,762		305,267
Radio and repeater stations expenses	87,363		65,211
Miscellaneous	13,134		16,987
		1,587,755	1,437,918
Telegraph services			
Operators' salaries etc.	241,747		218,660
Maintenance salaries etc.	17,633		16,979
Other salaries etc.	26,839		32,981
Materials	483		1,141
Electricity	873		1,073
Transport	38		47
Depreciation	20,115		21,421
Radio and repeater stations expenses	47,268		45,771
Miscellaneous	2,052		4,218
		357,048	342,291
Telex services			
Operators' salaries etc.	14,855		12,151
Maintenance salaries etc.	14,707		10,427
Other salaries etc.	20,813		10,131
Materials	520		548
Electricity	894		715
Transport	236		104
Depreciation	21,530		19,942
Radio and repeater stations expenses	82,067		92,837
Miscellaneous	150		101
		155,772	146,956
Other services			
Operators' salaries etc.	31,956		29,073
Maintenance salaries etc.	15,825		14,735
Other salaries etc.	13,871		9,721
Materials	2,417		2,290
Transport	367		359
Depreciation	9,903		9,985
Radio and repeater stations expenses	23,293		21,528
Miscellaneous	1,197		3,734
		98,829	91,425
Transferred to Summary		£2,199,404	£2,018,590

Establishment

	£	£
Salaries etc.	46,276	39,487
Maintenance of buildings	10,771	7,048
Maintenance of F.F. and O.E.	4,946	4,036
Transport	702	300
Rents, Rates and Taxes	11,895	13,640
Light, Heat and Water	9,610	9,565
Insurances	6,277	5,729
Depreciation	12,562	11,892
Miscellaneous	1,872	1,714
Transferred to Summary	£104,911	£93,611

Administration

Administration and accounts salaries etc.	312,047	272,622
Printing and stationery	22,185	20,023
Telephones, Telegrams and postages	38,567	32,626
Travelling and transport	10,266	9,485
Office machinery rental	19,369	22,843
Training expenses	13,404	11,929
Newspapers and periodicals	658	641
Advertisements	9,386	8,204
Miscellaneous	21,260	21,529
Transferred to Summary	£447,142	£399,902

SUMMARY

OPERATING EXPENSES

	£	£
System operational	2,199,404	2,018,590
Establishment	104,911	93,611
Administration	447,142	399,902
As per Revenue Account	£2,751,457	£2,512,103

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

FINANCIAL AND OTHER EXPENSES

	£	1972 £
Financial		
Interest on capital borrowings	185,715	186,966
Interest to suppliers	100,292	102,108
Bank interest	47,860	28,137
Provision for bad and doubtful debts	19,827	16,351
Scrap and obsolete stores and equipment	60,486	50,620
Miscellaneous	6,117	4,749
	<u>420,297</u>	<u>388,931</u>
Other		
Authority's Members emoluments and expenses	2,675	2,663
Commonwealth Telecommunications Council Expenses	5,211	4,659
	<u>7,886</u>	<u>7,322</u>
As per Revenue Account	<u>£428,183</u>	<u>£396,253</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

FIXED ASSETS

	Cost or Valuation as at 1.1.73	Additions at cost less Disposals	Cost or Valuation as at 31.12.73	Aggregate Depreciation	Written 31.12.73	Down Value 31.12.72
	£	£	£	£	£	£
Land and Buildings	909,294	131,821	1,041,115	123,896	917,219	800,679
Exchanges, Telegraph and Line Plant Apparatus	7,745,998	1,050,091	8,796,089	2,917,804	5,878,285	5,143,347
Radio Stations	957,001	5,578	962,579	371,380	591,199	636,348
Sub-marine Cables	26,154	20,382	46,536	1,735	44,801	26,154
Motor Vehicles, Tools and Equipment	233,817	36,367	270,184	196,060	74,124	51,589
Office Furniture and Equipment	152,750	(12,353)	140,397	80,174	60,223	67,405
	10,025,014	1,231,886	11,256,900	3,691,049	7,565,851	6,725,522
Assets under construction	914,649	(117,775)	796,874	—	796,874	914,649
Payments on account of Equipment	—	270,185	270,185	—	270,185	—
As per Balance Sheet	£10,939,663	£1,384,296	£12,323,959	£3,691,049	£8,632,910	£7,640,171

NOTES:- 1. The depreciation of Fixed Assets for the year ended 31st December, 1973 amounted to £452,407 (1972 — £433,114).

2. Certain lands were in course of registration in the name of the Authority as at 31st December, 1973.

STATEMENT 5

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

NET CURRENT ASSETS

	£	£	1972 £
Current Assets			
Stores	1,061,866		1,185,228
Debtors, less provisions (Note 2)	1,312,270		1,125,856
Bank balances and cash in hand	180,601		4,002
		2,554,737	2,315,086
Deduct:-			
Current liabilities			
Creditors	983,157		986,512
Bank overdraft	645,990		648,205
Interest accrued on capital borrowings	87,640		88,022
		1,716,787	1,722,739
As per Balance Sheet		£837,950	£592,347

STATEMENT 6

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

CAPITAL BORROWINGS

	£	£	1972 £
5% Government Loan 1965/76	15,363		20,004
5¾% Government Loan 1969/83	142,871		153,240
5¾% Government Loan 1970/84	128,039		136,233
2½% Government Loan 1973/87	2,980,000		2,988,000
		3,266,273	3,297,477
7½% Guaranteed Debenture Stock 1980/82	600,000		600,000
7½% Guaranteed Debenture Stock 1981/83	650,000		650,000
		1,250,000	1,250,000
As per Balance Sheet		£4,516,273	£4,547,477

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

STATEMENT 7

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

RESERVES

	£	1972 £
Capital reserve	64,304	64,304
General reserve	66,000	66,000
Revenue Account — Balance	3,663,082	2,271,791
As per Balance Sheet	<u>£3,793,386</u>	<u>£2,402,095</u>

APPENDIX 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

RADIO AND REPEATER STATIONS EXPENSES

	£	1972 £
Operators' salaries etc.	57,514	51,873
Maintenance salaries etc.	31,249	30,408
Other salaries etc.	62,269	57,604
Materials	6,280	4,722
Electricity	16,269	17,667
Transport	1,992	2,390
Depreciation	54,234	56,006
Miscellaneous	10,184	4,677
Total allocated to system operational	<u>£239,991</u>	<u>£225,347</u>
Allocated to:-		
Telephone services	87,363	65,211
Telegraph services	47,268	45,771
Telex services	82,067	92,837
Other services	23,293	21,528
	<u>£239,991</u>	<u>£225,347</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

MOTOR TRANSPORT EXPENSES

	£	£	£	1972 £
Drivers, Garage and other salaries		20,006		19,824
Licences		2,104		2,180
Insurances		2,617		2,445
Fuel		7,819		6,806
Spares and Accessories		872		581
Depreciation		9,301		8,601
Miscellaneous		7,606		7,483
		<u>£50,325</u>		<u>£47,920</u>
Allocated to:-				
Capital works		13,874		13,481
Recoverable works		2,006		1,165
Operating expenses:-				
System operational	25,704		24,799	
Establishment	702		500	
Administration	6,047		5,585	
		<u>32,453</u>		<u>30,884</u>
Radio and repeater stations expenses		1,992		2,390
		<u>£50,325</u>		<u>£47,920</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1973

STAFF COSTS

	£	£	£	1972 £
Salaries, wages, allowances etc.		2,291,267		2,012,114
Less: Amount charged to:-				
Capital	230,399		178,157	
Recoverable works	33,343		16,503	
		263,742		194,660
		<u>£2,027,525</u>		<u>£1,817,454</u>
Allocated to:-				
Operating expenses:-				
System operational	1,498,164		1,345,636	
Establishment	46,276		39,487	
Administration	312,047		272,622	
		1,856,487		1,657,745
Radio and repeater stations		151,032		139,885
Motor transport expenses		20,006		19,824
		<u>£2,027,525</u>		<u>£1,817,454</u>

