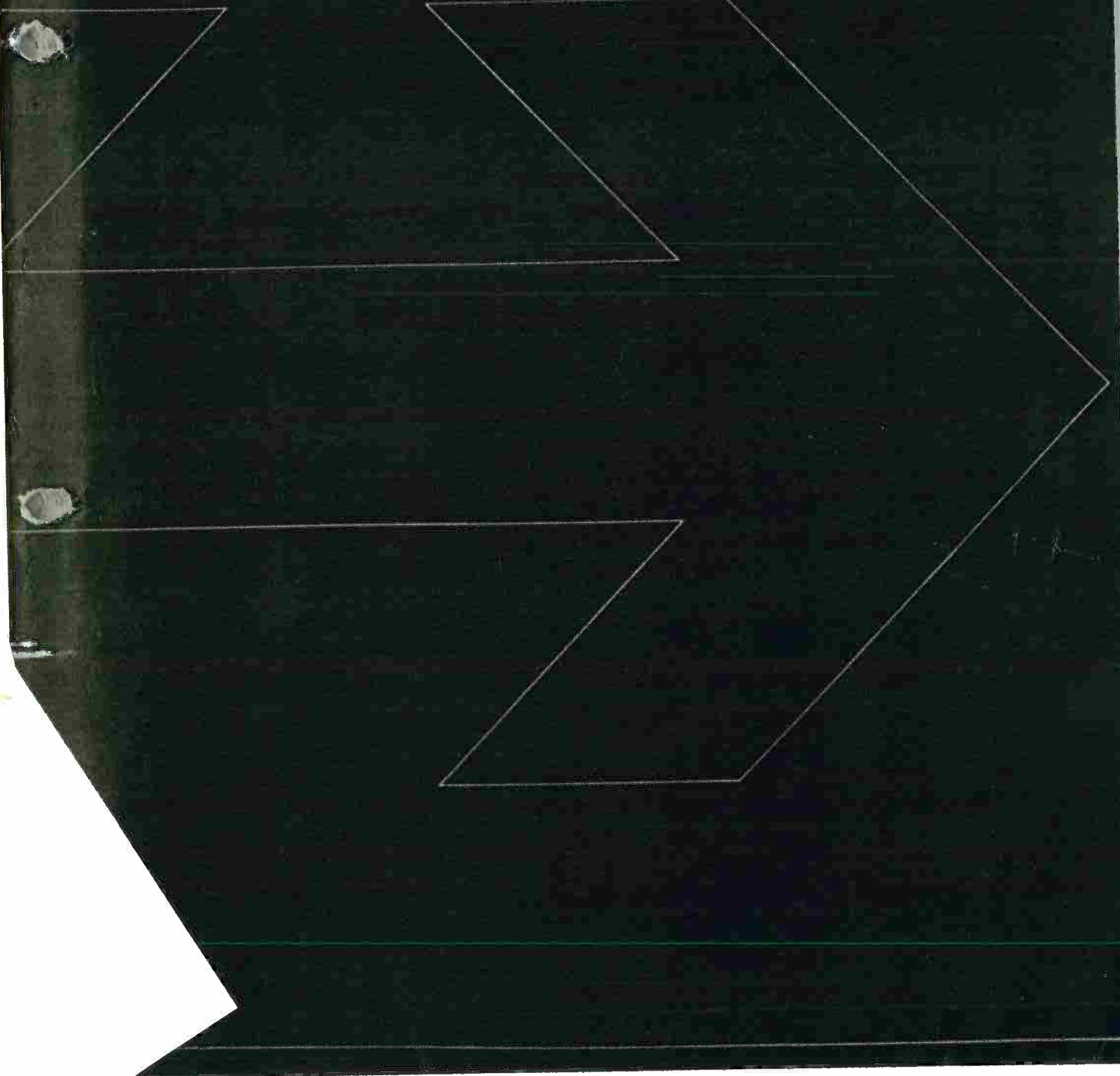


Cyprus Telecommunications Authority 19th Annual Report 1974



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

**NINETEENTH ANNUAL REPORT  
AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31st December 1974,**

**[PRICE 50 mils]**

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office  
Hadjikyriakos Building,  
4th Floor,  
Prodromos Avenue 121,  
P.O.Box 4929,  
NICOSIA.

Date: 1st September, 1975

Your Excellency,

I have the honour to submit herewith the nineteenth Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December, 1974, together with a copy of the Auditor's Report.

2. This Report would have presented an altogether different picture in favour of progress, expansion and development of the Authority's services, had the island not been invaded by the Turkish Army in July 1974.

3. 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. G. Tombazos,  
Nicosia.

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## 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

L. Tryfon B. Com., B.A.

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

Auditors : Scottis & Polydorides, Chartered Accountants.

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# ADMINISTRATION

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

Secretary	Chief Accountant	Chief Engineer	Telecommunications Officer	Personnel Officer
S.A. Kokkinides, ACIS, AMBIM, Soc. Science & Admin. Cert. L.S.E. (University of London)	M.E. Christofides ACIS, AMBIM	G.C. Papaioannou B.Sc. (Eng.) C. Eng. M.I.E.E.	E. Charalambous	N. Markides

Head Office : Prodromos Avenue 121, Nicosia. P.O.Box 4929.

Telephone : 77111

Telex : 2288, 3288.

## *Branches:*

NICOSIA	—	Egypt Avenue	Tel.	021-60333
LIMASSOL	—	4, Marcos Botsaris Street	Tel.	051-62500
FAMAGUSTA	—	Edisson Street	Tel.	031-62500
LARNACA	—	7, Lord Byron Street	Tel.	041-52279
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.

The year under review would have been a record one in the development and expansion of the Authority's network and services had the island not been invaded by the Turkish Army in July, 1974. The invading forces occupied approx. 40% of the Island's territory thus placing under their control of approximately 33% of the Authority's Assets (besides the fact that from this occupied territory the 70% of the national income emanated). They uprooted from their homes 200,000 Greek Cypriots i.e. 2/5 of the island's Greek population, who are now refugees, and effected a heavy blow on the economy and general progress of the country, apart from the loss of thousands of human lives, dead and missing among the population.

In spite of great difficulties and in the face of extreme personal danger, all employees of the Authority attended to their duties day and night and kept telecommunications going. Two employees, one in the Head Office and another in the Flight Information Centre, lost their lives whilst on duty because of the hostilities and six employees have been missing since last August.

The direct financial effects of the invasion on the Authority and its assets are briefly detailed as hereunder:-

### **A. Telecommunications Installations under Turkish control.**

1. Telephone Exchanges with their dependent Ruraxes including microwave equipment at Morphou, Kyrenia and Famagusta.
2. The Repeater Station at Yaila, Kyrenia District, which was serving the Famagusta, Larnaca and Kyrenia traffic to Nicosia and other parts of the Island.
3. The H.F. Transmitting Station at Haracles, Nicosia.
4. The Authority has no access to its H.F. Receiving Station at Kolokosh, Nicosia, and the computerised Automatic Message Switching Centre at the Nicosia International Airport, which are under the U.N. control.

## **B. Effects on Development.**

The planned development projects in the Famagusta, Kyrenia and Morphou districts were cancelled and the provision and installation of a Satellite Earth Station for television and telephony had to be abandoned.

## **C. Financial Effects.**

The Authority lost approximately one third of its subscribers and approximately one third of its installations and was deprived of approximately half of its income.

In spite, however, of the aforesaid losses, and in view of same, the Authority reacted drastically to keep the telecommunication services at a high standard. Plans were made immediately to meet most of the Authority's important commitments and particularly to keep going the programme for the automatic telephone service and Telex with other countries.

The direct and immediate measures taken by the Authority resulted in:-

- I. The reinstatement of service to parts of the island which were previously served by installations now being in the occupied areas.
- II. The continuation of the programme for the introduction of International Subscriber Dialling (I.S.D.) and fully automatic outgoing telex, for operation early in 1975, though the last service was to operate in September 1974 but because of the invasion the work was interrupted.
- III. The completion of the laying of the Submarine Cable-Links Greece-Cyprus-Lebanon.
- IV. The introduction of such measures so as to avoid interruptions with regard to ship-to-shore and the ground-to-air services, which could cause serious hardship and fatal accidents.
- V. The maintenance of all plant and the provision of normal service, both local and overseas, to the public on a satisfactory level and the installation of 5,138 additional telephones.

The Board of the Authority had 19 meetings and took such decisions and measures as to ensure the Authority's required development and satisfactory operation of its services to meet its present obligations until the implementation of its full programme of expansion becomes possible.

# FINANCIAL STATEMENTS FOR THE LAYMAN

## How the Authority Operated During the Year 1974.

		1973
	£	£
<b>The Income from the Authority's Operations was..</b>	4,605,347	4,574,288
Other Income .. .. .	89,490	70,966
	<u>4,694,837</u>	<u>4,645,254</u>
<b>The Expenses were:-</b>		
Total Salaries, Allowances, etc. .. ..	2,942,174	2,291,267
Less : Utilised for Development 237,685		230,399
Utilised for repayment works 14,479		33,343
	<u>252,164</u>	<u>263,742</u>
Administration, Operating and Maintenance Salaries	2,690,010	2,027,525
Administration expenses .. .. .	634,305	447,142
Telephone services expenses .. .. .	2,642,973	1,635,007
Telegraph services expenses .. .. .	419,824	358,114
Telex services expenses .. .. .	240,778	169,468
Other services expenses .. .. .	125,577	98,829
Maintenance of Buildings, etc. .. .. .	160,775	104,911
Members' emoluments and expenses .. .. .	3,070	2,675
Interest on capital borrowings .. .. .	184,433	185,715
Interest to Suppliers .. .. .	136,066	100,292
Bank Interest .. .. .	46,450	47,860
Provision for doubtful debts .. .. .	227,833	19,827
Scrap and Obsolete stores and equipment .. .. .	48,364	60,486
Miscellaneous financial charges .. .. .	9,328	11,328
	<u>4,879,776</u>	<u>3,241,654</u>
<b>Resulting in a Revenue Balance for the year of</b>	<u><u>—184,939</u></u>	<u><u>1,403,600</u></u>

**Note:** As from 1974 the leased circuits rentals are included in the service expenses figures and not deducted from the income as in previous years. Thus the 1973 comparative figures have also been adjusted for proper comparison.

# FINANCIAL STATEMENTS FOR THE LAYMAN

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

	£	£	1973 £
<b>HOW THE AUTHORITY WAS FINANCED</b>			
Borrowings from Government .. .. .	..	3,240,769	3,266,273
Debenture Stocks .. .. .	..	1,250,000	1,250,000
Surpluses from past years' operations .. .. .	..	3,763,386	2,389,786
Deficit from this year's operation .. .. .	..	—184,939	1,403,600
Total Financing		<u>8,069,216</u>	<u>8,309,659</u>
<b>WHAT THE AUTHORITY OWNED</b>			
Land, Buildings, Plant and Machinery on 1.1.74	12,323,959		10,939,663
Spent for Development in the year	3,727,038		1,635,594
Less: Installation Fees Recovered	<u>141,584</u>		<u>145,216</u>
	3,585,454		1,490,378
	<u>15,909,413</u>		<u>12,430,041</u>
Less: Disposals .. .. .	72,164		106,082
Total: 31.12.74	15,837,249		12,323,959
Set aside over past years and this year to meet wearing out of the equipment .. .. .	<u>4,719,922</u>		<u>3,691,049</u>
		11,117,327	8,632,910
Investments .. .. .	..	217,429	99,643
Materials in Stores .. .. .	..	1,976,873	1,061,866
Money owed to the Authority by Subscribers and debit balances .. .. .	..	2,877,340	1,546,212
Cash in Hand and at bank (Current account) .. .. .	..	<u>15,764</u>	<u>180,601</u>
So altogether the Authority's belongings were	..	16,204,733	11,521,232
<b>WHAT THE AUTHORITY OWED</b>			
To various suppliers for equipment and services	1,903,615		983,157
To various suppliers for equipment and services (long term) .. .. .	4,551,781		877,696
To Bank (overdraft) .. .. .	1,002,898		645,990
To subscribers for deposits and other credit balances	589,925		617,090
To Government for interest on borrowings .. .. .	<u>87,298</u>		<u>87,640</u>
		8,135,517	3,211,573
<b>The difference between WHAT THE AUTHORITY OWNED and WHAT THE AUTHORITY OWED was the Authority's Net Total Assets</b>			
	..	<u>8,069,216</u>	<u>8,309,659</u>
<b>The difference between the net total assets of and the Debentures and Borrowings from Government of was the Authority's net property at the end of the year</b>			
	..	<u>8,069,216</u>	<u>8,309,659</u>
	..	<u>4,490,769</u>	<u>4,516,273</u>
		<u>3,578,447</u>	<u>3,793,386</u>

### 3. TECHNICAL SERVICES

#### A. GENERAL

Notwithstanding the heavy losses and damage to the Authority's installations caused by the Turkish invasion, adequate communication continued to be provided even during the worst of times.

Credit must be given to the staff who kept their posts during the two rounds of the Turkish Invasion at great risk to themselves and had afterwards to work day and night under adverse conditions in order to repair damaged equipment or set up emergency services to keep telecommunications going.

#### B. CONSTRUCTION

The Authority continued its policy in entrusting the execution of certain projects to outside contractors. These projects included digging of holes for the erection of telephone poles, the excavation of trenches and laying of ducts and the construction of manholes.

All other works were, however, carried out by the Authority's Construction personnel. The various projects which were executed during the year under review are detailed below:-

##### I. Telephone Exchanges

###### (a) *Larnaca Exchange*

###### (i) *Crossbar Exchange*

The installation of a 2000 lines exchange with ancillary equipment was completed by about 80%.

###### (ii) *Step-by-step Exchange*

Work on the conversion of the Larnaca step-by-step exchange from 4 to 5 digits commenced in 1974.

###### (b) *Limassol Exchange*

###### (i) *Limassol Crossbar Exchange*

The installation of a 7000 lines exchange with ancillary equipment was completed.

###### (ii) *Step-by-step Exchange*

The conversion from 4 to 5 digits of the Limassol step-by-step exchange was completed.

(c) *Nicosia Acropolis Satellite Exchange.*

The capacity of the Acropolis Satellite Exchange was increased by 400 lines. Eventually an additional 1400 numbers will be made available and work to this end continues.

(d) *Lapithos Crossbar Exchange*

The installation of 1200 lines exchange started in July and was interrupted by the Turkish invasion.

(e) *Rural Exchanges*

The installation of equipment for centralizing the 19X Services was completed at the following rural exchanges:-

Paramali

Agros

Moni

(f) *Subscribers Private Exchanges*

During 1974, thirty-one Private Automatic Branch Exchanges were installed at various business and hotel establishments all over the island. Amongst the above was a 20+400 PABX, which was installed at the United Nations Forces in Cyprus Camp in Nicosia to replace the existing installation at the above camp and also cater for the additional requirements of the U.N. Force.

The capacity in lines of the various main, rural and private exchanges for 1973 and 1974 is shown in the following table:-

Type of Equipment	1973		1974	
	No.	Capacity	No.	Capacity
Zone Main Auto Telephone Exchanges	7	39,600	7	46,600
Towns Satellite Exchanges	3	11,000	2	8,600
Rural Exchanges	29	3,630	29	3,630
Mobile Exchanges	1	100	1	100
	40	54,330	39	58,930
Private Auto Exchanges	145	8,360	176	9,460
Private Manual Branch Exchanges	1,112	15,536	1,268	17,749

## II. Line Plant

Construction for the provision of underground and overhead lines as well as manholes and ducts was carried out during 1974 as shown in the following tables:-

*Table 1*

Item	Unit	1969	1970	1971	1972	1973	1974
Manholes Constructed	No.	97	130	83	142	224	124
Duct lines laid	Miles	38.64	54.09	32.43	53.64	76.57	76.53
Cables Laid/Drawn	Miles	58.91	68.17	173	126.83	160.69	85.21
Above cables in single wire	Miles	12.192	12.443	47.783	56.569	57.163	25.648

*Table 2*

Item	Unit	1969	1970	1971	1972	1973	1974
Pole routes installed	Miles	24	87	58	29	32	5
Single wire installed	"	353	623	868	695	347	122
Pole routes Overhauled	"	491	125	90	163	98	68
Single wire Overhauled	"	7140	2124	1190	1163	818	796

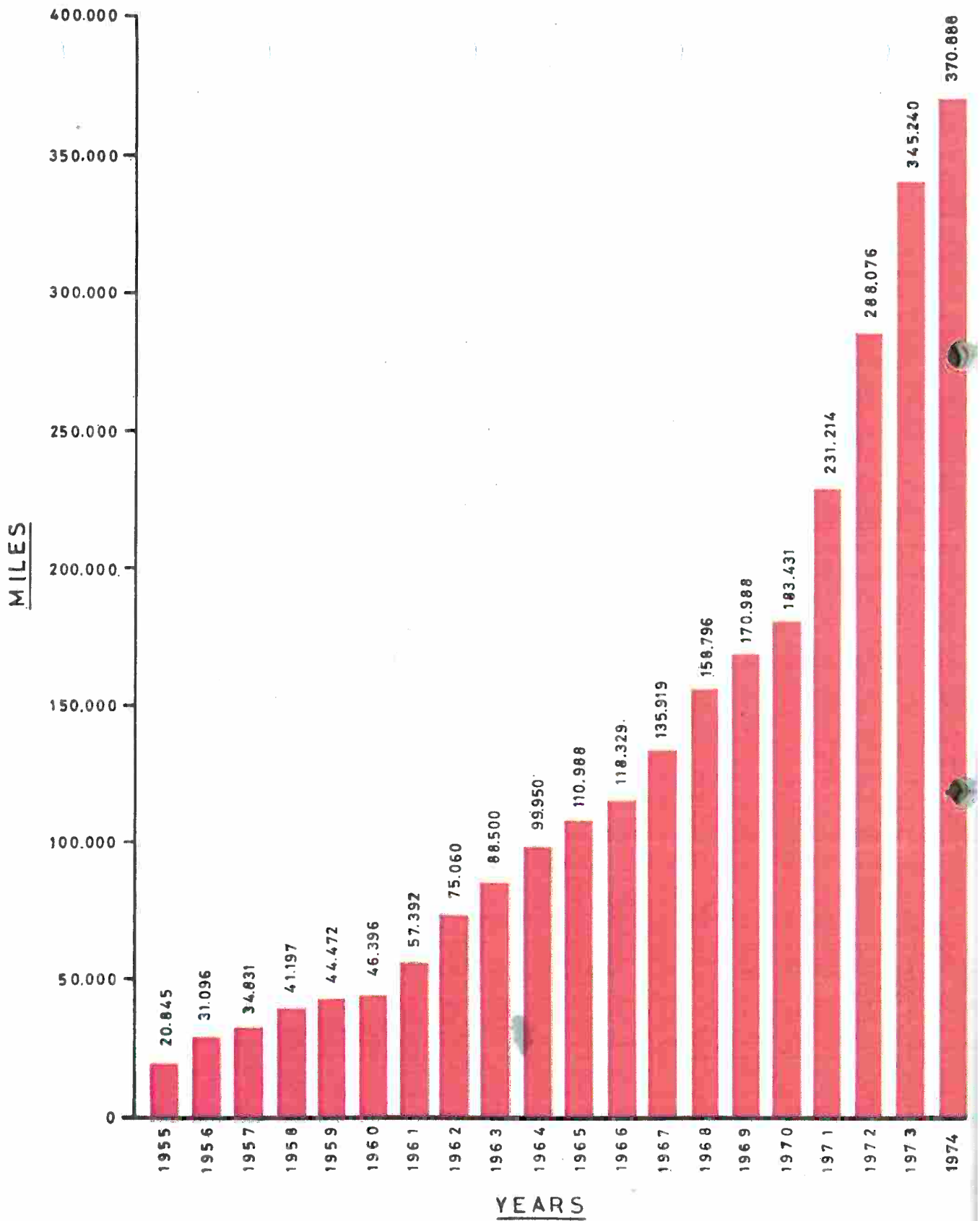
Graphs 'A' and 'B' show the growth of underground and overhead wires run since 1955.

## III. Communal Installations

During the year under review sixteen communal installations were programmed to be installed but due to the prevailing situation only the following seven were completed:

Village	Zone	Exchange
Kapedhes	Nicosia	Dheftera
Palekchori	Nicosia	Klirou
Linou	Morphou	Kakopetria
Kaliana	Morphou	Kakopetria
Nikos	Morphou	Pedhoulas
Lagoudera	Limassol	Agros
Phlamoudi	Famagusta	Trikomo

GRAPH "A" UNDERGROUND CABLES SINGLE WIRE LAID



The total number of village Call Offices connected as at the end of 1974 was 469. In addition, there were 174 public telephone kiosks and 33 private subscribers telephone kiosks operating throughout the island as at the end of 1974.

#### IV. Subscribers Telephone Installations

The Authority continued its efforts to satisfy as many new applicants as possible inspite of the prevailing situation.

The growth in direct exchange lines is shown in Graph 'C'.

	1972	1973	1974
Applications in hand as at 1st of January	6568	7220	7475
New applications received during the year	7971	7614	5745 (See Note 1)
Application for new DEL's released during the year	6533	6479	5138 (See Note 1)
Applications cancelled during the year	786	860	1089 (See Note 1)
Balance of the W/L as at the end of the year	7220	7495	4364

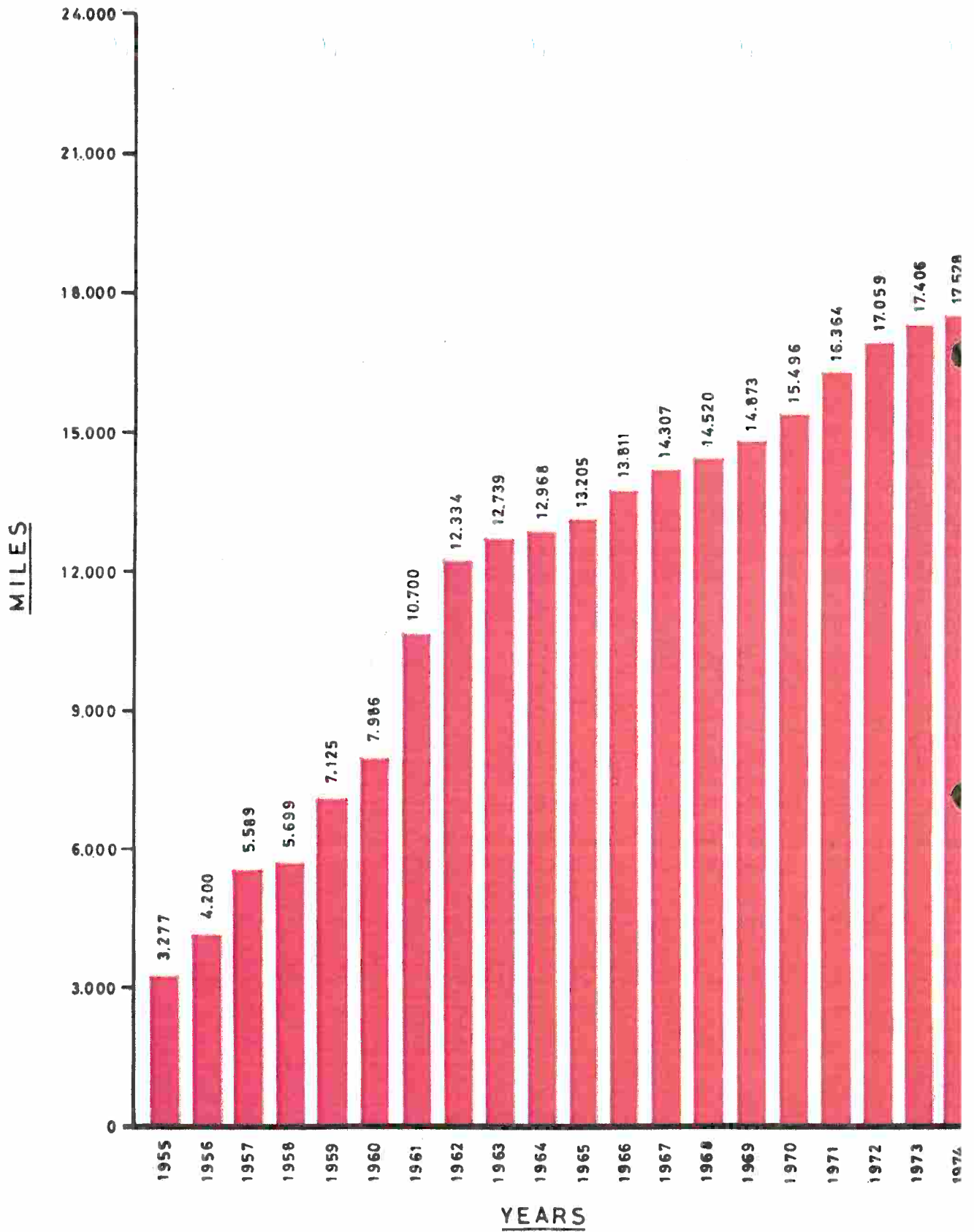
**Note 1:** Figures for the stations under occupation i.e. Famagusta, Kyrenia and Morphou Main Exchanges and twelve Rural Exchanges in these areas, are not included for the months of July-December, 1974.

During 1974 the following Works Orders were executed at various zones for telephone installations and associated works:-

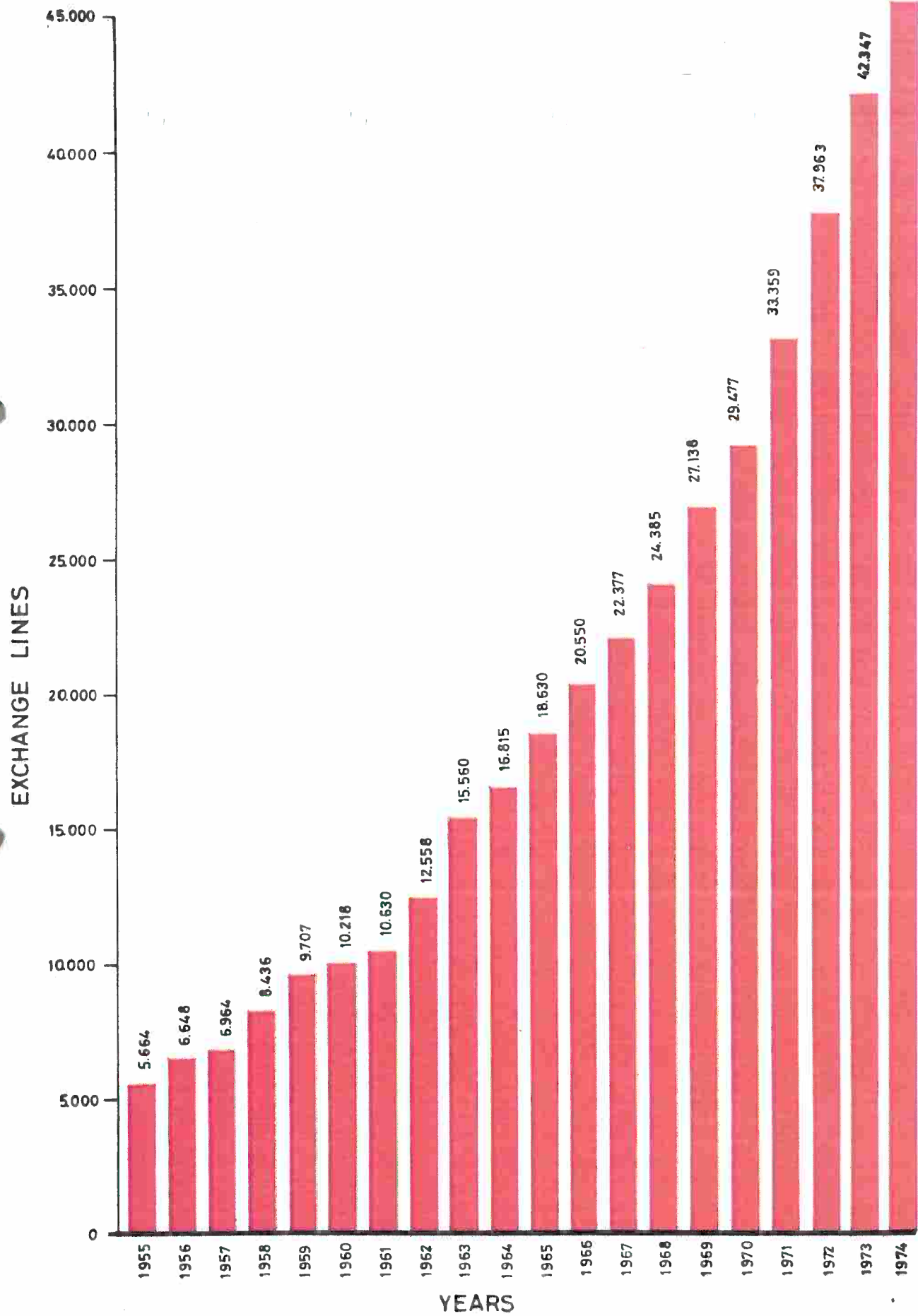
	1972	1973	1974
Nicosia (including Kyrenia and Morphou)	8711	8499	8992
Limassol (including Paphos and Platres)	3302	3003	2993
Famagusta	2094	2091	1308
Larnaca	947	943	925
<b>Total</b>	<b>15054</b>	<b>14536</b>	<b>14208</b>

**Note:** The information on Works Orders for Kyrenia and Morphou was available until the end of June and for Famagusta until the end of July as after the Turkish invasion these stations ceased to function.

GRAPH "B" OVERHEAD SINGLE WIRE MILEAGE INSTALLED



GRAPH "C" GROWTH OF DIRECT EXCHANGE LINES



• WITHDRAWALS ARE DEDUCTED

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

#### **V. Subscribers Telex Installations**

The growth in telex subscribers is shown in Graph 'D'. This graph includes the telex units which are installed in the occupied areas and are not operational.

#### **VI. Transmission and Radio**

- (a) Multiplex equipment was installed to increase the junctions between Zone Centres and dependent exchanges operating on open wire line carriers.
- (b) A 48-channel V.H.F. system linking Madhari with Larnaca was installed to provide temporary service between Nicosia and Larnaca, as Yaila Repeater Station which was serving the Nicosia-Larnaca Link is now in the Turkish occupied areas.
- (c) The capacity of the Voice Frequency Telegraph Equipment operating with Israel was increased from 8 channels to 24 channels.

#### **VII. Standby Generating Sets.**

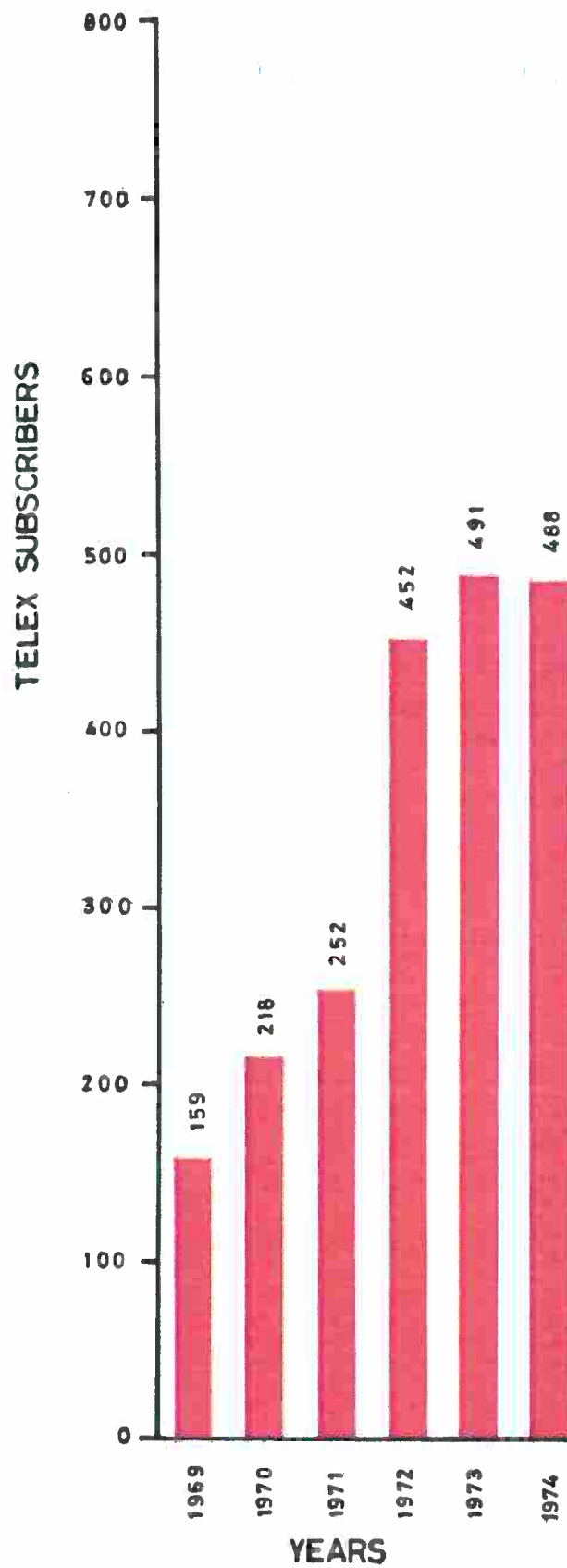
Standby Generating Sets of 5 KVA capacity were installed at Dhali and Trikomo Rural Exchanges. The sets are new and equipped with fully automatic start/stop cubicles. A 25 KVA engine was also installed at Kolokosh Receiving Station thus replacing the 2 x 25 KVA manual engines.

#### **VIII. Buildings**

- (a) The three floor extension to the present Nicosia 'C' Exchange building which commenced in 1973 was completed.
- (b) Building alterations were carried out at Nicosia Electra House to accommodate the New Telex Exchange.
- (c) The new Telephone Exchange building at Lapithos was completed.\*
- (d) The new Telephone Exchange building at Trikomo was completed.\*
- (e) The construction of the new Telephone Exchange building at Lefkonico commenced but, due to the Turkish invasion, discontinued.

\*Both buildings are now in the Turkish occupied areas.

GRAPH "D" GROWTH OF TELEX SUBSCRIBERS



## COMPARATIVE CHART SHOWING TELEPHONES OF CYPRUS AND NEIGHBOURING COUNTRIES

As at 1/1/1974

	No. of Telephones	Telephones Per 100 Population	Per Cent Automatic
CYPRUS	62,492	9.48	100.0
Israel, State of	685,382	20.73	100.0
Iran	552,500	1.74	90.8
Iraq, Rep. of	129,418	1.22	92.4
Kuwait, State of	95,069	10.34	100.0
Syrian Arab Rep.	143,320	2.08	89.4
Greece	1,670,132	18.67	98.8
Turkey	807,294	2.09	79.2
Romania	886,166	4.25	84.3
Bulgaria	640,842	7.37	90.7
Italy	12,611,653	22.86	100.0
Algerian Dem. & Pop. Rep.	220,814	1.37	79.1
Czechoslovakia	2,354,313	16.09	96.2
Hungary	968,459	9.27	80.7
Egypt, Arab Rep.	471,791	1.33	92.4
Jordan, Hashemite Kingdom of	40,511	1.62	81.2

Total number of telephones in the world as at 1st January, 1974 was 336,297,000.

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)	33,325	115	29.0
Tel Aviv-Jaffa (A)	313,554	932	33.6
Kuwait	95,069	919	10.3
Athens (A)	989,963	2,548	38.9
Ankara (B)	126,549	1,506	8.4
Belgrade	186,943	1,270	14.7
Sofia	225,344	995	22.6
Madrid	1,277,014	3,410	37.4
Roma (B)	1,321,010	2,646	49.9
Cairo	262,354	5,407	4.9
Amman	29,288	565	5.2
Bucharest	338,319	1,661	20.4

## C. PLANNING AND DEVELOPMENT

### I. National Communications Network

During the year under review, plans were prepared for additional development to cover the expansion and improvement of the various telecommunication services.

As a result of the invasion, communication between certain areas, other than these occupied by the invaders, was temporarily disrupted. Immediate steps were taken to restore communication to these affected areas via other routes and as a result the dialling codes for certain areas were changed and, in some cases, manual operation had to be temporarily employed.

### II. Zone Telephone Exchanges

Orders for the provision of 35,000 lines to increase various zone centre exchanges and their associated trunk circuits were placed during the year and the equipment is expected to be received and installed during 1975/77.

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

Exchange	Existing Lines in 1974	Under Installation	Ordered in 1974 for delivery in 1975	Planned Total Number of Lines in 1975	Remarks
Nicosia	28,000	6,400	18,000	52,400	Note 1
Limassol	11,600	3,000	5,000	19,600	Note 2
Famagusta	9,000	—	7,000	16,000	
Larnaca	2,400	2,000	1,500	5,900	Note 3
Paphos	1,400	1,600	1,000	4,000	
Morphou	1,400	1,600	1,000	4,000	
Kyrenia	1,400	1,600	1,500	4,500	

Note 1: Pallouriotissa and Acropolis Satellite Exchanges include the dismantled 3,000 lines of the Limassol Satellite.

Note 2: Limassol Satellite Exchange is not included.

Note 3: Existing 2400, 4-digit, lines in Larnaca will be converted to 5 digit during 1975.

### III. Rural Exchanges

Plans were prepared for the re-deployment of part of the 50-line

units that will be thrown spare from Lapithos and Platres rural type exchanges to increase the following dependent exchanges:-

Athienou	Yialousa*
Dhali	Peristerona
Trikomo*	Myrtou*
Lefkonico*	Xeros*

\*These areas are now under Turkish occupation.

#### **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, Paphos and Morphou.

##### **(b) Rural Development**

The completed plans call, mainly, for the installation of telephone call offices at Lazania, Phikardou, Sanidha, Souni-Zanaja, Neta, Mousoulita, Delikipos, Vavatsinia, Skoulli, Kholi, Milikouri, Xyliatos, Paliambela, Kannavia, Kato Pyrgos, Ayios Nicolaos and Skouriotissa villages, as well as for the expansion of the underground and overhead network in Kythrea, Lefkonico, Lapithos, Kakopetria and Peristerona.

#### **V. Telex Service**

The projected commissioning date—9th September, 1974—was not realised due to the Turkish invasion. (The non realization was due to the fact that the foreign staff testing the installation left the island soon after the invasion started. Efforts were, later, made to the effect that they return to their work, but this was not realised during 1974).

The computerized Telex Exchange is now expected to be put into operation in March/April 1975.

#### **IV. International Telephone Subscribers Dialling (I.S.D.)**

Work on the installation of the equipment has commenced and it is estimated that the International Telephone Exchange will be given to service around mid 1975, i.e. a few months later than it was expected due to the invasion.

#### **VII. Submarine Cable Systems**

The two submarine cable systems of 480-kHz-channels capacity, linking Cyprus with Greece, (APHRODITE) and Lebanon (ADONIS), are expected to be operational early in 1975.

The laying of the final sections of these two cables took place at Larnaca on the 18th December 1974.

In a short and simple official ceremony, which took place in the open, on the shore of Larnaca, near the statue of Kimon, the Chairman of the Authority Mr. N. Roussos, addressing the official guests and other people, said, *inter alia*, ".....The purpose of our presence here is to witness the laying of the final sections of these two cables and to let the general public know that in spite of the difficulties that Cyprus is facing today, CY.T.A. has no intention to abandon the modernisation of the telecommunication of the Island enabling it to be placed among the telecommunication-wise advanced countries, a target which it had set well before the recent tragic events.

### **VIII. General**

#### **(a) *Centralization of 19X Services***

It is estimated that the installation of equipment to provide these services will be completed by mid 1975, thus improving and at the same time expanding the existing facilities.

#### **(b) *Private Meters***

The installation of the necessary telephone exchange equipment for the operation of private meters was in hand during 1974 and it is expected that these meters will be made available to business subscribers and/or hotels by mid 1975.

#### **(c) *Coin Collecting Boxes***

Due to the energy crisis and labour unrest in the U.K., delivery of the Coin Collecting Boxes has been considerably delayed. It is expected that, in the light of revised delivery dates given by the manufacturers, installation of these boxes will commence early in 1975.

These new electronic Coin Collecting Boxes will provide automatic local, trunk and overseas dialling.

### **D. GENERAL TELECOMMUNICATIONS FACILITIES**

#### **I. *Broadcasts (Local)***

The Authority's facilities were made available to the Cyprus Broadcasting Corporation for effecting outside local broadcasts (live programmes) from any point in Cyprus. Forty-seven such broadcasts took place during the year.

## II. Overseas Voicecasts

Studio facilities, which were made available at Kolokosh, ceased to be provided since August 14th 1974 because of the invasion. In spite of this, there was a considerable increase in the voicecasts to and from overseas countries, which covered press reports, international football matches, music festivals and music programmes relayed for the British Forces Broadcasting Service.

Comparative figures of voicecasts effected during the last three years are given below:-

	1972	1973	1974
Number of Voicecasts	99	158	265
Number of Minutes	3029	6824	10756

## III. Communications with ships at sea (Maritime Mobile Service)

On account of the loss of our H.F. transmitting and receiving stations, because of the Turkish Invasion, the Authority's Coast Station had to close down for 15 days. Emergency installations were set up and the service was satisfactorily restored, by using the equipment which was not damaged. Despite of these difficulties, radiotelephone traffic has again increased considerably, in contrast to that of Telegraphy which decreased as shown in the following tables:-

Telephony	1972	1973	1974
Calls	6804	15632	19315
Minutes	24272	58056	73983

Telegraphy	1972	1973	1974
Telegrams	5440	7272	5190
Words	91425	126297	86159

## IV. Fascimile (Radio Pictures)

This service was interrupted on the 14th August 1974 because of the Turkish invasion and was resumed on the 23rd of the same month for transmission only.

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

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

	1972	1973	1974
Received	106	105	108
Forwarded	110	320	536

## V. Civil Aviation Signals

Until 23rd July, 1974, when the airport closed down because of the Turkish invasion, the Authority continued to provide technical and operational service to the Department of Civil Aviation, for the smooth functioning of all telecommunication facilities of the Nicosia International Airport, with the exception of those of the Control Tower and the Meteorological Office. These facilities were in conformity with the standards and recommended practices laid down by the International Civil Aviation Organisation (I.C.A.O.).

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

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

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

Radio Air-Navigational Aids were also provided for use by Civil aircraft in the form of one VHF 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.

The installation of the Instrument Landing System (I.L.S.) was completed in June. It was flight checked and classified as Category II and was being operated on a trial basis when the airport was abandoned, because of the Turkish Invasion.

**Note:** The I.L.S. is a navigational aid for the landing of aircraft in adverse weather conditions.

In the field of telegraph communications in the Aeronautical Fixed Telecommunications Network, Cyprus stood ahead of many countries in the Eastern part of Europe and the Middle East. This was mainly due to the speed and efficiency with which messages could be transferred from one airport to the other through the Nicosia Computerized Automatic Message Switching Centre.

The loss of Cyprus as a relay centre due to the closing down of the computerized AMSC, because of the Turkish Invasion, has upset the communications plan between Europe and the Middle East under the AFTN and whatever alternative arrangements may have been made, they cannot replace the speed and efficiency, which the centre was providing in this field and which is so essential in modern jet liner communications.

Between July and the end of the year 1974, a few of the A.C.C. facilities were re-activated for the Department of Civil Aviation in conjunction with preparations for the opening of the Larnaca International Airport scheduled for the end of January, 1975.

## **E. MAINTENANCE**

### **I. Routine and Preventive Maintenance**

#### *(a) General Maintenance*

The maintenance services of the Authority have continued to show improvement over previous years.

The following table gives an analysis of faults for the three major categories of telephone circuits:-

Category	Percentage of Faults 1972	per circuit 1973	per year 1974
Town Subscribers	0.65	0.53	0.4
Rural Subscribers	2.0	1.5	0.8
Rural Call Offices	6.9	7.8	5.2

Every effort was made by the staff of the Authority to render prompt and efficient service to the public inspite of the prevailing unpleasant situation during the second half of the year.

#### *(b) Preventive Maintenance*

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

Routine testing was carried out systematically during 1974 to ensure smooth and efficient operation of the system.

## **II. Workshops**

The Authority continued to maintain its Engineering Workshops for the repair of switchboards, teleprinters, telephone instruments, etc.. The Workshops also carried out satisfactorily the maintenance of the

standby diesel alternator sets and air conditioning units, which are installed in all main and rural exchanges and repeater stations of the Authority.

The Main Workshops were located at Votsis Street until 19th July, 1974, when the premises had to be abandoned because of the turkish invasion with consequent loss of most of the machinery and tools.

### III. Transport

The Authority continued to maintain its own fleet of 150 vehicles; eleven of these vehicles were lost during the invasion.

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

	1973	1974
(a) Miles run	1,080,545	1,056,470
(b) Fuel Consumption	58,526 glns	64,749 glns
(c) Oil Consumption	3,859 glns	4,440 glns

### F. REPRESENTATION OF THE AUTHORITY AT INTERNATIONAL CONFERENCES

The Authority in order to keep abreast with the latest developments in the Telecommunications field was represented at the following conferences held in 1974.

1. International Maritime Conference
2. CCIR (Consultative Committee of International Radio)  
XIII Plenary Assembly.

The above Conferences were organised by the International Telecommunications Union (I.T.U.) which is an organ of the United Nations.

#### 4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES

##### I. GENERAL

In all three services international traffic increased whilst local traffic decreased. Because of the loss of a number of Exchanges and other facilities, now being in the Turkish occupied areas, service was provided via other exchanges and alternate routes.

All the required steps were taken (laying of submarine cable Greece-Cyprus-Lebanon and construction of repeater stations etc.) for the introduction of fully automatic international telephone and telex service early in 1975.

Because of the non-access to the Automatic Message Switching Centre, which is under United Nations Control since August 1974, because of the Turkish Invasion, the telegraph service has been operating on a manual basis since then.

##### II. TELEPHONE OPERATING

###### (a) *Inland Services*

The following Main & Rural Telephone Exchanges, have ceased to function since August 1974, because of the Turkish Invasion.

KYTHREA	MORPHOU
ATHIENOU	MYRTOU
FAMAGUSTA	XEROS
LYSSI	LEFKA
LEFKONICO	KYRENIA
TRIKOMO	LAPITHOS
YIALOUSA	AYIOS AMVROSIOS
RIZOKARPASSO	

The prevailing abnormal situation resulted in a decrease of traffic as shown below:

	1973	1974	Decrease %
Inland dial calls (Units)	164,739,545	157,022,642	4.68
Trunk calls via operators (Minutes)	759,102	669,076	11.86

###### (b) *International Services*

- (i) Because of the abnormal situation in Cyprus since July 1974, created by the Turkish Invasion, the International telephone service was disturbed.

This service continued to be provided on a manual basis and some difficulties were experienced for the outgoing traffic mainly due to the limited capacity of our Manual International Exchange in Nicosia.

These difficulties will be eliminated by the introduction of the automatic service which will be made available to our subscribers on the operation of the Cyprus Automatic International Telephone Exchange in about mid 1975.

(ii) *Overseas Telephone Service*

The main improvements or changes in the overseas services were the following:-

- (1) Extension of the capacity of the Cyprus-Greece Tropo link (from 60 channels to 120).
- (2) Introduction of semi-automatic operation on the Cyprus-Lebanon channels.
- (3) A 24-hour telephone channel was established with Turkey via tropo in April, replacing the 2-hour schedule on the direct H.F. circuit.
- (4) As a result of the Turkish invasion, H.F. standby coverage is no longer available for overseas public circuits, but alternative diversion arrangements have been made instead; our VHF link with Lebanon is inoperative, but circuits to this country have been established via alternative routes.

Overseas Telephone Traffic in both directions was handled via the following routes and circuits during the year. Traffic shown includes both terminal and transit traffic via the appropriate route.

Route	Direct circuits			Traffic in minutes	
	1972	1973	1974	Outgoing	Incoming
GREECE	17	17	48	892,077	850,000
U.K.	11	11	11	442,965	500,000
ITALY	2	2	2	32,090	20,000
U.S.A.	1	1	1	24,220	62,248
W. GERMANY	1	1	1	40,025	30,000
LEBANON	2	2	2	93,528	80,000
ISRAEL	2	6	6	45,145	55,592
TURKEY	1	1	1	9,937	12,605
SYRIA*	1	1	—	836	530
Total				1,580,823	1,610,975

\*The direct Telephone service with Syria has been interrupted since August because of the Turkish Invasion and service has been reestablished via Lebanon.

NOTE: Figures for Incoming traffic from Greece, U.K., Italy, W. Germany and Lebanon are estimated.

A total traffic comparison for the last two years shows an increase in outgoing and incoming traffic.

	1973	1974	Increase %
Outgoing Traffic	1,434,969	1,580,823	10.16
Incoming Traffic	1,376,908	1,610,975	17.00

The comparative increase in Overseas Traffic main streams is shown in Graph 'E'.

### III. TELEX OPERATING

The demand for telex service has shown a decrease due to the abnormal situation in Cyprus. By the end of 1974, 488 subscribers were connected to the Telex exchange and 161 were on the Waiting List. Telex service with Kyrenia, Famagusta and Morphou was suspended in July and August 1974 respectively because of the Turkish Invasion.

Statistical data regarding traffic and channels for the last 3 years is shown below:-

#### (a) Traffic

	1972	1973	1974
(i) Overseas outgoing calls	128,480	182,303	179,700
Minutes	583,293	798,144	952,943

Increase 19.39% in minutes in 1974 over 1973.

(ii) Local calls	1,077,930	1,399,018	820,438
(30 seconds units)			

Decrease 41.36% in 1974 over 1973.

(iii) Graph 'F' shows the International outgoing telex traffic in minutes since the introduction of the service.

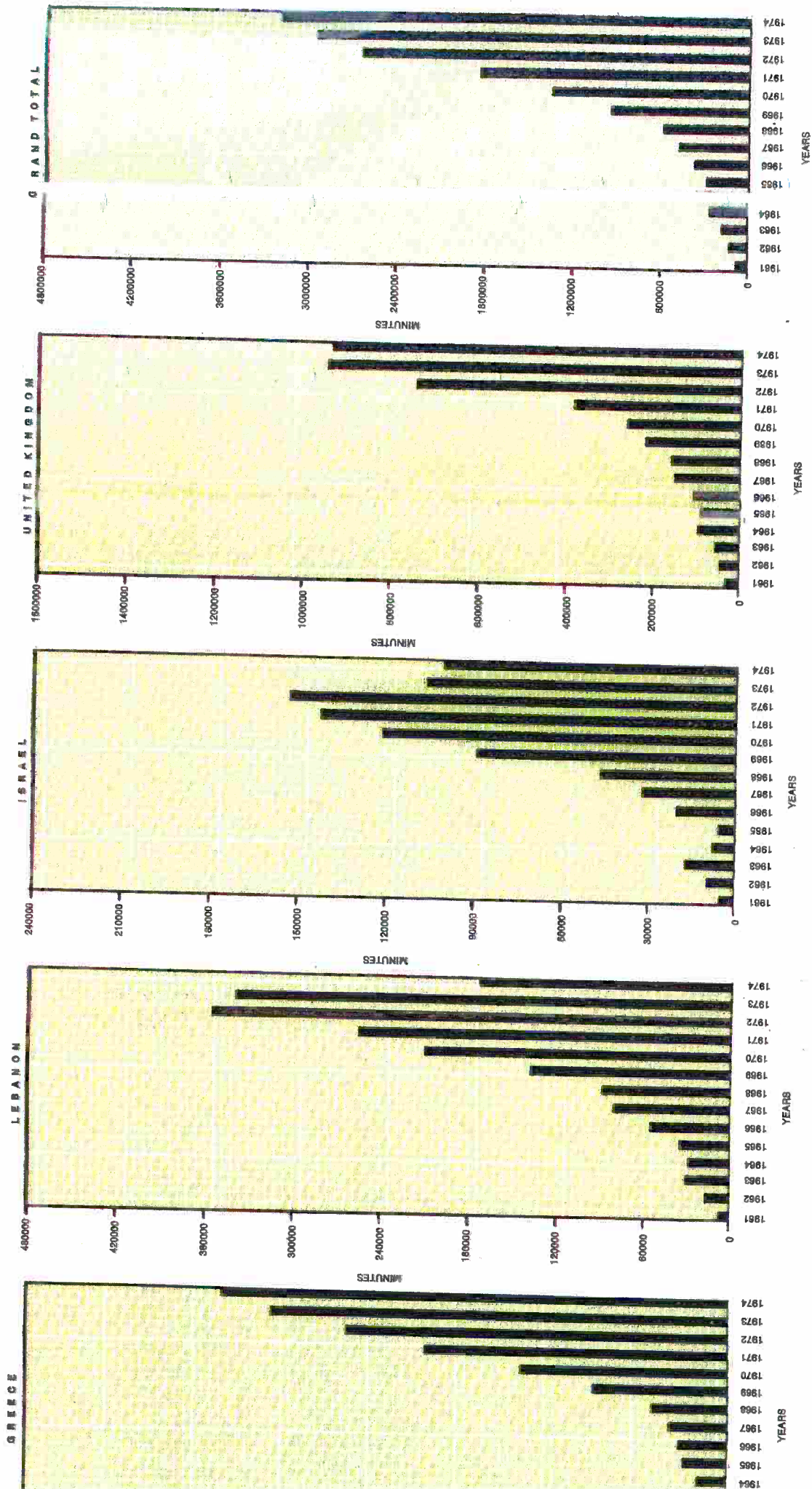
#### (b) Channels

Country	Outgoing			Incoming			Bothway		
	1972	1973	1974	1972	1973	1974	1972	1973	1974
U.K.	11	11	11	8	8	8	—	—	—
GREECE	3	4	4	9	10	10	—	—	—
ITALY	2	2	2	1	2	2	1	—	—
SWEDEN*	1	1	1	1	1	1	1	1	1
F. R. GERMANY	—	—	—	—	2	2	—	—	—
ISRAEL	1	1	1	1	2	2	—	—	—
LEBANON*	2	2	2	2	2	2	—	—	—
USA (RCA)	—	—	—	—	—	—	1	1	1
USA (ITT)	—	—	—	—	—	—	1	1	1
USA (WUI)	—	—	—	—	—	—	—	1	1
	20	21	21	22	27	27	4	4	4

\*The channels with Sweden and Lebanon are idle since 15.8.74 because of the Turkish Invasion.

# OVERSEAS TELEPHONE TRAFFIC (MAIN STREAMS)

GRAPH "E"



Plans exist to establish direct public Telex service with France Switzerland and F.R.Germany in 1975.

#### IV. TELEGRAPH OPERATING

As a result of the abnormal situation in Cyprus during the current year the volume and operation of Telegraph traffic was adversely affected.

The table shows statistical information regarding the number of telegrams.

	1972	1973	1974
(a) Overseas Telegrams forwarded (incl. Cyprus Radio) Increase 12.99% in 1974 over 1973.	140,979	150,576	170,140
(b) Inland telegrams forwarded Decrease 42.48% in 1974	78,897	97,050	55,820

The computerised Automatic Message Switching Centre operated satisfactorily upto July 1974. After the Turkish invasion of Cyprus the Telegraph service reverted to the manual mode of operation.

24 duplex channels operated until July 1974 out of which 13 for the public Telegraph service and 11 for the Department of Civil Aviation (AFTN).

The following countries were directly connected to the Centre:-

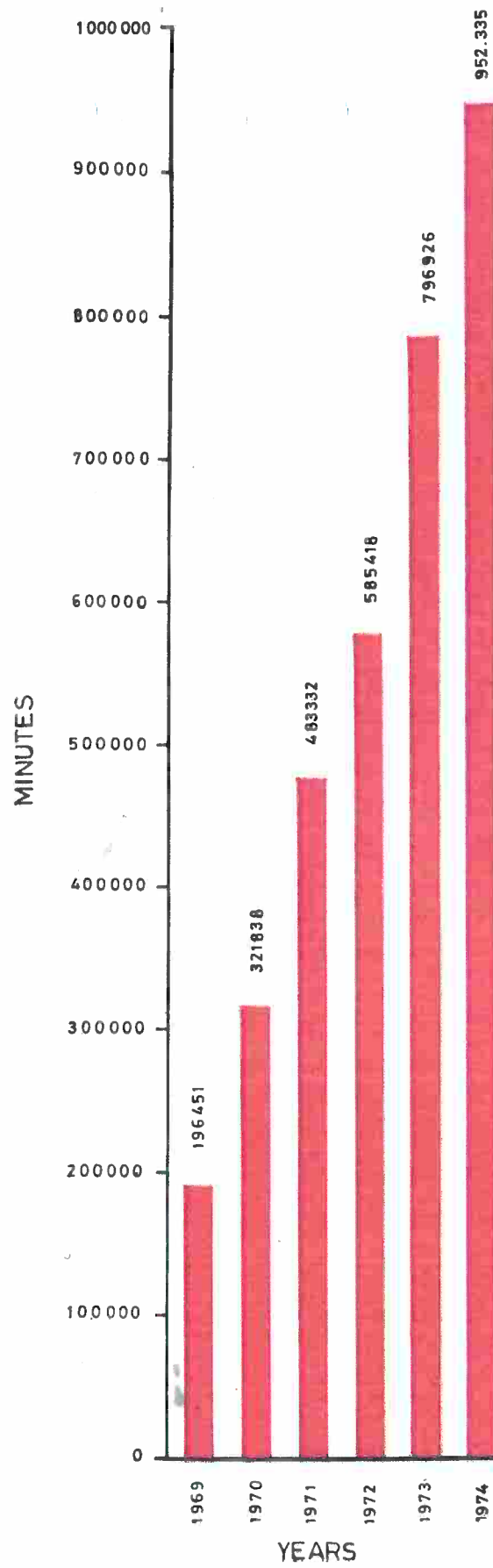
<i>Public Telegraphy</i>	<i>Civil Aviation</i>
Canada	Greece
Greece	Israel
Israel	Lebanon
Lebanon	Turkey
Sweden	
U.K.	

Manual direct service commenced as from August 1974 with the following countries:-

<i>Public Telegraphy</i>	<i>Civil Aviation</i>
Canada	Greece
Greece	Israel
Israel	
Sweden	
U.K.	

Plans exist to establish direct public Telegraph service with Italy, France and F.R. Germany in 1975.

GRAPH "F"



## 5. ADMINISTRATION AND STAFF

### I. TRADE UNIONS — STAFF RELATIONS AND JOINT COMMITTEES

(a) The satisfactory labour relations already established continued during the year under review and the negotiations regarding the claims of the Union submitted in February 1974, were concluded with the signing of an agreement on the 11th July 1974.

Although the agreement reached provided for many improvements in staff conditions of service at a heavy cost, the Authority was pleased to accept and undertake its implementation, in the belief that Management and staff would be able to settle down to a period of industrial peace and cooperation in the interest of the service in general.

(Particulars in respect of the major improvements of staff conditions of service as a result of the new Agreement are shown on Appendix A).

(b) Due to the heavy losses of the Authority, as a result of the Turkish invasion, mentioned elsewhere in this report, serious consideration had to be given as to the means by which the Authority would be able to meet its obligations resulting from the Agreement; upon its request the Authority was declared as an "Affected Service" on the strength of the provisions of the Termination of Employment Law of 1974.

Subsequently and after exhausting all means of minimising the effect of the anomalous situation on the Authority's affairs and finance and after applying every possible saving, the Authority, in order to maintain its statutory duty of providing telecommunications services to the public, has reluctantly decided to effect the following alterations in the staff conditions of service:-

(i) To suspend the provision governing the hours of work and the payment of Overtime for Sundays, by the inclusion of Sundays within the conditioned hours of work, as from 1st July.

(ii) To suspend the provision for the payment of Cost of Living Allowance on the 13th Salary for the year 1974.

(iii) To suspend the provision for granting a general salary and Wage increase of 9% as from 1st January, 1975.

The Authority realizes that the above alterations in staff conditions of service have adversely affected the staff, but is confident that, in the full knowledge of the circumstances in which this decision was reached and in the belief that this would be of a temporary nature, the staff will appreciate the necessity for it.

## II. ESTABLISHMENT — PROMOTIONS — ADVANCEMENT OF STAFF

As mentioned in the previous reports 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 implementaion of the establishment resulted in the following Promotions — Confirmations and Transfers:

Promotions and Confirmations	143	
Transfer of Weekly Paid to TMP staff	2	
Various transfers to other scales	20	
Transfer of TMP to Permanent staff	5	
<b>Comparison on staff strength in the years 1973 &amp;1974.</b>		
	<b>1974</b>	<b>1973</b>
Administration & Accounts	276	258
Engineering	1069	1043
Telegraph Operating	145	144
Telephone Operating	191	248
	<u>1681</u>	<u>1693</u>
Monthly Paid	1566	1587
Weekly Paid	115	106
	<u>1681</u>	<u>1693</u>
Less		
Turkish employees not attending to duty		
(out of 258 Turks only 12 attended to duty)	246	252
	<u>1235</u>	<u>1441</u>
	2*	2*
Note	Average number of casual employees	
	*2 (Part time charwomen).	

## III. RETIREMENTS, RESIGNATIONS, DISMISSALS ETC.

### (a) Retirements

15 employees retired from the Authority's service (5 of whom Turks from those not reporting to duty)

### (b) Resignations, Termination of services and Deaths.

(i) 20 employees resigned from the Authority's service.

(ii) 55 employees dismissed from the Authority's service (Termination of services).

- (iii) 4 employees passed away. (One of whom Turk from those not reporting to duty).

**(c) Recruitments**

82 Employees were recruited, as follows:-

	2 Engineers III
	3 Asst. Admin. Officers
	21 Technicians III
	34 Skilled III
	6 Messengers
	2 Weekly Paid Store Labourers
	3 W.P. Charwomen
	4 W.P. Techn. Cleaners
	7 W.P. Labourers
	—
Total	82
	==

**(d) Missing and enclaved employees.**

Six employees are still missing and two are enclaved in the area occupied by the Turkish armed forces.

**IV. JOINT CONSULTATION**

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

**1. Staff Safety & Welfare**

**(a) Safety**

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

- (i) The "Safety 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) The Authority's offices and other places of work were regularly inspected and the fire precautions equipment installed in the Authority's premises was properly maintained.

- (iv) The delivery of First Aid lessons to staff under training continued.
- (v) All accidents reported during the year were promptly investigated and every effort was made for their reduction to the minimum.
- (vi) Accidents reported during the year and comparison with the previous year:-

	1973	1974
Accidents which did not necessitate Sick leave	8(1)*	5
Accidents necessitated 1-3 days Sick leave	8(2)*	4
Accidents necessitated 4-30 days Sick leave	27(6)*	12(2)*
Accidents necessitated over 30 days Sick leave	9(4)*	1
Fatal Accidents	1(1)*	1
	53	23

(\*Figures in Parenthesis show Traffic Accidents to employees proceeding from their residence to the place of work or vice versa).

(b) *Welfare*

The Joint Management/Staff Welfare Fund Committee continued its efforts during the year for the promotion of the welfare of the staff, namely:-

- (i) All preliminary work for the construction of the Holiday Centre at Pedhoulas was completed and tenders to this effect were invited, but commencement of construction was postponed because of the Turkish invasion.
- (ii) Christmas presents generously donated by OTE (Greek Telecommunication Organization) were distributed to the children of the employees.
- (iii) Clothing and shoes were distributed to the children of all displaced employees of the Authority, 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 £5,025.750 mils.

## 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 contribute 1% of their basic salary (1% of their basic salary and cost of living allowance as from 1st May 1974) and the Authority 2%.

During the year 1974 the sum of £38,612.580 was paid out of the Fund in benefits and the Fund's cash position as at 31st December 1974 was £16,072.058.

**(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.

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

**(c) Sick leave granted to the Monthly Paid employees.**

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

	No. of man-days lost	
	1973	1974
Clerical Staff	2,607	2,235
Telephone Operating Staff	2,787	2,193
Telegraph Operating Staff	838	587
Technical Operating Staff	475	404
Technical Staff	1,599	1,257
Skilled Staff	3,715	2,285
Messengers and Watchmen	584	765
	<u>12,605</u>	<u>9,726</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 1974 were 415 (452 in 1973).

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 £969.-

## VI. ANNUAL LEAVE ALL STAFF

Table showing the leave entitlement:

	No. of working days	
	1973	1974
Balance brought forward from previous year	8,664	7,418
Leave entitlement for the year	41,710	41,532
	<u>50,274</u>	<u>48,950</u>
Leave granted during the year	42,956	30,072
Balance due to employees	<u>7,418</u>	<u>18,878*</u>

\*The Authority recalled from their annual leaves all staff in order to meet its additional obligation on account of the anomalous situation, thus the increase in the balance of leaves due to staff.

## 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 1974, amounted to £91,331.- (£67,545.- were spent in 1973) and included the following:

### (i) Training in CYTA's Training Centre

(a) Introductory Course on "Sagem" Teleprinters	10	employees
(b) Training on the new Coin Collecting Boxes	16	"
(c) Training on the Crossbar PABX Type AKD 741	2	"
(d) Training on Teleprinters Type "Sagem"	10	"
(e) OH Construction Course	13	"
(f) Special preliminary and Telephone/Radio course for Technicians	21	"
(g) Special preliminary and Overhead/Uunderground Construction Course for Skilled workmen	38	"

### (ii) Training Abroad

(a) Training on the Submarine Cable Link (France)	4	employees
(b) Training on Peripheral Equipment (Switzerland)	2	"
(c) Training for Telex Exchange Type T201 (Switzerland)	1	"

**(iii) Scholarships**

- (a) 4 members of the Authority's technical staff who were awarded a 4-year scholarship by the Authority acquired their B.Sc., degree in Electrical Engineering (with special subjects on Telecommunications) and returned to Cyprus whilst 3 other scholars of the Authority for the B.Sc. degree in Electrical Engineering continued satisfactorily their studies during 1974 in U.K..
- (b) 2 employees were awarded a 4 months scholarship by Hitachi for a training course on the International Telephone Exchange.
- (c) One employee was awarded a 3 1/2 months scholarship by the Government of Japan for a Training course in Telephone Switching Engineering.

**(iv) Payment of Tuition and Examination fees**

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

**(v) Study leave without pay abroad**

3 employees were granted study leave abroad without pay.

**VIII. PENSION AND PROVIDENT FUNDS**

The final agreement on the Pension Fund has not as yet been concluded. Further progress, however, was made and the Draft Pension Fund, incorporating the alterations which were agreed upon in principle between the Authority and the Unions, was submitted to the Actuaries together with the points raised by the Unions for improved benefits, for actuarial valuation and recommendations.

The valuation and recommendations of the Actuaries (Messrs. Bacon & Woodrow) were submitted to the Authority and discussions on the final proposal of the Authority are still in progress; it is expected that a final agreement shall be reached in 1975.

After the final agreement on the Pension Fund (the Provident Fund having already been agreed upon), both Funds, Provident and Pension, will be submitted to the Government for approval and subsequent circulation to the staff, who will opt to join either of the Funds.

## APPENDIX A

### MAJOR IMPROVEMENTS OF STAFF CONDITIONS OF SERVICE AS PER THE NEW AGREEMENT OF 1974.

#### 1. Salary and Wage Increases

- (a) Salary increases of 15 1/2% (6 1/2% or £111.- p.a. whichever is the higher as from 1st January, 1974 and 9% as from 1st January 1975) and one additional increment as from 1st January, 1974.
- (b) Wage Increases of 33% (24% as from 1st January, 1974 and 9% as from 1st January, 1975) and one additional increment as from 1st January, 1974.

#### 2. Reduction of the hours of work

- (a) *Administrative, Clerical and Technical Staff*

From 39 hours, per week, in Winter and 38 hours per week in Summer to 38 hours per week in Winter and 36 hours per week in Summer (June, July, August).

- (b) *Telephone Operators*

From 37 hours per week all the year round to 37 hours per week in Winter and 36 hours per week in Summer (June, July and August).

- (c) *Skilled Workmen*

From 44 hours per week to 40 hours per week (Winter & Summer)

- (d) *Watchmen*

From 48 hours per week to 44 hours per week (Winter & Summer)

- (e) *Cleaners and Charwomen*

From 44 hours per week to 40 hours per week (Winter & Summer)

#### 3. Increase on the Allowances of:

- a) Mission, b) Transfers, c) Travelling, d) Drivers, e) Motor-cycle, f) Bicycle
- g) Compressor.

#### 4. Increase of Joint Contributions to CYTA's Medical Fund

By effecting contributions on the Cost of Living Allowance as from 1st May, 1974.

**5. Inclusion of Cost of Living Allowance on the 13th Salary**

- (a) Half of the Cost of Living Allowance for 1974.
- (b) Full Cost of Living Allowance for 1975 and onwards.

**6. Overtime Rates**

Overtime rates to be based on salary and COLA as from 1st June, 1974.

**7. Pensionable salary and contributions to CYTA's Pension Fund.**

Pensionable salary to be based on the basic salary and Cost of Living Allowance as from 1st May, 1974 and contributions to be made on the increased salaries (Salaries & COLA) as from 1st May 1974.

## 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 Twelfth Annual Council Meeting held in Lagos, Nigeria from 28th October to 7th November 1974. The Chairman was accompanied by his adviser on Commonwealth Telecommunications matters Mr. Evanthis Charalambous.

This Meeting was attended by Representatives of 24 Partner Commonwealth countries and the British Overseas Territories. Mr. J.B. Allie representing the Commonwealth Secretary-General, Mr. Arnold Smith, attended part of the Meeting, addressed the Council and elaborated on the Commonwealth Fund for Technical Co-operation (CFTC) which operates through three Programmes: (a) The General Technical Assistance Programme, (b) The Education and Training Programme and (c) The Export Market Development Programme.

Certain aspects of the new Financial Agreement 1973 have yet to be finalised. Cyprus continued to participate actively through Mr. G. Papaioannou, Mr. M. Christofides and Mr. E. Charalambous in all Specialist Groups constituted to carry out the studies required for the refinement of the relevant Definitions and Procedures governing the new Financial Agreement, 1973.

The Council agreed that the application of the transitional arrangements, initially agreed for the first two years of operation April 73/March 74 and April 74/March 75, be extended to the Provisional Settlements for the year April 75/March 76 and to review the matter in respect of the Final Settlements in the light of the report to be submitted by the Task Force on the further studies of the Commonwealth Telecommunications Financial Agreement (CTFA).

The Council agreed to recommend that the next Commonwealth Telecommunications Conference be held in Australia in the first half of 1977, if possible in the second quarter.

Cyprus had extended an invitation for the Thirteenth Council Meeting to be held in Cyprus. After consultation, however, of the Chairman of the Authority with the Chairman of the Council it was found preferable to postpone the Cyprus Meeting until 1976. In view of the above, it was agreed to accept Jamaica's invitation to hold the Thirteenth Council Meeting in Jamaica in the period October/November 1975, the exact date to be determined later.

The Council also agreed to accept with pleasure Cyprus's invitation to hold the Fourteenth Meeting in Cyprus and New Zealand's invitation to hold the Fifteenth Meeting in New Zealand.

## 7. FINANCIAL REPORT

The accounts appended to this report show a deficit of £184,939 which is a sharp reduction over the surplus of the previous year (£1,403,600).

Had it not been for the Turkish invasion the surplus would have been beyond the million mark as the interim accounts to 30th June, 1974, showed a surplus of £536,557.

Unfortunately the well known regrettable events in the second half of the year 1974 reduced the Authority's income quite substantially; this, coupled with an increase in salaries (agreement between the Authority and the Unions was concluded and signed on the 11th July 1974) and a £571,128 increase in the depreciation, produced the deficit in question despite the saving from the "salary reduction law".

The following statement provides a more clear appreciation of the year's operating results:-

<b>1st Half of year</b>		
Revenue	£2,503,250	
Expenses and Depreciation	1,966,693	
Surplus 30.6.74	<u>£536,557</u>	
<b>Full year</b>		
Revenue		£4,694,837
Expenses	3,823,295	
Depreciation (on 1973 rates)	<u>485,353</u>	
		<u>4,308,648</u>
Surplus		£386,189
Additional Depreciation (on revised 1974 rates)		<u>571,128</u>
Deficit for year 31.12.74		<u><u>£184,939</u></u>

The change in the depreciation rates, which in comparison with those applied by other Telecommunications Administrations were rather low, has become necessary in recent years because of the fast obsolescence rate as a result of technological developments requiring installations to be replaced well in advance of their normal life-span.

However, it is worth emphasising that, despite the increase in salaries and depreciation, the year's surplus would have been at a fairly reasonable level had it not been for the loss of revenue from the Turkish occupied areas, the non-operation of the planned automatic Telex/Telephone Services with the outside world and the substantial (£227,832) provision for bad and doubtful debts.

## **DEVELOPMENT**

The main impact of the Turkish invasion in this field was, as mentioned hereinbefore, the postponement of the commissioning of the automatic Telex Exchange and the installation of the International Telephone Exchange.

Other exchange and line plant projects had to be postponed or delayed and the only development projects that were slightly affected were the submarine cables.

The total expenditure for the year, including £2,049,626 for the submarine cables, was £3,727,038.

## **CASH POSITION**

The loss of revenue and the non-operation of the automatic services seriously affected the Authority's liquidity and increased the bank overdraft to £1,002, 898 (1973 £645,990).

It is expected that, with the return to partial normality in the Island and the additional revenue from the automatic International Telex and Telephone, the cash position will improve in the coming year.

## **CREDITORS AND LONG-TERM LIABILITIES**

The substantial increase of £4,594,201 in these items was mainly the result of the receipt, during the year, of additional equipment on credit facility and the Bills of Exchange (£3,038,801) for the two Submarine Cable projects.

## **DEFERRED CHARGES**

The increase of £1,414,787 on this item represents interest payable in future years on credit facilities for equipment, especially on the two submarine cables (£1,004,000).

## **STORES**

The value of stores £1,976,873 (1973 £1,061,866) was at a high level as it contained expensive equipment that had not been possible to install in the year because of the abnormal events.

## **FIXED ASSETS**

The net book value as at 1st January, 1974, was £8,632,910.

Sundry capital works and other capital expenditure during the year increased the fixed assets as follows:-

Gross book value as at 1st January, 1974		£12,323,959
plus : Capital development during year:-		
(i) Telecommunication installations	£3,593,336	
(ii) Other expenditure	133,702	
	<u>£3,727,038</u>	
less : Installation and Removal		
Charges recovered	£141,584	
Disposals	<u>72,164</u>	
	213,748	
		<u>3,513,290</u>
		£15,837,249
Accumulated depreciation 31st December, 1974		<u>4,719,922</u>
Resulted in a net book value at 31st December, 1974		<u><u>11,117,327</u></u>

### CAPITAL BORROWINGS

The borrowing structure was maintained more or less on the same level as in 1973, apart from minor instalments due and paid for in the year, as no additional loans were concluded:-

	1973	1974
Borrowing	<u>£4,516,273</u>	<u>£4,490,769</u>

**N. S. ROUSSOS**  
Chairman

**A. N. STYLIANIDES**  
General Manager

**S. A. KOKKINIDES**  
Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY  
FINANCING OF THE YEAR'S CAPITAL REQUIREMENTS

1965-1974

(£ thousand)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
<b>CAPITAL REQUIREMENTS</b>										
Expenditure during year on Fixed Assets	381.1	371.3	881.1	806.1	688	1,536.3	1,456.3	1,811.7	1,635.6	3,727
Less: Residual Value of assets disposed	3.6	8.6	13.5	81.6	85	11.5	38.4	89.4	45.2	44.5
	377.5	362.7	867.6	724.5	603	1,524.8	1,417.9	1,722.3	1,590.4	3,682.5
Loan repayment and investments	3.2	3.3	3.4	4.6	12.1	119.7	320.8	62.6	90.2	143.3
	380.7	366	871	729.1	615.1	1,644.5	1,738.7	1,784.9	1,680.6	3,825.8
Other net assets	-98.7	155	-189.5	805.9	-202.7	466.9	-539.8	-290.4	1.2	831.4
Total Requirements	282	521	681.5	1,535	412.4	2,111.4	1,198.9	1,494.5	1,681.8	4,657.2
<b>FINANCED FROM</b>										
<i>Internal resources:-</i>										
Depreciation	186.9	191.3	213.9	247.8	272.5	299.1	382.8	433.1	452.4	1,056.5
Balance of Revenue for year	172.2	184.1	163.4	62.3	141.8	209.1	220.0	665.2	1,403.6	-184.9
Prior period Recoveries/Expenses	-31.9	-15.9	19.3	168.5	28.2	-19.7	-29.1	6.8	-12.3	-30.0
Installation Fees Recovered	26.6	25.3	34	35.5	44.9	89.5	66.0	119.0	145.2	141.5
	353.8	384.8	430.6	514.1	487.4	578	639.7	1,224.1	1,988.9	983.1
<i>External Borrowings:-</i>										
Government Loan	—	—	—	149.7	—	300	—	—	—	—
Debentures	—	—	—	—	—	600	650	—	—	—
Capitalised Interest (Consolidated into Loans)	—	—	—	851.6	5.5	—	—	—	—	—
Increase/Decrease in long-term creditors	-71.8	136.2	250.9	19.6	-80.5	633.4	-90.8	270.4	-307.1	3,674.1
Total Finance	282	521	681.5	1,535	412.4	2,111.4	1,198.9	1,494.5	1,681.8	4,657.2

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

CYPRUS TELECOMMUNICATIONS AUTHORITY

RETURN ON CAPITAL

1965-1974

(£ thousand)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
<b>NET ASSETS</b>										
Fixed Assets less depreciation	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	11,117.3
Stores in Stock	380.2	744.9	786.3	781.5	666.5	862.2	996.3	1,185.2	1,061.9	1,976.9
Other net assets	-177.7	-523.6	-1,005.5	-214.4	-221.4	-583.6	-1,166.8	-1,875.8	-1,385.2	-5,025.0
Net total Assets	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	8,069.2
<b>RETURN</b>										
Revenue surplus (including prior period Revenue/Expenses):-										
i) Before interest on borrowings	300.5	336.9	360.2	331	272	301.6	366.6	859.0	1,577.0	-30.5
ii) After interest on borrowings	140.3	168.2	182.7	230.8	170	189.4	190.9	672.0	1,391.3	-214.9
<i>Return as % on the net total assets</i>										
i) Before interest on borrowings	9.8	10.4	10.5	7.1	5.7	5.2	5.8	12.4	19.0	-0.4
ii) After interest on borrowings	4.6	5.2	5.3	5	3.5	3.3	3.0	9.7	16.7	-2.6

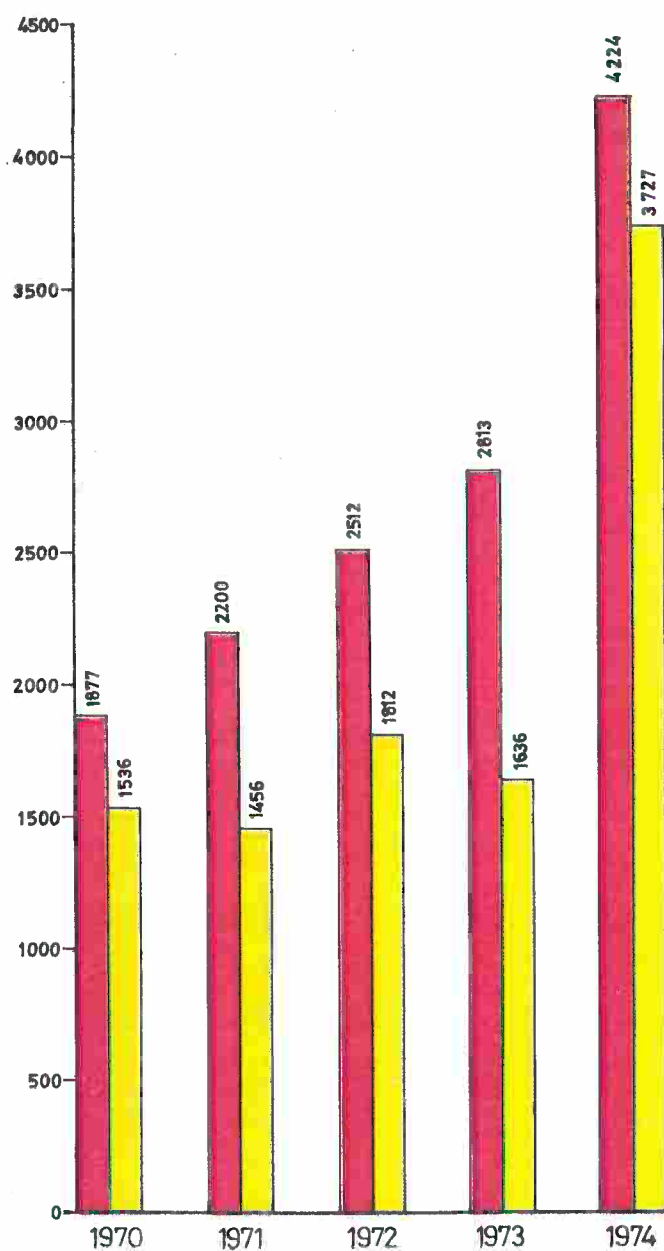
# CYPRUS TELECOMMUNICATIONS AUTHORITY

## TABLE SHOWING EXPENDITURE REVENUE 1970-19

I OPERATING EXPENDITURE  
II CAPITAL EXPENDITURE  
(£ thousand)

	I	II
1935	948	381
1966	992	371
1967	1234	881
1968	1525	806
1969	1771	688

■ OPERATING EXPENDITURE  
■ CAPITAL EXPENDITURE



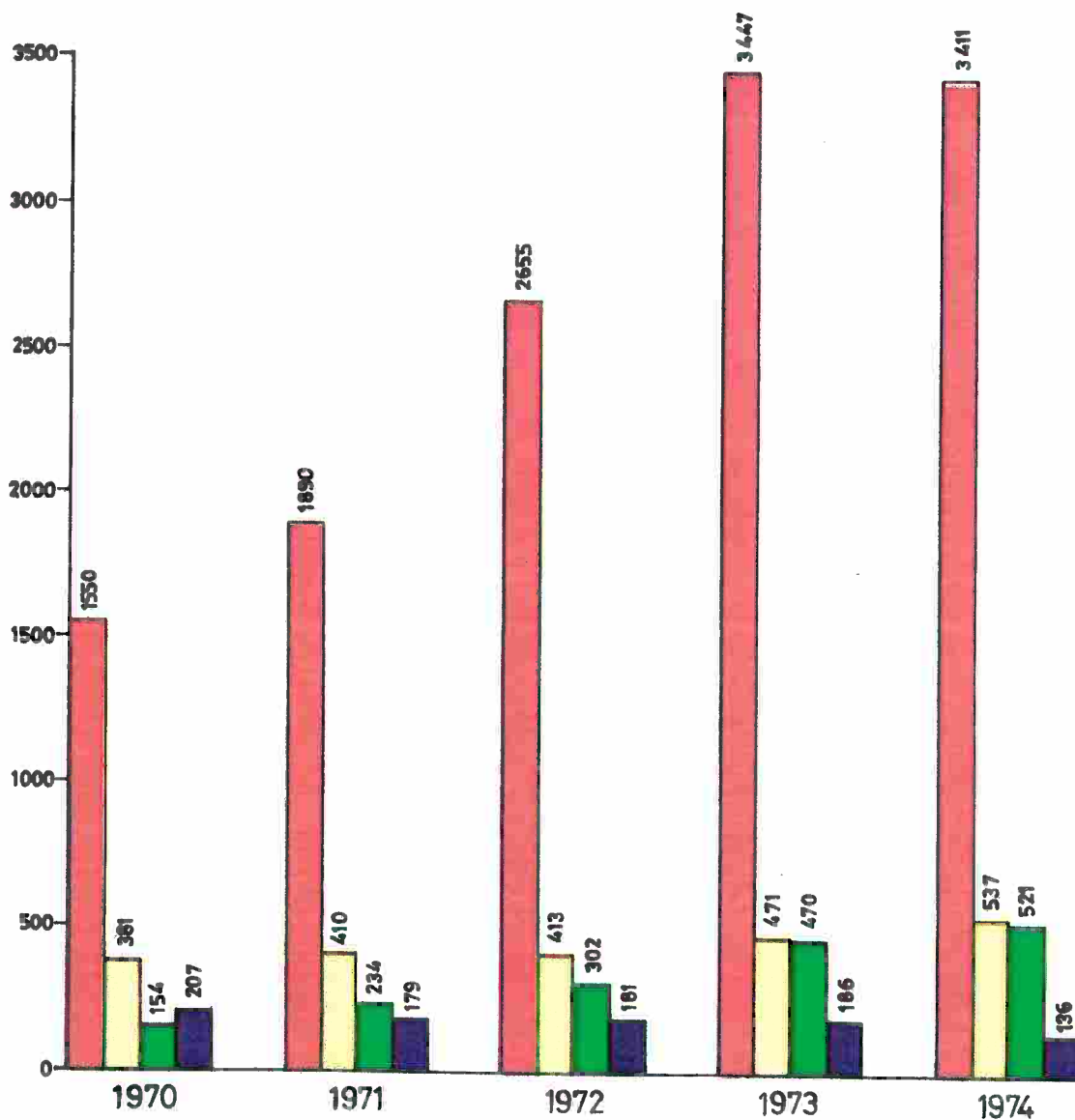
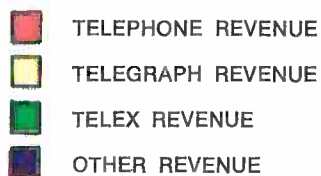
# CYPRUS TELECOMMUNICATIONS AUTHORITY

## TABLE SHOWING OPERATING REVENUE 1970-1974

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

(£ thousand)

	I	II	III	IV
1965	946	279		67
1966	1026	268		66
1967	1130	384		71
1968	1175	407		140
1969	1380	411	81	193



A C C O U N T S

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# CYPRUS TELECOMMUNICATIONS AUTHORITY

## AUDITORS' REPORT

We have audited the annexed Balance Sheet and Revenue Account of the Cyprus Telecommunications Authority and, subject to the matters referred to in the Notes, have obtained all the information and explanations we considered necessary. In our opinion the Authority has kept proper books of account and the Balance Sheet and Revenue Account are in agreement therewith.

Subject to the reservations contained in the Notes on the Accounts, in our opinion the said Accounts give respectively a true and fair view of the state of affairs of the Authority as at 31st December, 1974 and of the deficit for the year ended on that date.

SCOTTIS & POLYDORIDES

Chartered Accountants

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

4th July, 1975.

# **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.

## **EXCAVATIONS**

Expenditure on excavations for the line plant is written off by equal instalments over a period of three years.

## **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 the Deferred Accounts.

Realised exchange differences attributable to the purchase of fixed assets for specific projects are capitalised until the completion of the project, whilst unrealised differences are carried forward and are capitalised in the year of completion. Otherwise, exchange differences are dealt with through the Revenue Account only in so far as they are realised.

# CYPRUS TELECOMMUNICATIONS AUTHORITY

## NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 1974.

### 1. POSITION AFTER THE TURKISH INVASION

As a consequence of the Turkish invasion of Cyprus the operating revenues have been adversely affected whilst the operating expenses, which comprise in the main staff costs, have remained at normal levels. The Authority, following the Government policy, has not dismissed personnel ordinarily employed in the territory now occupied by the Turkish forces, while, a full year's depreciation on the fixed assets hereinafter mentioned has been provided.

Certain fixed assets and other equipment and materials in stores are situate in the occupied territory or in areas to which the Authority, due to present conditions, has no access. The book value of the items in stores is £459,852 but that of the fixed assets, in view of the particular circumstances, cannot be reasonably ascertained. No provisions have been made in these Accounts for any possible loss of or damage to, the aforesaid property. The Authority is unable to express an opinion as to the present state of these assets which, in the annexed Balance Sheet, are reflected at their respective book values.

The amount charged against the Revenues for the year in respect of doubtful debts at £227,833 is exceptional in size as it includes all debts accruing in the occupied territory which have been fully provided for. This provision, which may prove to be excessive, is included in the Financial and Other Expenses in Statement 3.

### 2. INVESTMENTS

Trade, unquoted—This represents the Authority's investment share in the International Telecommunications Satellite Organisation ("Intelsat"). Under the terms of allotment, the Authority is required to make capital contributions, proportionate to its investment share, towards future development projects undertaken by Intelsat.

Other—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 is not less than the amount at which they are stated in the Balance Sheet.

### 3. STORES

Included in this figure is an amount of £415,640 in respect of equipment

and materials situate in the Turkish occupied territory reference to which was made in Note 1.

#### 4. DEBTORS

Included in this figure is £236,821 (1973—£265,000) in respect of a debt due from the Government of the Republic. Arrangements have been made for the settlement of this amount by 1978 with interest at a rate equal to the rate of interest borne by the Authority on its bank overdraft.

#### 5. DEFERRED DEBITS

This amount is made up as follows:-

	£
Interest attributable to subsequent years	1,268,272
Net exchange differences on conversion of foreign currency balances	121,455
Other Expenses and consumable items in stores	259,002
	<hr/>
	£1,648,729
	<hr/>
	(1973 — £233,942)

Consumable items include stationery amounting to £44,212 kept in stores situate in the Turkish occupied territory reference to which was made in Note 1.

Included in the exchange differences is an amount of £122,922 representing net loss on conversion of foreign currency liabilities in respect of purchases of fixed assets for specific projects not completed as at 31st December, 1974.

#### 6. DEFERRED CREDITS

This amount is made up as follows:-

	£
Rentals and installation fees relating to subsequent years	63,813
Deposits for recoverable works	128,512
Provision for staff superannuation benefits (Note 7)	397,600
	<hr/>
	£589,925
	<hr/>
	(1973 — £617,090)

#### 7. STAFF SUPERANNUATION BENEFITS

The benefits afforded to the Authority's staff under the Superannuation Schemes at present operated by the Authority, are under consideration for revision. In revising these Schemes, the Authority proposed improved benefits

and has also, in this respect, assumed liability to fund past service credits. Against this liability the Authority, by providing annually out of its revenues, has set aside £397,600 up to 31st December, 1974.

According to current estimates the Authority's liability towards funding past service credits on the introduction of the proposed revised superannuation benefits, exceeds the amount provided as aforesaid. This liability and the extent thereof, at present cannot be established, until the offered revised benefits are finally determined.

## **8. TAXATION**

No amounts are being set aside to provide for income tax on the annual net revenues as the position of the Authority's liability to income tax, in general, has not yet been determined.

## **9. DEPRECIATION**

During the year under review there has been a change in the rates of depreciation of Fixed Assets, as a result of which the depreciation charge for the year is greater by £571,128. The provision for depreciation in respect of prior years has not been adjusted on the basis of the revised depreciation rates.

The revised rates are now in line with those applied universally by Commonwealth and other foreign Telecommunications Administrations.

## **10. EXCAVATIONS**

Expenditure on excavations for the line plant is, as from the current year, written off by equal instalments over a period of three years instead of being capitalised as hitherto followed. In consequence of the aforesaid change the operating expenses for the year have been affected by £67,644 (net).

## **11. CONTRACTUAL COMMITMENTS**

Contractual commitments as at 31st December, 1974 not provided for in these Accounts amounted to approximately £2,464,000 (1973—£8,116,000) of which £2,378,500 is payable in foreign currency. Amounts in foreign currency have been converted into Cyprus pounds at the rates of exchange ruling as at 31st December, 1974.

## **12. CONTINGENT LIABILITIES**

Contingent liabilities in respect of claims against the Authority amounted to approximately £8,200 at 31st December, 1974 (1973—£4,900).

# CYPRUS TELECOMMUNICATIONS AUTHORITY

## BALANCE SHEET

31st DECEMBER, 1974

	£	£	1973 £
<b>NET ASSETS</b>			
<b>FIXED ASSETS</b> (Statement 4) (Note 1)		11,117,327	8,632,910
<b>INVESTMENTS at cost</b> (Note 2)			
Trade	54,513		—
Other	162,916		99,643
		217,429	99,643
<b>NET CURRENT ASSETS</b> (Statement 5)			
Current Assets	3,221,248		2,554,737
Deduct			
Current Liabilities	2,993,811		1,716,787
		227,437	837,950
<b>DEFERRED DEBITS</b> (Note 5)		1,648,729	233,942
		13,210,922	9,804,445
Deduct			
<b>DEFERRED CREDITS</b> (Note 6)	589,925		617,090
<b>LONG-TERM LIABILITIES</b>	4,551,781		877,696
		5,141,706	1,494,786
<b>NET ASSETS</b>		£8,069,216	£8,309,659
<b>FINANCED BY</b>			
<b>CAPITAL BORROWINGS</b> (Statement 6)		4,490,769	4,516,273
<b>RESERVES</b> (Statement 7)		3,578,447	3,793,386
		£8,069,216	£8,309,659

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, 1974

	£	£	1973 £
Operating Revenue (Statement 1)		4,605,347	4,574,288
<b>Deduct</b>			
Operating Expenses (Statement 2)		4,224,232	2,813,471
<b>NET OPERATING REVENUE</b>		381,115	1,760,817
<b>Add</b>			
Investment Income	9,089		4,353
Other Income	80,401		66,613
		89,490	70,966
<b>Deduct</b>		470,605	1,831,783
Financial and Other Expenses (Statement 3)		655,544	428,183
<b>DEFICIT FOR THE YEAR (1973 — SURPLUS)</b>		184,939	1,403,600
<b>Add</b>			
Provision for staff superannuation benefits (Note 7)		30,000	30,000
		214,939	1,373,600
<b>Deduct</b>			
Revenue Balance 1st January, 1974	3,663,082		2,271,791
Net revenue relating to prior years	—		17,691
		3,663,082	2,289,482
<b>REVENUE BALANCE 31st December, 1974</b>		£3,448,143	£3,663,082

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, 1974

## OPERATING REVENUE

	£	£	1973 £
<b>Telephone services</b>			
Rentals	784,589		773,676
Inland dial calls	1,707,733		1,798,048
Inland manual calls	51,994		55,341
Overseas calls	785,741		748,163
Leased circuits	54,529		36,492
Miscellaneous	26,893		34,946
		3,411,479	3,446,666
<b>Telegraph services</b>			
Telegrams	440,352		376,999
Leased circuits	62,627		63,269
Teleprinter rentals	18,012		16,391
Miscellaneous	16,132		14,691
		537,123	471,350
<b>Telex services</b>			
Rentals	94,919		99,622
Local calls	8,968		15,366
Overseas calls	417,370		354,888
		521,257	469,876
<b>Other services</b>		135,488	186,396
<b>As per Revenue Account</b>		<u>£4,605,347</u>	<u>£4,574,288</u>

STATEMENT 2

**CYPRUS TELECOMMUNICATIONS AUTHORITY**  
**ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974**  
**OPERATING EXPENSES**

	£	£	1973 £
<b>System operational</b>			
<b>Telephone services</b>			
Operators' salaries etc.	325,285		303,882
Maintenance salaries etc.	508,221		342,430
Other salaries etc.	598,800		453,606
Materials	26,763		19,274
Network excavations	70,463		—
Electricity	24,872		18,241
Transport	47,860		25,063
Depreciation	853,479		324,762
Radio and repeater stations expenses	127,228		87,363
Leased circuits rentals	59,230		47,252
Miscellaneous	772		13,134
		2,642,973	1,635,007
<b>Telegraph services</b>			
Operators' salaries etc.	294,864		241,747
Maintenance salaries etc.	15,963		17,633
Other salaries etc.	24,862		26,839
Materials	1,363		483
Electricity	747		873
Transport	28		38
Depreciation	27,351		20,115
Radio and repeater stations expenses	51,251		47,268
Leased circuits rentals	1,644		1,066
Miscellaneous	1,751		2,052
		419,824	358,114
<b>Telex services</b>			
Operators' salaries etc.	17,734		14,855
Maintenance salaries etc.	19,994		14,707
Other salaries etc.	30,151		20,813
Materials	779		520
Electricity	1,200		894
Transport	509		236
Depreciation	47,695		21,530
Radio and repeater stations expenses	108,661		82,067
Leased circuits rentals	13,202		13,696
Miscellaneous	853		150
		240,778	169,468

**Other services**

Operators' salaries etc.	36,304	31,956
Maintenance salaries etc.	26,380	15,825
Other salaries etc.	11,981	13,871
Materials	1,631	2,417
Transport	242	367
Depreciation	17,635	9,903
Radio and repeater stations expenses	30,674	23,293
Miscellaneous	730	1,197

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	125,577	98,829
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Transferred to Summary

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	£3,429,152	£2,261,418
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**Establishment**

Salaries etc.	66,749	46,276
Maintenance of buildings	26,896	10,771
Maintenance of F.F. and O.E.	7,164	4,946
Transport	1,016	702
Rents, Rates and Taxes	16,979	11,895
Light, Heat and Water	12,347	9,610
Insurances	7,765	6,277
Depreciation	17,981	12,562
Miscellaneous	3,878	1,872

Transferred to Summary

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	£160,775	£104,911
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**Administration**

Administration and accounts salaries etc.	494,125	312,047
Printing and stationery	22,868	22,185
Telephones, Telegrams and postages	36,303	38,567
Travelling and transport	13,292	10,266
Office machinery rental	25,271	19,369
Training expenses	9,662	13,404
Newspapers and periodicals	1,208	658
Advertisements	5,168	9,386
Miscellaneous	26,408	21,260

Transferred to Summary

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	£634,305	£447,142
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**SUMMARY  
OPERATING EXPENSES**

		1973
	£	£
System operational	3,429,152	2,261,418
Establishment	160,775	104,911
Administration	634,305	447,142
	<hr/>	<hr/>
As per Revenue Account	£4,224,232	£2,813,471
	<hr/>	<hr/>

## STATEMENT 3

## CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974

## FINANCIAL AND OTHER EXPENSES

	£	1973 £
<b>Financial</b>		
Interest on capital borrowings	184,433	185,715
Interest to suppliers	136,066	100,292
Bank interest	46,450	47,860
Provision for bad and doubtful debts	227,833	19,827
Scrap and obsolete stores and equipment	48,364	60,486
Miscellaneous	3,057	6,117
	<hr/> 646,203	<hr/> 420,297
<b>Other</b>		
Authority's Members emoluments and expenses	3,070	2,675
Commonwealth Telecommunications Council Expenses	6,271	5,211
	<hr/> 9,341	<hr/> 7,886
As per Revenue Account	<hr/> £655,544	<hr/> £428,183

## CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974

## FIXED ASSETS

	Cost or Valuation as at 1.1.74	Additions at cost less Disposals	Cost or Valuation as at 31.12.74	Aggregate Depreciation	Written Down Value 31.12.74	31.12.73
	£	£	£	£	£	£
Land and Buildings	1,041,116	116,929	1,158,045	150,128	1,007,917	917,219
Exchanges, Telegraph and Line						
Plant Apparatus	8,796,089	895,298	9,691,387	3,790,801	5,900,586	5,878,285
Radio Stations	962,578	58,442	1,021,020	461,276	559,744	591,199
Sub-marine Cables	46,536	—	46,536	4,062	42,474	44,801
Motor Vehicles, Tools and						
Equipment	270,184	22,748	292,932	221,967	70,965	74,124
Office Furniture and Equipment	140,397	17,325	157,722	91,688	66,034	60,223
	11,256,900	1,110,742	12,367,642	4,719,922	7,647,720	7,565,851
Assets under construction	796,874	2,572,165	3,369,039	—	3,369,039	796,874
Payments on account of Equipment	270,185	-169,617	100,568	—	100,568	270,185
As per Balance Sheet	£12,323,959	£3,513,290	£15,837,249	£4,719,922	£11,117,327	£8,632,000

**NOTES:-** 1. The depreciation of Fixed Assets for the year ended 31st December, 1974 amounted to £1,056,481 (1973—£452,407).

2. Certain lands were in course of registration in the name of the Authority as at 31st December, 1974.

## STATEMENT 5

## CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974

## NET CURRENT ASSETS

	£	£	1973 £
<b>Current assets</b>			
Stores (Note 3)	1,976,873		1,061,866
Debtors, less provisions (Notes 1 and 4)	1,228,611		1,312,270
Bank balances and cash in hand	15,764		180,601
		3,221,248	2,554,737
<b>Deduct:-</b>			
<b>Current liabilities</b>			
Creditors	1,903,615		983,157
Bank overdraft	1,002,898		645,990
Interest accrued on capital borrowings	87,298		87,640
		2,993,811	1,716,787
As per Balance Sheet		£227,437	£837,950

## STATEMENT 6

## CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974

## CAPITAL BORROWINGS

	£	£	1973 £
5% Government Loan 1965/76	10,489		15,363
5¾% Government Loan 1969/83	131,906		142,871
5¾% Government Loan 1970/84	119,374		128,039
2½% Government Loan 1973/87	2,979,000		2,980,000
		3,240,769	3,266,273
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		£4,490,769	£4,516,273

**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, 1974

## RESERVES

	£	1973 £
Capital reserve	64,304	64,304
General reserve	66,000	66,000
Revenue Account—Balance	3,448,143	3,663 082
As per Balance Sheet	<u>£3,578,447</u>	<u>£3,793,386</u>

## APPENDIX 1

## CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974

## RADIO AND REPEATER STATIONS EXPENSES

	£	1973 £
Operators' salaries etc.	42,759	57,514
Maintenance salaries etc.	68,674	31,249
Other salaries etc.	84,798	62,269
Materials	4,446	6,280
Electricity	17,514	16,269
Transport	3,789	1,992
Depreciation	74,477	54,234
Miscellaneous	21,357	10,184
	<hr/>	<hr/>
Total allocated to system operational	£317,814	£239,991
	<hr/>	<hr/>
<b>Allocated to:-</b>		
Telephone services	127,228	87,363
Telegraph services	51,251	47,268
Telex services	108,661	82,067
Other services	30,674	23,293
	<hr/>	<hr/>
	£317,814	£239,991
	<hr/>	<hr/>

## APPENDIX 2

## CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974

## MOTOR TRANSPORT EXPENSES

	£	£	£	1973 £
Drivers, Garage and other salaries		22,366		20,006
Licences		1,949		2,104
Insurances		2,709		2,617
Fuel		25,014		7,819
Spares and Accessories		783		872
Depreciation		17,863		9,301
Miscellaneous		10,231		7,606
		<u>£80,915</u>		<u>£50,325</u>
Allocated to:-				
Capital works		18,288		13,874
Recoverable works		1,119		2,006
Operating expenses:-				
System operational	48,639		25,704	
Establishment	1,016		702	
Administration	8,064		6,047	
		<u>57,719</u>		<u>32,453</u>
Radio and repeater stations expenses		3,789		1,992
		<u>£80,915</u>		<u>£50,325</u>

## CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1974

## STAFF COSTS

	£	£	£	1973 £
Salaries, wages, allowances etc.		2,942,174		2,291,267
Less: Amount charged to:-				
Capital	237,685		230,399	
Recoverable works	14,479		33,343	
		<u>252,164</u>		<u>263,742</u>
		<u>£2,690,010</u>		<u>£2,027,525</u>
Allocated to:-				
Operating expenses:-				
System operational	1,910,539		1,498,164	
Establishment	66,749		46,276	
Administration	494,125		312,047	
		<u>2,471,413</u>		<u>1,856,487</u>
Radio and repeater stations		196,231		151,032
Motor transport expenses		22,366		20,006
		<u>£2,690,010</u>		<u>£2,027,525</u>

