

Cyprus Telecommunications Authority

20th Annual Report 1975



CYPRUS TELECOMMUNICATIONS AUTHORITY

**TWENTIETH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1975.

[PRICE 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
Hadjikyriakos Building,
4th Floor,
Prodromos Avenue 121,
P.O.Box 4929.
NICOSIA.
Date: 21st July, 1976.

Your Excellency,

I have the honour to submit herewith the twentieth Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December, 1975, together with a copy of the Auditor's Report.

I am happy to report on behalf of all members of the Authority that, in spite of the Authority's heavy losses which resulted from the Turkish invasion described in the 1974 Annual Report and the prevailing adverse conditions therefrom, the main objectives of the Authority were fully realised as detailed in this report. The major development of International Subscribers Dialling for both telephone and telex was introduced; discontinued or impaired service because of enemy action to various areas under the control of the Government was restored; more than 2.000 new direct telephone exchange lines were installed; the network was maintained efficiently throughout the year; new equipment was ordered and the Authority is ever ready to implement plans carefully prepared for further development should the financial and other conditions permit.

The Report and Accounts are submitted under Section 22 of the Telecommunications Service Law, 1954, (Cap. 302).

Yours faithfully,

N.S. ROUSSOS,
Chairman.

His Excellency,
The Minister of Communications
and Works,
Mr. G. Tombazos,
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

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

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	Chief Accountant	Chief Engineer	Telecommunications Officer	Personal 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

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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.

In what clearly were the most difficult circumstances in the Island's history with the Turkish Army still holding 40% of our most productive territories from which the 70% of our national income emanated; with approximately the 1/4 of the Authority's subscribers still lost; with nearly 33% of the Authority's Assets still under the control of the Turkish Army; with nearly 200,000 Greek Cypriots still uprooted from their homes, the development of the telecommunications system continued but at a pace, consequently, lower than that planned before the 1974 Turkish invasion. The Authority's basic aim in assuring, under the circumstances, the widest availability of high quality telecommunications service at the lowest possible cost to the public, was well served by: (a) the commissioning of the submarine cable system linking Cyprus with Greece (Aphrodite) and Lebanon (Adonis); (b) the introduction of the International Subscriber Dialling; (c) the introduction of fully automatic telex service; (d) the preparation and implementation of plans to offer automatic service to areas affected by the invasion; (e) the introduction of the new electronic coin collecting boxes for automatic local, trunk and overseas dialling; (f) the installation of 2255 new direct exchange lines; and (g) the maintenance of all services to a very high standard of efficiency.

The Members of the Authority had 13 meetings and their policy decisions were closely connected with the Government efforts for the economic recovery of the island. The Authority's performance in 1975 could be considered as a remarkable achievement particularly in the Automatic Telephone and Telex linking of Cyprus with the outside World, so that by the end of the year under review 34 countries were available on our International Telephone Subscribers Dialling and 80 countries on our automatic telex service. In addition the Authority has taken every measure for the resumption at the opportune time of the pre invasion rate of growth, with a view to realizing its, long ago set, goal of promoting Cyprus to the small group of the really developed telecommunicationswise countries of the world.

FINANCIAL STATEMENTS FOR THE LAYMAN

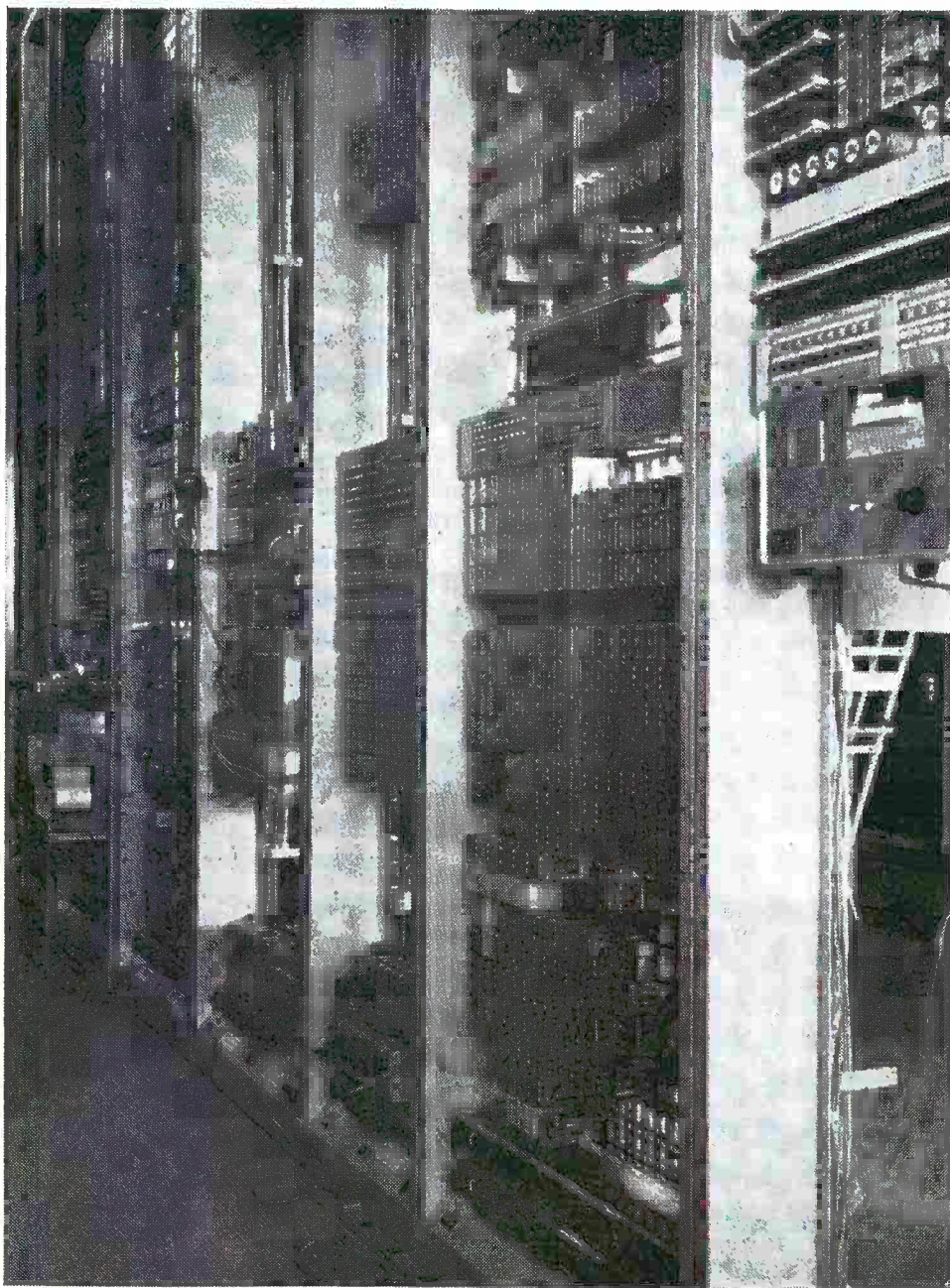
How the Authority Operated During the Year 1975

		1974	
	£	£	£
The Income from the Authority's Operations was		4,735,798	4,605,347
Other Income		79,415	89,490
		<u>4,815,213</u>	<u>4,694,837</u>
The Expenses were:-			
Total Salaries, Allowances, etc.	2,696,782		<u>2,942,174</u>
Less : Utilised for Development 246,168			237,685
Utilised for Repayment Works 16,237			<u>14,479</u>
	262,405		<u>252,164</u>
Administration, Operating and Maintenance Salaries	2,434,377		<u>2,690,010</u>
Administration expenses	560,224		634,305
Telephone services expenses	2,835,144		2,642,973
Telegraph services expenses	370,655		419,824
Telex services expenses	263,886		240,778
Other services expenses	64,166		125,577
Watchmen/Cleaners and other building expenses	140,494		160,775
Members' emoluments and expenses	2,930		3,070
Interest on capital borrowings	249,052		184,433
Interest to suppliers	291,879		136,066
Bank interest	159,716		46,450
Provision for doubtful debts	(24,924)		227,833
Scrap and obsolete stores and equipment ..	12,434		48,364
Miscellaneous financial charges	17,077		9,328
		<u>4,942,733</u>	<u>4,879,776</u>
Resulting in a Deficit for the year of		127,520	<u>184,939</u>

FINANCIAL STATEMENTS FOR THE LAYMAN

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

		1974	
HOW THE AUTHORITY WAS FINANCED		£	£
Borrowings from Government .. .. .	.. .. .	3,213,893	3,240,769
Debenture Stocks .. .. .	.. .. .	1,250,000	1,250,000
Surpluses from past years' operations .. .. .	.. .. .	3,548,447	3,763,386
Deficit from this year's operation .. .. .	.. .. .	(127,520)	(184,939)
Total Financing		7,884,820	8,069,216
WHAT THE AUTHORITY OWNED			
Land, Buildings, Plant and Machinery on 1.1.75	15,837,249		12,323,959
Spent for Development in the year	2,275,453		3,727,038
Less: Installation fees recovered	143,812		141,584
	2,131,641		3,585,454
	17,968,890		15,909,413
Less: Disposals	79,226		72,164
Total: 31.12.75	17,889,664		15,837,249
Set aside over past years and this year to meet wearing out of the equipment	6,034,697		4,719,922
		11,854,967	11,117,327
Investments .. .. .	.. .. .	312,614	217,429
Materials in Stores .. .. .	.. .. .	2,366,548	1,976,873
Money owed to the Authority by Subscribers and debit balances .. .. .	.. .. .	3,616,631	2,877,340
Cash in hand and at bank (Current account) .. .. .	.. .. .	19,955	15,764
So altogether the Authority's belongings were	.. .. .	18,170,715	16,204,733
WHAT THE AUTHORITY OWED			
To various suppliers for equipment and services	1,860,083		1,903,615
To various suppliers for equipment and services (long term)	5,525,907		4,551,781
To bank (overdraft)	937,209		1,002,898
To bank (loan)	1,250,000		—
To subscribers for deposits and other credit balances	131,967		192,325
To staff superannuation Fund	427,600		397,600
To Government for interest on borrowings	153,129		87,298
		10,285,895	8,135,517
The difference between WHAT THE AUTHORITY OWNED and WHAT THE AUTHORITY OWED was the Authority's Net Total Assets		7,884,820	8,069,216
The difference between the net total assets of and the Debentures and Borrowings from Government of		7,884,820	8,069,216
was the Authority's net property at the end of the year		4,463,893	4,490,769
		3,420,927	3,578,447



International Telephone Exchange-Control Panels.

3. TECHNICAL SERVICES

A. GENERAL

In spite of all round and heavy losses sustained by the Authority as a result of the July 1974 Turkish invasion, the service provided to the general public during 1975 was most satisfactory and the achievements attained in the overseas communications by the Aphrodite and Adonis Submarine Cable Systems linking Cyprus with Greece and Lebanon respectively, in the year under review, constitute a landmark in the history of Cyprus Telecommunications.

B. CONSTRUCTION

The Authority, as in previous years, 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

1. *International Telephone Exchange*

The international Telephone Exchange, which is of the Crossbar type and has a capacity of 400 incoming and 400 outgoing trunks, was commissioned in June 1975. International Subscribers Dialling (ISD) followed.

II. Local Exchanges

(a) *Larnaca Exchange*

(i) *Crossbar Exchange*

The installation of a 2000 lines exchange with ancillary equipment was completed.

(ii) *Step-by-step Exchange*

The conversion of the Step-by-Step Exchange from 4 to 5 digits was completed.

(b) *Limassol Exchange (Crossbar)*

The capacity of this exchange was increased by 3000 lines, making a total of 10,000 lines, in 1975.

(c) *Nicosia Exchanges*

(i) *Zone Centre Exchange (C 82)*

The installation of terminating equipment to increase the junctions between Nicosia and the other Zones was completed by about 70%.

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

Approximately 50% of the work involved in installing equipment for 14,000 lines was completed.

(iii) *Acropolis Satellite exchange (Step-by-Step)*

The installation of 1400 lines, making a total of 5,000 lines, was completed.

(d) *Platres Exchange (Crossbar)*

The installation of a Crossbar Exchange of 1200 lines capacity started and approximately 30% of the work was completed; it is expected that this new exchange will be operational in mid-1976.

(e) *Rural Exchanges*

Equipment was installed at all Rural Exchanges for the centralisation of 19X Services. Exchange equipment was also installed to facilitate operation of the new coin collecting boxes and connection of subscribers Private Meters.

(f) *Subscribers Private Exchanges*

During 1975, twelve Private Automatic Branch Exchanges (PABXs) were installed at various business establishments all over the island. A 40 + 300 P.A.B.X. was installed in a large commercial concern in Nicosia. The capacity in lines of the various main, rural and private exchanges for 1974 and 1975 is shown in the following table :—

Type of Equipment					1974		1975	
					No.	Capacity	No.	Capacity
Zone	Main	Auto	Telephone					
Exchanges	..	..	..	..	7	46,600	7	51,600
Town Satellite Exchanges			..	..	2	8,600	2	10,000
Rural Exchanges		..	..	..	29	3,630	29	3,650
Mobile Exchanges		..	..	..	1	100	1	100
					39	58,930	39	65,350
Private Auto Exchanges			..	..	176	9,460	188	10,012
Private Manual Branch Exchanges					1,268	17,749	1,330	18,490

II. Telex Exchange

In April 1975 a fully computerized telex exchange was commissioned and given to service with about 100 new telex subscribers connected. All existing telex subscribers were subsequently transferred onto this new exchange by the end of April 1975, when the old step-by-step telex exchange was taken out of service.



Electronic Telex Exchange Computer Section.

III. Submarine Cable Systems

The two Submarine Cable Systems of 480, 4 kHz, channel capacity linking Cyprus with Greece (APHRODITE) and Lebanon (ADONIS) were commissioned in April and July 1975 respectively.

IV. Line Plant

Construction for the provision of underground and overhead lines as well as manholes and ducts was carried out during 1975 as shown in the following table :—

Table 1

Item	Unit	1970	1971	1972	1973	1974	1975
Manholes Constructed ..	No.	130	83	142	224	124	65
Duct Lines laid	Miles	54.09	32.43	53.64	76.57	76.53	28.15
Cables Laid/Drawn ..	Miles	68.17	173	126.83	160.69	85.21	67.48
Above cables in single wire	Miles	12,443	47,783	56,569	57,163	25,648	20,027

Table 2

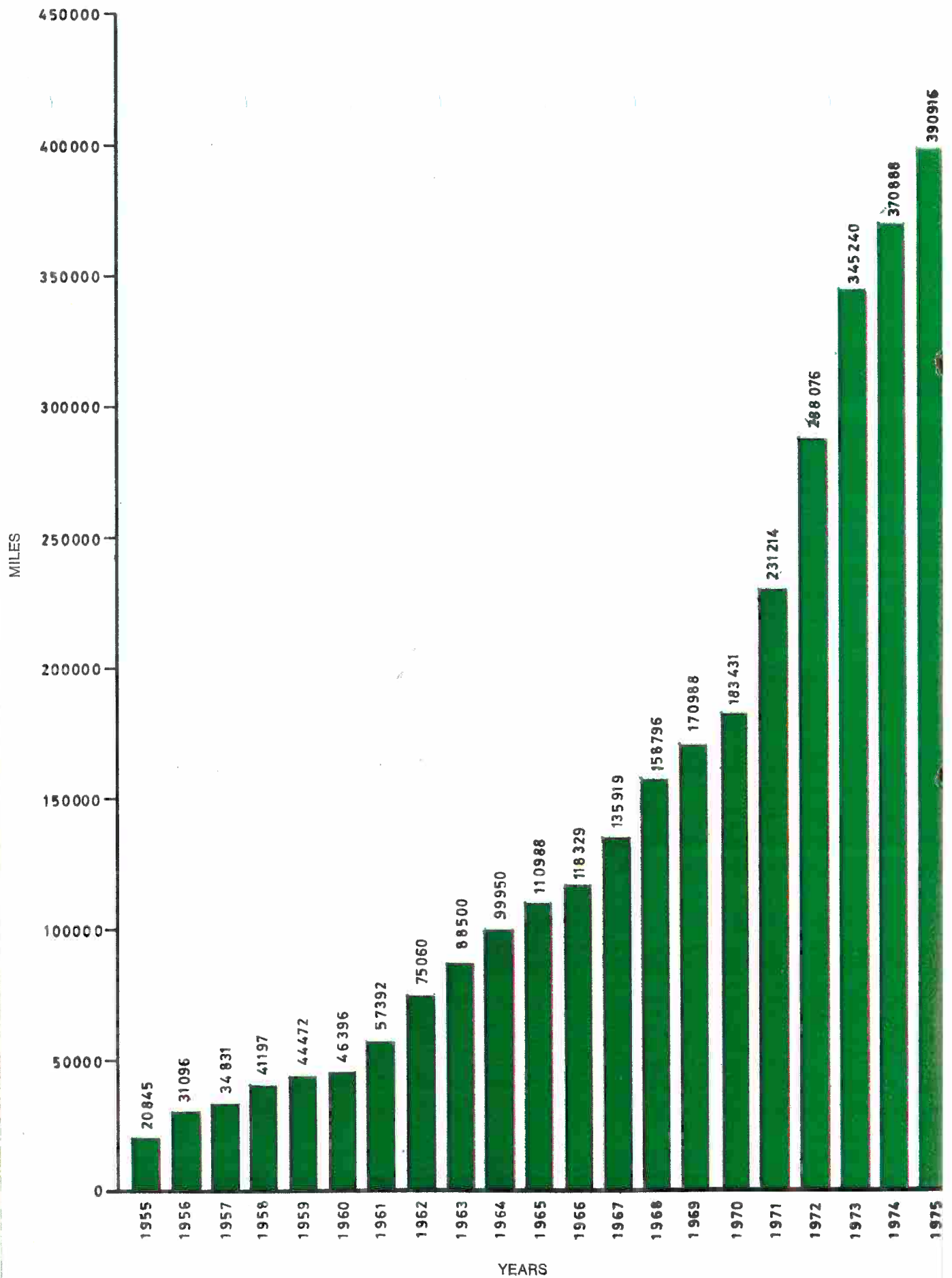
Item	Unit	1970	1971	1972	1973	1974	1975
Pole Routes Installed	Miles	87	58	29	32	5	13
Single Wire Installed	Miles	623	868	695	347	122	122
Pole Routes O/Hauled	„	125	90	163	98	68	77
Single Wire O/Hauled	„	2124	1190	1163	818	796	1848

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

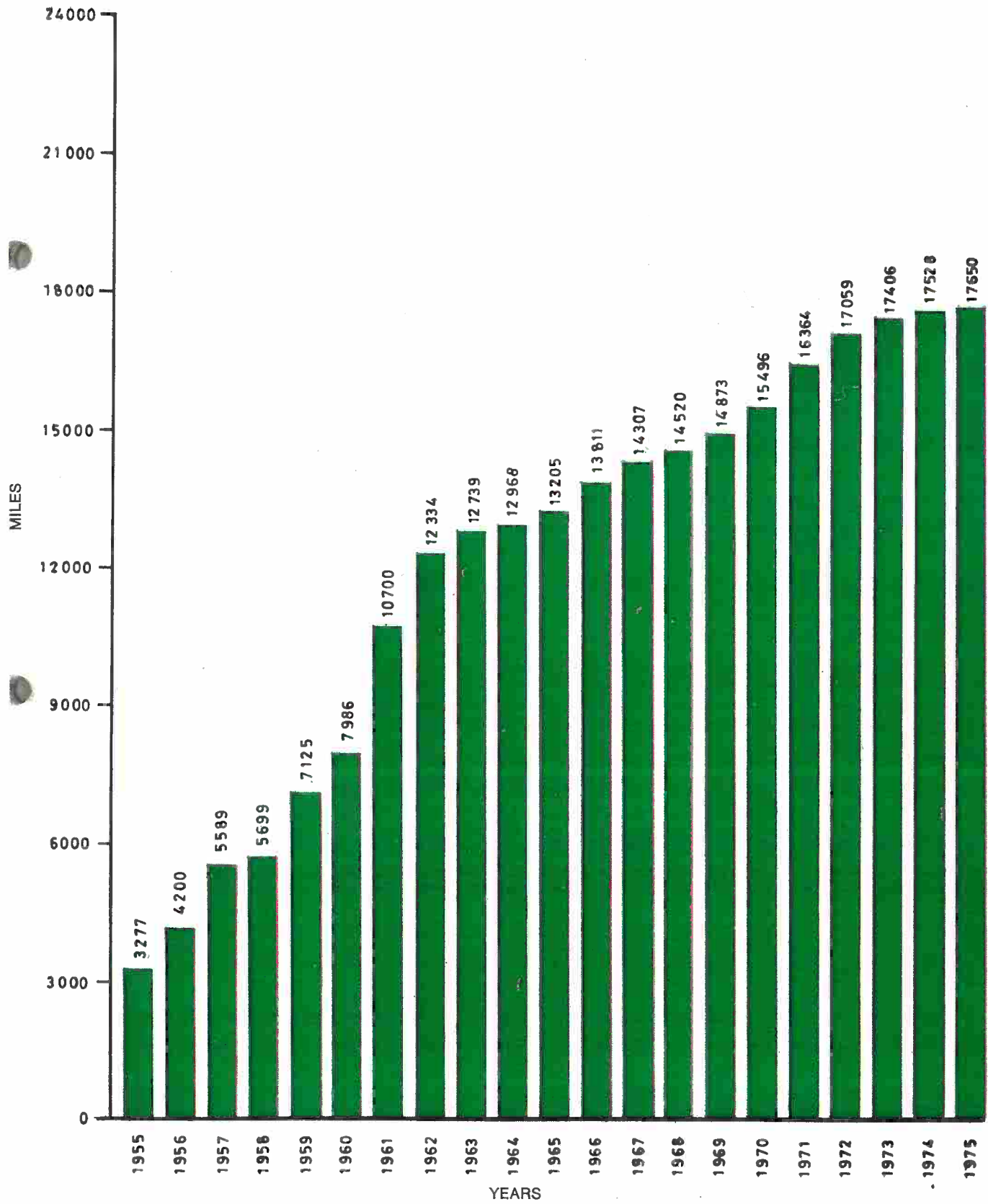


Landing of Submarine cables, APHRODITE (Cyprus-Greece) and ADONIS (Cyprus-Lebanon), at Larnaca.

"GRAPH A" UNDERGROUND CABLES SINGLE WIRE LAID



GRAPH "B" OVERHEAD SINGLE WIRE MILEAGE INSTALLED



V. Communal Installations

During the year under review the following communal call offices were completed :—

Village	Zone	Exchange
Apsiou	Limassol	Limassol
Vavatsinia	Larnaca	Skarinou
Galataria	Paphos	Timi
Kilinia	Paphos	Timi
Ayia Varvara	Paphos	Paphos

VI Subscribers Telephone Installations

The Authority has continued its efforts to satisfy as many new applicants as possible. An indication of the applications received and the applicants on the Waiting List is given in the following table :—

	1973	1974	1975
Applications in hand as at 1st of January.. ..	7220	7475	4364 (see Note 1)
New applications received during the year ..	7614	5745	5005
Applications for new Direct Exchange Lines released during the year	6479	5138	5189
Applications cancelled during the year	860	1089	2176
Balance of the Waiting List as at the end of the year	7495	6993	2004 (see Note 1)

Note 1: Figures for the occupied areas are not included in the above table. The growth in Direct Exchange Lines is shown in Graph 'C'.

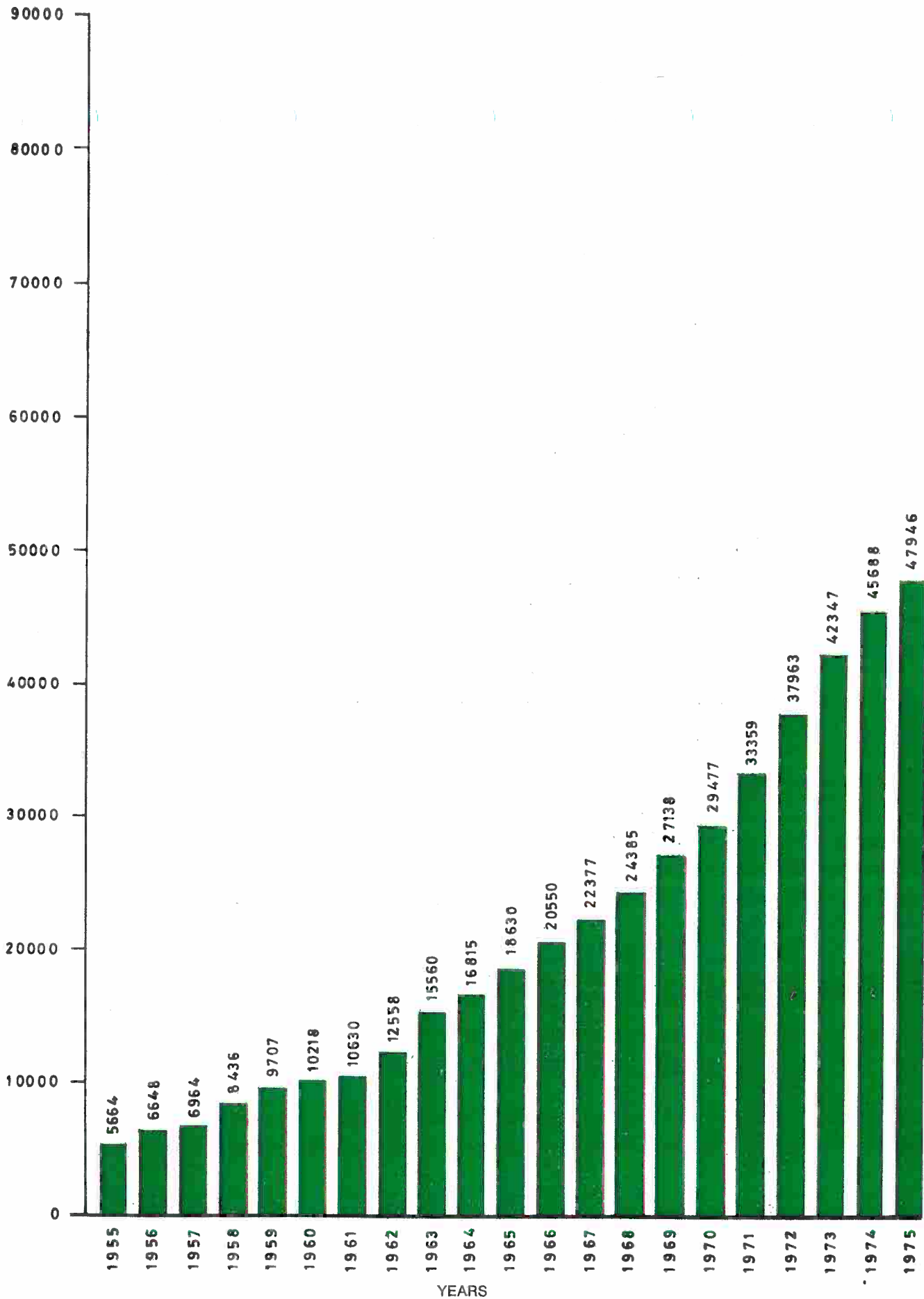
During 1975 the following Works Orders were executed at various zones for telephone installations and associated works:

	1973	1974	1975
Nicosia (including Kyrenia and Morphou) ..	8499	8992	9964
Limassol (including Paphos and Platres) ..	3003	2993	4211
Famagusta	2091	1308	—
Larnaca	943	925	1741
Total	14536	14218	15916

Note: The information on Works Orders for Kyrenia and Morphou was available until the end of June 1974 and for Famagusta until the end of July 1974, as after the Turkish invasion these stations ceased to function.

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 British Sovereign Base Areas.

GRAPH "C" GROWTH OF DIRECT EXCHANGE LINES



◊ WITHDRAWALS ARE DEDUCTED

VII. Subscribers Telex Installations

The demand for telex service has again shown an increase during 1975. By the end of this year, 653 subscribers were connected to the Telex Exchange and the waiting list was NIL.

Graph 'D' shows the growth in telex subscribers. This graph includes 81 telex units which are installed in the occupied areas and are not operational.

Telex Subscribers as at 31.12.74	..	..	..	488
New Subscribers connected during 1975	..	..	..	182
Total	..	..	..	670
Less withdrawals	..	..	..	17
Telex subscribers as at 31.12.75	..	..	..	653

VIII. Transmission and Radio

- (a) A 300-channel S.H.F. radio system linking Madhari Repeater Station with Larnaca was installed and is now operational.
- (b) A 120-channel U.H.F. radio system was set up linking Kili Repeater Station with Paphos.
- (c) A U.H.F. Link was installed between Nicosia and Madhari Repeater Station to provide the necessary telephone channels for the ground to air services. (These services were operated from Yaila prior to the Turkish invasion).
- (d) Multiplex equipment was installed at Nicosia to provide 180, 4 kHz, additional channels to operate over the submarine cable to Greece.
- (e) Translating Equipment was installed at Larnaca to extend the submarine cable channels to Nicosia via Madhari Repeater Station.
- (f) A 12-channel open wire line carrier system was installed, connecting Athienou with Larnaca.
- (g) A 12-channel open wire line carrier system was installed between Pissouri and Limassol to provide telephone channels for the improvement of the ship to shore service.

- (h) Eight 24-channel Voice Frequency Telegraph Terminals were installed at Nicosia, to provide Telex channels with Limassol, Larnaca and overseas countries.

IX. Buildings

A new Telephone Exchange building at Platres was completed in 1975.

X. General

(a) *Centralisation of 19X Services*

The installation of equipment to provide these services was completed.

(b) *Private Meters*

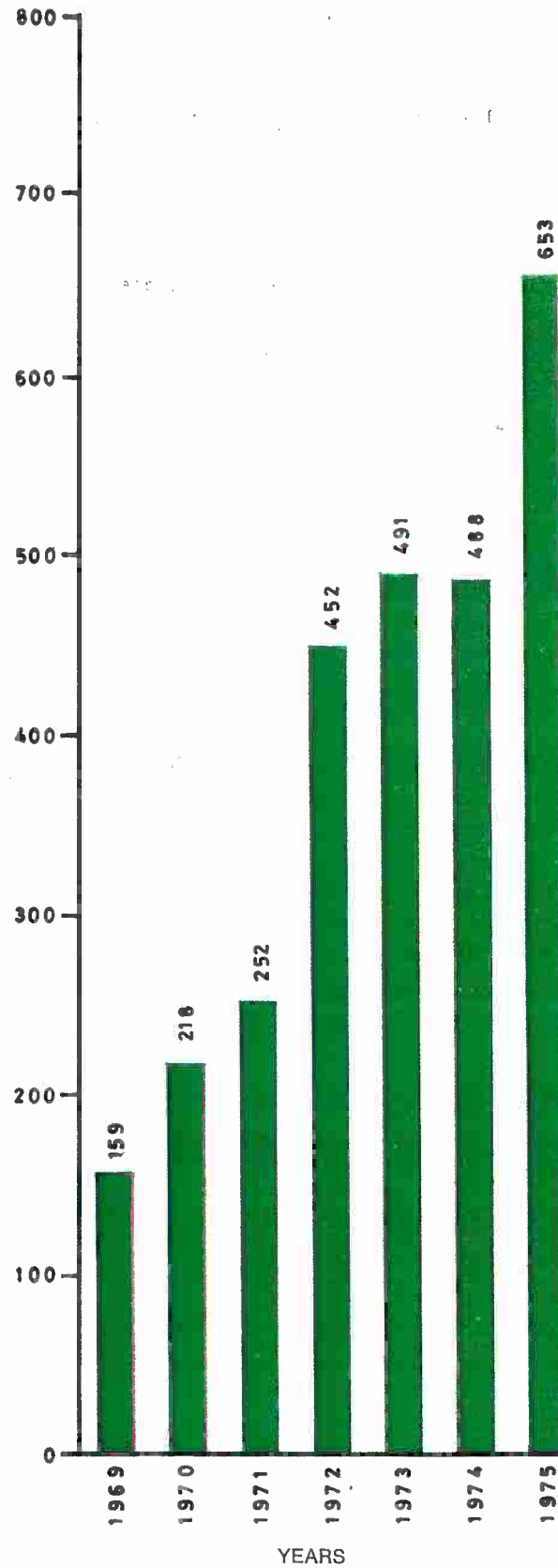
The installation of the necessary telephone exchange equipment for the operation of private meters was completed.

(c) *Coin Collecting Boxes*

Installation of the new Electronic Coin Collecting Boxes started in 1975 and 77 of the old type coin collecting boxes at the main towns were replaced with the new ones.

GRAPH "D" GROWTH OF TELEX SUBSCRIBERS

NOTE :- 81 IN TURKISH HELD AREA
(INCLUDED)



• WITHDRAWALS ARE DEDUCTED

COMPARATIVE CHART SHOWING TELEPHONES OF CYPRUS AND NEIGHBOURING COUNTRIES

As at 1.1.1975

					No. of Telephones	Telephones per 100 Population	Per Cent Automatic
CYPRUS	..	..	..	..	68,174	10.65	100.0
Israel, State of	..	..	..	..	735,156	21.57	100.0
Iran	..	..	..	..	805,560	2.40	94.1
Iraq, Republic of	..	..	..	..	152,932	1.42	93.1
Kuwait, State of	..	..	..	..	108,587	11.00	100.0
Greece	..	..	..	..	1,862,050	20.71	99.0
Turkey..	..	..	..	..	899,923	2.30	78.9
Romania	..	..	..	..	1,076,566	5.10	86.2
Bulgaria	..	..	..	..	718,325	8.18	92.0
Italy	..	..	..	..	13,695,006	24.62	100.0
Algerian Dem. & Pop. Rep.	..	..	..	..	229,673	1.38	79.7
Czechoslovakia	..	..	..	..	2,480,801	16.83	95.9
Hungary	..	..	..	..	1,013,731	9.65	81.2
Egypt, Arab Rep. of	..	..	..	..	503,200	1.37	96.7
Yugoslavia	..	..	..	..	1,142,883	5.38	97.2

Total number of telephones in the world as at 1st January, 1975 was 358,590,000.

TELEPHONES IN THE PRINCIPAL CITIES OF NEIGHBOURING COUNTRIES

					No. of Telephones	Population (thousands)	Telephones per 100 pop.
Nicosia (A)	..	..	..	..	35,899	118	30.4
Tel-Aviv-Jaffa (A)	..	..	..	..	332,024	921	36.1
Kuwait (A)	..	..	..	..	108,587	991	11.0
Athens (A)	..	..	..	..	1,089,911	2,548	42.8
Ankara (B)	..	..	..	..	142,938	1,553	9.2
Belgrade	..	..	..	..	198,194	1,270	15.6
Sofia	..	..	..	..	250,277	970	25.8
Madrid	..	..	..	..	1,390,157	3,520	39.5
Roma (B)	..	..	..	..	1,369,690	2,668	51.3
Alger, Greater	..	..	..	..	90,612	973	9.3
Cairo	..	..	..	..	269,948	5,818	4.6
Bucharest	..	..	..	..	392,090	1,703	23.0
Praha (A)	..	..	..	..	495,410	1,161	42.7
Budapest (A)	..	..	..	..	576,047	2,084	27.6
Tehran (A)	..	..	..	..	261,189	3,700	7.1
Baghdad	..	..	..	..	98,831	2,816	3.5

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.

C. PLANNING AND DEVELOPMENT

I. National Communications Network

Orders were placed for the provision of equipment to increase the number of channels between the various zone centres. The equipment is expected to be received and installed during the first quarter of 1976.

II. Zone Telephone Exchanges

As a result of the invasion, orders originally placed for the increase of Famagusta, Kyrenia and Morphou Telephone Exchanges were amended during this year, so as to cater for equipment to increase Limassol and Larnaca telephone exchanges. A 600-line mobile telephone exchange was also ordered.

In addition to the above, plans were prepared for further improvement of the quality of service in all exchanges including the associated trunk circuits.

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

Exchange	Existing Lines in 1975	Under Installation	Additional Lines on Order or in stock	Planned total number of Lines in 1976
Nicosia	29,400	14,000	9,000	52,400
Famagusta	9,000	—	—	9,000
Larnaca	4,400	1,500	2,000	7,900
Limassol	14,600	—	9,000	23,600
Paphos	1,400	1,600	1,000	4,000
Morphou	1,400	—	1,600	3,000
Kyrenia	1,400	—	1,600	3,000

III. Rural Exchanges

Plans were prepared to offer automatic service to areas affected by the invasion.

It is expected that exchange equipment will be installed at Paralimni early in 1976 to offer service to Communal Call Offices and eventually to subscribers previously connected on the Famagusta Exchange.

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 and Larnaca.

(b) Rural Development

Plans were prepared for provision of telephone service to twenty-one refugee camps as well as for the expansion of the underground and overhead network at Platres, Athienou, Paralimni and Peristerona.

V. Additional U.H.F. Link with Israel

Orders for equipment to enable the setting up of a second 24-channel U.H.F. Radio Link with Israel were placed in 1975. It is expected that this system will be activated in mid 1976.

VI. Madhari-Larnaca Radio Link

An order was placed for equipment to increase the capacity of this Link from 300 to 600 channels and improve further the reliability and quality of the service.

VII. General

(a) *Coin Collecting Boxes*

Installation of the new electronic coin collecting boxes which provide automatic local, trunk and overseas dialling commenced during the year. It is expected that during 1976 the replacement of the old coin collecting boxes at the main towns will be completed and that a start will be made for the replacement of the Rural Call Offices all over the island.

(b) *Subscribers Telephone Apparatus*

Orders for Private Manual Branch Exchanges (P.M.B.X's) as well as Private Automatic Branch Exchanges (P.A.B.X's) were placed to meet the demand by the public for these services.

(c) *15 kHz Programme Service*

Following successful tests with Greece and U.K., this service, which could, so far, be offered within Cyprus, can now be extended to Greece and U.K. upon request for high quality programme transmission and reception.

(d) *191 and 192 Service*

Equipment was ordered for the improvement of the telephone enquiry services. The equipment in question uses the Microfiche system and is expected to be installed in 1976.



The new electronic coin collecting box installed in Public and Private kiosks provide automatic local, trunk and overseas dialling.

D. GENERAL TELECOMMUNICATIONS FACILITIES

I. Broadcasts (Local)

The Authority's services and plant were made available to the Broadcasting Corporation for effecting outside local broadcasts (live programmes) from any point in Cyprus. Such broadcasts include church services, theatrical performances, fairs, Christmas Celebrations, football matches, voice-casts, etc.

During 1975, 20 outside broadcasts were effected through the Authority's network as compared with 47 in 1974. The reduction is due to the fact that the Cyprus Broadcasting Corporation uses its own VHF equipment for establishing the link for broadcasting purposes thus avoiding renting lines from CYTA.

II. Overseas Voicecasts

In spite of the fact that studio facilities could not be provided for this service, the number of voicecasts handled during the year increased considerably, as the following table of comparative figures shows :

			1973	1974	1975
Number of Voicecasts	..	..	158	265	320
Number of Minutes	..	..	6824	10756	13867

III. Communication with ships at sea (maritime Mobile Service)

On account of the loss of the H.F. Transmitting and Receiving Stations (Heraclis and Kolokosh) because of the Turkish invasion, this service has been working under extremely adverse conditions as regards the availability of both suitable equipment and aerials, as well as adequate space for the equipment and operating staff. Notwithstanding these difficulties, the Maritime Station was able to handle a record increase of 67% in radio-telephone traffic, which resulted mainly from the opening of the Suez Canal. This was made possible by utilizing every available piece of equipment and installing it on locations which would give maximum coverage in the Eastern Mediterranean Area.

The following table of comparative figures shows the abovementioned increase :—

Telephone		1973	1974	1975
CALLS	FORWARDED	666	381	445
	RECEIVED	14,966	18,934	30,152
MINUTES	FORWARDED	2,537	1,582	1,840
	RECEIVED	55,519	72,401	122,854
Telegraphy				
TELEGRAMS	FORWARDED	1,271	694	617
	RECEIVED	6,001	4,496	4,414
WORDS	FORWARDED	30,979	15,380	14,280
	RECEIVED	95,318	70,779	71,584

Towards the end of the year experimental use was made of the VHF maritime band with very good results and it is hoped to introduce this service early in 1976, subject to availability of equipment and accommodation.

IV. Facsimile (Radio Pictures)

This service operated for transmission of radio pictures only and not for reception as no dark room facilities could be made available due to the lack of suitable premises. (Note: This service was operated from Kolokosh prior to the invasion).

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

				1973	1974	1975
Received	..	..	..	105	108	—
Forwarded	..	..	..	320	536	208

V. Civil Aviation Signals

The closing down of the Nicosia International Airport in July 1974, had disrupted most of the communication services provided by the Authority to the Department of Civil Aviation. By February, 1975, flights were resumed from the Larnaca Airport and this necessitated the re-activation of aeronautical communications and communication with neighbouring airports as well as Air-Navigational Aids.

Radiotelephone communication was re-established with the following international airports :—

Athens	—	Greece
Beirut	—	Lebanon
Lod	—	Israel
Cairo	—	Egypt

In the Aeronautical Fixed Telecommunications Network (AFTN) telegraph circuits were re-opened with Athens, Beirut and Tel Aviv mainly for terminal traffic.

Radio Air Navigational Aids were also provided for use by civil aircraft in the form of a new VHF Omni Range System (V.O.R.) and Distance Measuring Equipment (D.M.E.) and three Non-directional Radio Beacons located at Nicosia, Dhekelia and Pervolia village.

The Instrument Landing System (I.L.S.) which was ready for operation in July 1974 is lying idle at the Nicosia Airport.

Apart from the above services, the Authority also undertook the responsibility for the provision of Approach and Landing Facilities at the Larnaca Airport. In the past, these facilities were provided by the RAF at Nicosia Airport.

Telecommunication services for Meteorological Facilities may also be assigned to the Authority in 1976, and tests are being carried out to this effect.

VI. Data Service

During 1975, Data service was introduced for the first time in Cyprus for the Department of Co-operative Development. This service was planned to be introduced during the second half of 1974 but was postponed because of the Turkish invasion.

According to the original agreement CYTA would provide speech channels from each town to Nicosia and link certain specified places in each town with a central computer, installed at Subscriber's premises in Nicosia. The original plans have been modified and implementation of modified plans is expected during the first quarter of 1976.

E. MAINTENANCE

I. Routine and Preventive Maintenance

(a) General Maintenance

The following table gives an analysis of faults for five representative categories of telephone circuits:-

Category	Percentage of Faults per circuit per year		
	1973	1974	1975
Town Subscribers	0.53	0.4	0.6
Rural Subscribers	1.5	0.8	1.1
Rural Call Offices	7.8	5.2	5.9
Town Call Offices	—	—	5.0
Trunk and Junction Circuits	—	—	0.3

As in previous years, every effort was made by the staff of the Authority to render prompt and efficient service to the public during 1975.

(b) Preventive Maintenance

The recommendations of the British Post Office are adopted by the Authority for the Strowger Exchanges and those of the Japanese Post Office (N.T.T.P.C.) for crossbar exchange equipment. For the rest of the equipment the recommendations of the manufacturers are followed. Routine testing was carried out systematically during 1975 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 carry 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.

In 1975 an electronics workshop was created, as part of the Research and Development Department for the design and development of electronic equipment and modifications to existing equipment as well as repairs of complicated electronic equipment. The first printed circuit boards were successfully produced and the results are very promising.

III. Transport

The Authority continued to maintain its own fleet of 150 vehicles; as mentioned in the 1974 report eleven of these vehicles were lost during the Turkish invasion.

Statistical data in respect of the Authority's fleet is shown below:

	1974	1975
(a) Miles run	1,056,470	963,013
(b) Fuel Consumption ..	64,749 glns	57,724 glns
(c) Oil Consumption	4,440 glns	4,336 glns

The Authority runs its own garage repair service.

Repairs and routine maintenance work on motor vehicles are carried out by experienced mechanics.

4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES

I. GENERAL

The Cyprus Telecommunications Authority made a major step during 1975 towards improving the International Telephone and Telex services with the commissioning of the APHRODITE and ADONIS Submarine cable systems as mentioned elsewhere in this report. Each cable system has a capacity of 480 circuits. The Authority's ownership is 50% in APHRODITE and 35% in ADONIS.

The capacity acquired in these two cable systems in conjunction with a number of additional circuits, made available by other Administrations, either on the basis of Indefeasible Right of Use or on Lease basis, provided for adequate and good quality direct circuits which linked Cyprus with the countries shown in the Table below.

In addition, the Tropospheric Scatter Link with Greece as well as the Ultra High Frequency Link with Israel were also in operation.

The availability of adequate direct circuits enabled the introduction of International Subscriber Dialling (ISD) with 34 countries and International Telex Subscriber Dialling (IXSD) with 80 countries.

A detailed analysis of all direct routes and the number of circuits serving abovementioned countries during 1975 is shown in the following table:

Country	Direct Circuits 1975		
	Telephone	Telex	Telegraph
CANADA	3	—	1
FRANCE	8	6	1
GERMANY F.R.	10	9	1
GREECE	80	23	1
ISRAEL	8	6	1
ITALY	2	12	1
LEBANON	8	4	1
SWEDEN	—	4	1
SWITZERLAND	—	6	—
U.K.	54	33	1
U.S.A.	4	8	—

II. TELEPHONE OPERATING

During the year, Inland and International services were carried out efficiently and both inland and international calls increased, despite the prevailing abnormal situation.

(a) *Inland Services*

The following Main and Rural Telephone Exchanges which have ceased to function since August, 1974, because of the Turkish invasion, are still silent and not contributing to the Authority's revenue.

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

Nevertheless inland dial calls increased as shown herebelow:

	1974	1975	Increase %
(i) Inland dial calls (units)	157,022,642	179,781,319	14.49
(ii) Trunk calls via operator	669,076	513,024	—

Calls via operator is an indication that the public is making use of all kinds of services offered by the Authority including calls with special facilities such as Personal Calls, Collect Calls, Credit-Card Calls etc.

(b) *International Services*

The inauguration of the Cyprus International Automatic Telephone Exchange took place on the 14th of June 1975. Opening the new Exchange H.E. the Minister of Communications and Works Mr. G. Tombazos dialled the first call to H.E. the Deputy Minister of Transport and Communications of Greece, Mr. Panouryias Panouryias.

By the introduction of ISD, manual call handling gave way to automatic and high quality service.

Thus, after negotiations with the Administrations concerned, 34 countries have become available on ISD service by the end of the year.

Service to other countries of the world will continue to be offered via telephone operator.

The main improvements of the service are:

- (1) Increase in the capacity of telephone channels via Greece from 120 (Tropospheric Scatter Link) to 600 (Tropospheric and Submarine Cable Links).
- (2) Increase of the number of available telephone channels with Lebanon from 5 (VHF Links) to 240 (VHF and Submarine Cable).
- (3) The public is served, by an automatic and high quality system.
- (4) Increase of telephone channels in already existing routes and opening of channels with new countries.

Route	Direct circuits			Traffic in minutes	
	1973	1974	1975	Outgoing	Incoming
CANADA	—	—	3	15,298	7,000
FRANCE	—	—	8	13,181	8,659
GERMANY (F.R.) ..	1	1	10	47,499	21,997
GREECE	17	48	80	1,423,575	1,806,395
ISRAEL	6	6	8	44,639	50,602
ITALY	2	2	2	21,557	24,624
LEBANON	2	2	8	102,437	50,000
UNITED KINGDOM	11	11	54	1,046,402	756,372
U.S.A.	1	1	4	40,283	59,440
TOTAL				2,754,871	2,765,089

Note: A degree of estimation was made for Incoming traffic.

Total	1974	1975	Increase %
Outgoing Traffic ..	1,580,823	2,754,871	74.27
Incoming Traffic ..	1,610,975	2,765,089	71.64

Graph 'E' shows the overseas telephone Traffic (main stream)

III. TELEX OPERATING

Fully automatic national and international telex service was introduced and the number of overseas channels were trebled.

A slight increase in the international outgoing telex traffic has been observed. Statistical data for the last three years is shown below:

			1973	1974	1975
Overseas outgoing calls	..	..	182,303	179,700	317,218
Minutes	..	..	798,144	952,943	1,193,402
Local calls (30 second units)	..		1,399,018	820,438	188,234

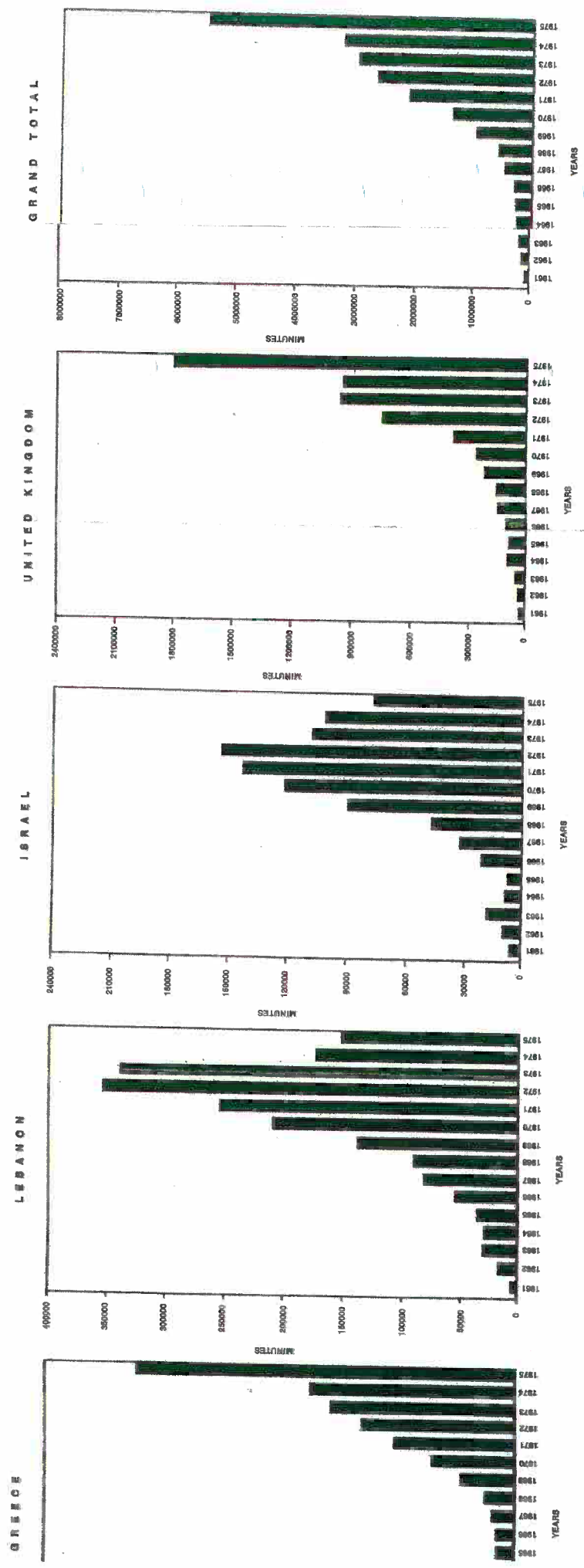
Graph 'F' shows the international outgoing telex traffic in minutes since telex was introduced in Cyprus.

Channels

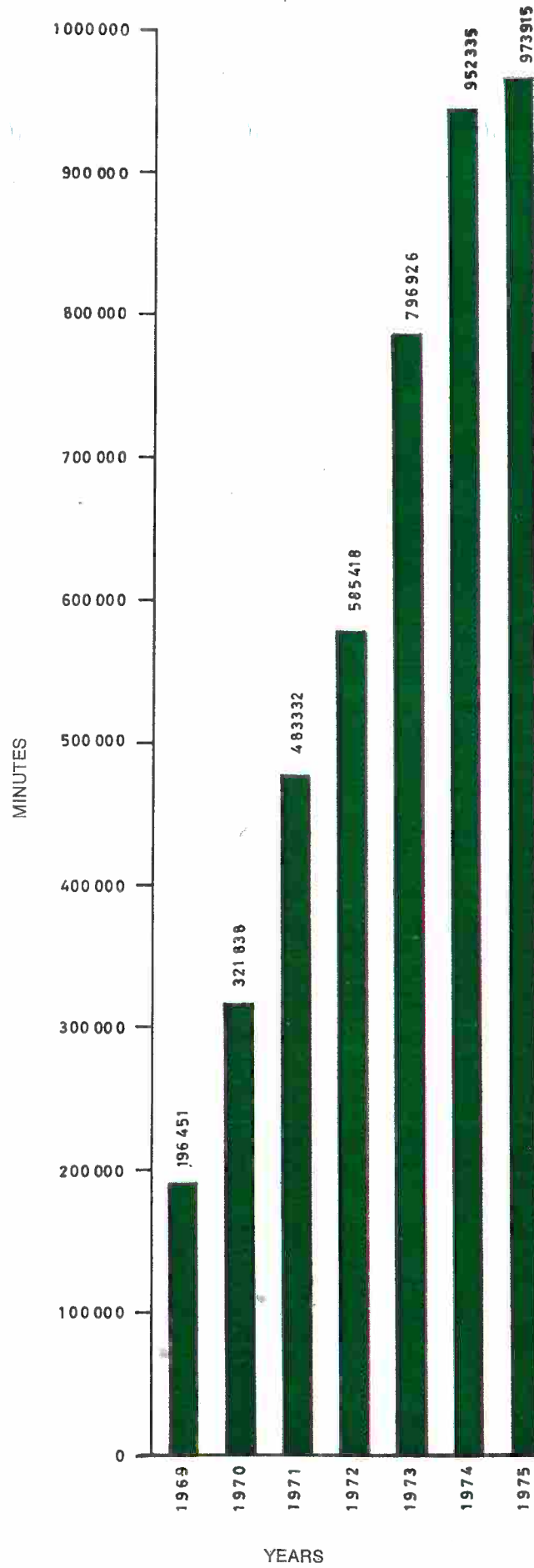
COUNTRY	OUTGOING			INCOMING			BOTHWAYS		
	1973	1974	1975	1973	1974	1975	1973	1974	1975
FRANCE	—	—	4	—	—	2	—	—	—
GERMANY F.R.	—	—	5	2	2	4	—	—	—
GREECE	4	4	9	10	10	14	—	—	—
ISRAEL	1	1	3	2	2	3	—	—	—
ITALY	2	2	7	2	2	5	—	—	—
LEBANON	2	2	2	2	2	2	—	—	—
SWEDEN	1	1	—	1	1	—	1	1	4
SWITZERLAND	—	—	3	—	—	3	—	—	—
U.K.	11	11	20	8	8	13	—	—	—
U.S.A. (ITT)	—	—	—	—	—	—	1	1	3
U.S.A. (RCA)	—	—	—	—	—	—	1	1	2
U.S.A. (WUI)	—	—	—	—	—	—	1	1	3
	21	21	53	27	27	46	4	4	12

GRAPH "E"

OVERSEAS TELEPHONE TRAFFIC
(MAIN STREAMS)



GRAPH "F"



IV. TELEGRAPH OPERATING

The international telegraph traffic was seriously affected by the abnormal situation in Cyprus and the automatization of international telephone and telex services.

Public Correspondence

The computerized AMSC continued to be inoperative since the Turkish invasion and all telegraph traffic was handled manually at the Central Telegraph Office in Nicosia.

New Telegraph circuits were opened with three additional countries in 1975, bringing the total to nine, namely:-

Greece
United Kingdom
Canada
Sweden
Italy
West Germany
France
Israel
Lebanon

The following table shows statistical information regarding the number of telegrams.

	1973	1974	1975
(a) International Telegrams forwarded (including Cyprus Radio) ..	150,576	170,140	86,547
Decrease 49.13% in 1975 over 1974.			
(b) Inland Telegrams forwarded	97,050	55,820	50,521
Decrease 9.49% in 1975 over 1974.			

Cyprus has declared to the General Secretariat of the International Telecommunications Union that it belongs to the continental system of "Europe" as from 1st October, 1975.

As from the same date, binary telegraph tariff system was introduced in our relations with CEPT member countries.



His Excellency the Minister of Communications and Works Mr. George Tombazos, inaugurating the International Subscribers Dialling with a call to His Excellency the Deputy Minister of Communications of Greece Mr. Panourgias Panourgias.

5. ADMINISTRATION AND STAFF

I. TRADE UNIONS - STAFF RELATIONS AND JOINT COMMITTEES

The year under review was a period of close co-operation between Management and staff in an effort to minimise the effects of the anomalous situation in the island resulting from the Turkish invasion in July 1974 and to provide satisfactory service to the public.

The Authority continued, reluctantly, to maintain the undermentioned measures introduced in its staff service conditions in 1974, in order to be able to meet its primary statutory obligation of offering satisfactory telecommunication services to the public.

- (i) Suspension of 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, 1974.
- (ii) Suspension of the provisions for the payment of cost of living allowance on the 13th salary for the year 1974.
- (iii) Suspension of the provision for granting a general salary and wage increase of 9% as from 1st January, 1975.

As a result of negotiations with the Unions during the year on the above-mentioned measures, an agreement was reached and implemented as from 1st May, 1975, providing for the payment of compensation equal to an hour's pay for each hour of work, regarding duties performed on Sundays.

In spite, however, of the efforts to minimize the effects of the anomalous situation, it was not possible for the Authority (due to the heavy losses as a result of the Turkish invasion mentioned above) to revert to normal staff conditions of service and it was therefore compelled to:-

- (i) Maintain the suspension of the agreement granting a general salary and wage increase of 9% as from 1st January, 1975.
- (ii) Maintain the agreement mentioned above relating to the payment of Overtime for Sundays.
- (iii) Effect payment of the 13th Salary with one half of the Cost of Living Allowance instead of the full cost (The Authority will examine sympathetically the granting of the full Cost of Living Allowance to the displaced employees on the basis to be adopted eventually by Government for the Civil Servants).
- (iv) Increase the hours of work from 38 per week in Winter and 36 in Summer to 39 and 38 respectively.

II. JOINT CONSULTATION

Joint Management/Staff Committees functioned promptly and satisfactorily during the year as mentioned hereunder:-

1. Staff Safety & Welfare

(a) *Safety*

The Safety Committee continued its efforts during the year for the decrease and, where possible, 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) All accidents reported during the year were promptly investigated and all remedial action against their repetition was taken.
- (v) Accidents reported during the year in comparison with the previous year:

	1974	1975
Accidents which did not necessitate sick leave	5	4
Accidents necessitated 1-3 days sick leave	4	6
Accidents necessitated 4-30 days sick leave	12(2)*	16(4)*
Accidents necessitated over 30 days sick leave	1	6
Fatal Accidents	1	—
	<hr/> 23	<hr/> 32

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

(b) *Welfare*

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

- (i) Christmas presents generously donated by OTE (Greek Telecommunication Organisation) were distributed to the children of the employees.

- (ii) The committee under the Chairmanship of the General Manager and the assistance of additional members appointed by the Union, made a thorough study in connection with the needs and financial position of displaced employees and those who suffered damages as a result of the Turkish invasion and rendered financial assistance amounting to £36,017 generously donated by the employees of O.T.E.
- (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.
- (iv) The project for the construction of the Holiday Centre at Pedhoulas mentioned in passed reports had, under the circumstances, to be postponed due to the anomalous situation and its adverse effect on the finances of the Authority, from whom a generous contribution was expected, as per the decision of the Authority.

To this effect the Welfare Fund was financed by the Authority with the amount of £2,500.-

2. Establishment - Promotions - Advancement of Staff

The Authority, in compliance with Government policy, continued to keep in its employment all the personnel ordinarily employed at its works in the territory now occupied by the Turkish Forces. In addition because of the connection of the Call Boxes (rural and urban) onto the automatic system and the operation of the International Subscriber Dialling (I.S.D.) a redundancy in the operating personnel was created. Such redundancy had to be faced most carefully by the Authority in a cautious way. So therefore instead of issuing the establishment (which, as mentioned in the previous reports, is issued every year and designates the various Departments and Sections of the Authority as well as their services and specifies the number of employees required in each grade for the conduct of the Authority's business), the Authority decided to ensure the best—under the circumstances—utilisation of the services of the otherwise redundant employees.

Among the decisions taken was the granting of leave without pay to employees securing employment abroad and to this effect 13 employees were granted leave without pay for a period of one to two years.

The Authority however, despite the above, has decided, in order to give effect to its personnel policy, to implement the agreement governing the promotions, confirmations and the advancement of the staff; and to this effect the adhoc Committee, which was appointed in accordance with the provisions of the revised staff rules and regulations, completed its work most satisfactorily.

The implementation of the agreement referred to above resulted in the following Promotions, Confirmations and Transfers:

Promotions and Confirmations	64
Transfers to other scales	2
Transfer of Temporary Monthly Paid to Permanent Staff ..	41

Comparison of staff strength for the years 1974-1975

	1974	1975
Administration and Accounts	276	272
Engineering	1069	1055
Telegraph Operating	145	142
Telephone Operating	191	187
	<hr/>	<hr/>
	1681	1656
	<hr/>	<hr/>
Monthly Paid	1566	1541
Weekly Paid	115	115
	<hr/>	<hr/>
	1681	1656
	<hr/>	<hr/>
Less		
Turkish employees not attending to duty	246	256
	<hr/>	<hr/>
	1435	1400
	2*	1*

Note: Average number of casual employees
*1 (Part time charwoman)

3. Pension and Provident Funds

Negotiations regarding the Pension Fund were concluded with the signing of an agreement on the 22nd September, 1975.

After the final agreement of the Pension Fund (the Provident Fund having already been agreed upon) both Funds, Provident and Pension, were submitted to the Government for approval.

Upon the approval of the Government, both Funds will be circulated to the staff, who will be required to elect and join one of the two Funds.

4. 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 1975, amounted to £22,502.— (£91,331.— were spent in 1974) and included the following:

i. *Training in C.Y.T.A.'s Training Centre*

a)	Training for Crossbar PABX	4 employees
b)	Training for the maintenance of RACAL equipment	6 "
c)	Training on terminal equipment associated with the Submarine cable	9 "
d)	Training for the maintenance of Telex Machines Type SAGEM	16 "
e)	Training for Test Clerks	15 "
f)	Training for the maintenance of new Coin Collecting Boxes	73 "
g)	Training on the Installation of Switchboards and Plan Telephones	34 "
h)	Training on Overhead Construction	4 "
i)	Training of the UHF Link between Nicosia and Paralimni	13 "

ii. *Scholarships*

- a) One member of the Authority's technical staff who was awarded a 4-year scholarship by the Authority for acquiring the B.Sc. degree in Electrical Engineering (with special subjects in Telecommunications) completed his studies and returned to Cyprus.
- b) Two members of the Authority's technical staff to whom a 4-year scholarship was awarded by the Authority for acquiring the B.Sc. degree in Electrical Engineering continued satisfactorily their studies during 1975 in U.K.

iii. *Payment of Tuition and Examination Fees*

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

iv. *Study leave without pay abroad*

Three employees were granted study leave without pay abroad.

5. Medical Funds - Medical Treatment - Sick leave

a) *Monthly Paid Personnel*

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

The administration of the Fund is carried out by a Committee and it is financed jointly by its members and the Authority, the employees contributing 1% of their basic salary and COLA and the Authority 2%.

During the year 1975 the sum of £52,393.705 mils was paid out of the Fund in benefits (the sum of £38,612.580 mils was paid in 1974) and the Fund's cash position as at 31st December, 1975 was £6,482.392 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 equal amount of contributions by the Authority.

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

						Number of man-days lost	
						1974	1975
Clerical Staff	..	..	..	..	..	2,235	2,340
Telephone Operating Staff	..	..	..	..	..	2,193	2,050
Telegraph Operating Staff	..	..	..	..	..	587	278
Technical Operating Staff	..	..	..	..	..	404	189
Technical Staff	..	..	..	..	..	1,257	1,161
Skilled Staff	..	..	..	..	..	2,285	2,467
Messengers and Watchmen	..	..	..	..	..	765	727
						<hr/> 9,726	<hr/> 9,212

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 1975 were 629 (415 in 1974).

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 £1,165.288 mils.

6. **Annual leave all staff**

Table showing the leave entitlement:

				Number of working days	
				1974	1975
Balance brought forward from previous year	..			7,418	18,878
Leave entitlement for the year	..	..	..	41,532	40,054
				48,950	58,932
Leave granted during the year	..	..	..	30,072	49,133
Balance due to employees	..	..	..	18,878	9,799

7. **Retirements, Resignations, Dismissals etc.**

a) Four employees retired from the Authority's service.

b) *Resignations, Termination of services and Deaths*

i. Eleven employees resigned from the Authority's service.

ii. Eight employees were dismissed from the Authority's service (termination of services).

iii. Three employees passed away.

c) *Recruitments*

One employee (female labourer on contract) was recruited.

8. **Missing and enclaved employees**

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

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 Thirteenth Annual Council Meeting held in Ocho Rios, Jamaica, from 5th to 14th November 1975. The Chairman was accompanied by his adviser on Commonwealth Telecommunications matters Mr. Evanthis Charalambous and Mr. Adam Kritiotis.

The Meeting was attended by Representatives of 22 Partner Commonwealth countries and the British Overseas Territories. The Commonwealth Secretary-General being unable to attend in person was represented by Mr. Tom Cannell.

Certain aspects of the new Financial Agreement 1973 were again discussed at great length and remitted for further studies to Specialist Groups with a view to formulating definitive solutions acceptable to all Partner Governments in the form of alternative packages incorporating modifications to the existing Definitions and Procedures, inter alia:-

- (1) Accounting for foreign transit traffic
- (2) Cost apportionment in Intra-Commonwealth relations
- (3) Impact of variation in Currency parities
- (4) Intra-Commonwealth Accounting rates.

Cyprus continued to participate actively through its competent staff 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 considered a suggestion for the creation, of a Fund to meet smaller Partners travel and subsistence at meetings enabling them to be adequately represented at all meetings and agreed to invite the General Secretary to investigate the possibility of assistance to National Bodies.

The Council agreed that the Fourteenth Council Meeting should be held in Cyprus from 6 to 17 September 1976.

The Council also agreed to accept Britain's invitation to hold the Fifteenth Meeting in London from 24 January 1977, if it became necessary to hold a meeting at that time, and New Zealand's invitation to hold the next Meeting in May 1977 in New Zealand, immediately before Conference.

The Council agreed to recommend that the next Conference should be held in Sydney from 30 May 1977.

7. FINANCIAL REPORT

GENERAL

The serious decline in profitability that was noted in 1974 over the 1973 satisfactory financial results, was repeated in 1975 due to the conservative economic activity in the Island and the fact that 25% of the Authority's installations remained idle in the Turkish occupied area throughout the year.

This year's financial results were largely foreseen in last year's Report and the £127,520 deficit (1974 £184,939) was not a surprising outcome.

However, the 1975 performance could be considered, under the circumstances, as a remarkable achievement with a surplus prior to depreciation at £1,217,714 (£871,542 in 1974) and this with only 80% of the 1973 subscribers (6 months in 1974 100%) and without any revenue from the Turkish-Cypriot population.

Certain rates revision in August, 1975 and the additional traffic from the automatic telephone services increased the revenue substantially but such increase cannot be ascertained by a simple comparison of the 1974 and 1975 figures as the former years revenue contains six months of normal operations prior to the invasion.

Despite the 54/74 Law's reduction of salaries (full year as compared with 1974 of two months) the expenditure was increased due to the additional depreciation and interest but the other expenses have either been reduced or maintained at the same level.

The Authority's financial results are closely connected with the economic and political situation in the Island and therefore any improvement in 1976 will definitely reflect a healthier financial position in the telecommunications.

DEVELOPMENT

The most important investment events of the year were the submarine Cable links and the international telephone and telex automatic exchanges.

Capital expenditure in the year reached the sum of £2,275,453 and represents orders mainly placed prior to the invasion as new capital equipment orders have not been committed apart from some subscribers apparatus and exchange equipment (the latter to be manufactured in Cyprus in 1977 at the new Hitachi-Hellenic factory).

In the coming year the capital investment will be on a reduced scale in the region of £1,900,000 and will mainly consist of equipment ex stock and or order prior to July, 1974.

CASH POSITION

The cash-flow problems continued to prevail throughout the year and in this respect a bank loan of £1,250,000 was necessary in addition to £937,209 (£1,002,898 in 1974) overdraft.

Until the full benefits of the increased revenue from the automatic services is felt this unsatisfactory cash situation will continue and thus a similar position is feared to be expected in 1976.

It is predicted that with the improved revenue prospects and the reduction in purchases the cash-flow position will show a brighter picture in 1977/78.

CREDITORS AND LONG-TERM LIABILITIES

The creditors were more or less maintained on the same level whilst the long-term liabilities were increased because of the delivery of equipment on credit facility.

STORES

The increase in Stocks at £2,366,548 (1974 £1,976,873) is attributed to the receipt of exchange equipment in the second half of the year and scheduled for installation in 1976/77.

FIXED ASSETS

The gross book value of fixed assets as at 1st January, 1975 was £15,837,249 and at 31st December, 1975, £17,889,664 after addition of Capital works and other capital expenditure as follows :—

Capital Development :—

i. Telecommunications installations	..	..	£1,882,755
ii. I.R.U.s (circuits on Foreign Cables)	..	..	316,854
iii. Other expenditure	..	..	75,844
			<hr/>
			£2,275,453
 <i>Less: Installation and Removal fees</i>			
by Subscribers	..	..	£143,812
Disposals	..	..	79,226
			<hr/>
			223,038
			<hr/>
Increase in 1975	..	..	£2,052,415
			<hr/>

CAPITAL BORROWINGS

The borrowing structure, after minor instalments due and paid for, was at the end of the year as follows :—

1974	1975
<u>£4,490,769</u>	<u>£4,463,893</u>

FINANCIAL PROSPECTS

The Authority plans its development with restraint due to the prevailing situation, but with minimum impact on the efficiency and adequacy of the Island's telecommunication needs within the spirit of the economic recovery efforts of the Government.

With the introduction of the overseas automatic services the prospects of increased revenue are indeed encouraging as the 1975 upward trend is expected to continue especially now that the main streams of traffic with Greece and the U.K. are bothway fully automatic.

This year's performance strengthens the Authority's expectations that within a very short time of a return to normality the pre-invasion dynamic growth will be resumed.

N. S. ROUSSOS
Chairman

A. N. STYLIANIDES
General Manager

S. A. KOKKINIDES
Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY

RETURN ON CAPITAL

1966-1975

(£ Thousand)

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
NET ASSETS										
Fixed Assets less depreciation	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	11,855.0
Stores in Stock	744.9	786.3	781.5	666.5	862.2	996.3	1,185.2	1,061.9	1,976.9	2,366.5
Other net assets	-523.6	-1,005.5	-214.4	-221.4	-583.6	-1,166.8	-1,875.8	-1,385.2	-5,025.0	-6,336.7
Net total Assets	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	7,884.8
RETURN										
Revenue surplus (including prior period Revenue/Expenses):-	336.9	360.2	331	272	301.6	366.6	859.0	1,577.0	-30.5	91.5
(i) Before interest on borrowings	168.2	182.7	230.8	170	189.4	190.9	672.0	1,391.3	-214.9	-157.5
(ii) After interest on borrowings										
Return as % on the net total assets										
(i) Before interest on borrowings	10.4	10.5	7.1	5.7	5.2	5.8	12.4	19.0	-0.4	1.2
(ii) After interest on borrowings	5.2	5.3	5	3.5	3.3	3.0	9.7	16.7	-2.6	-2.0

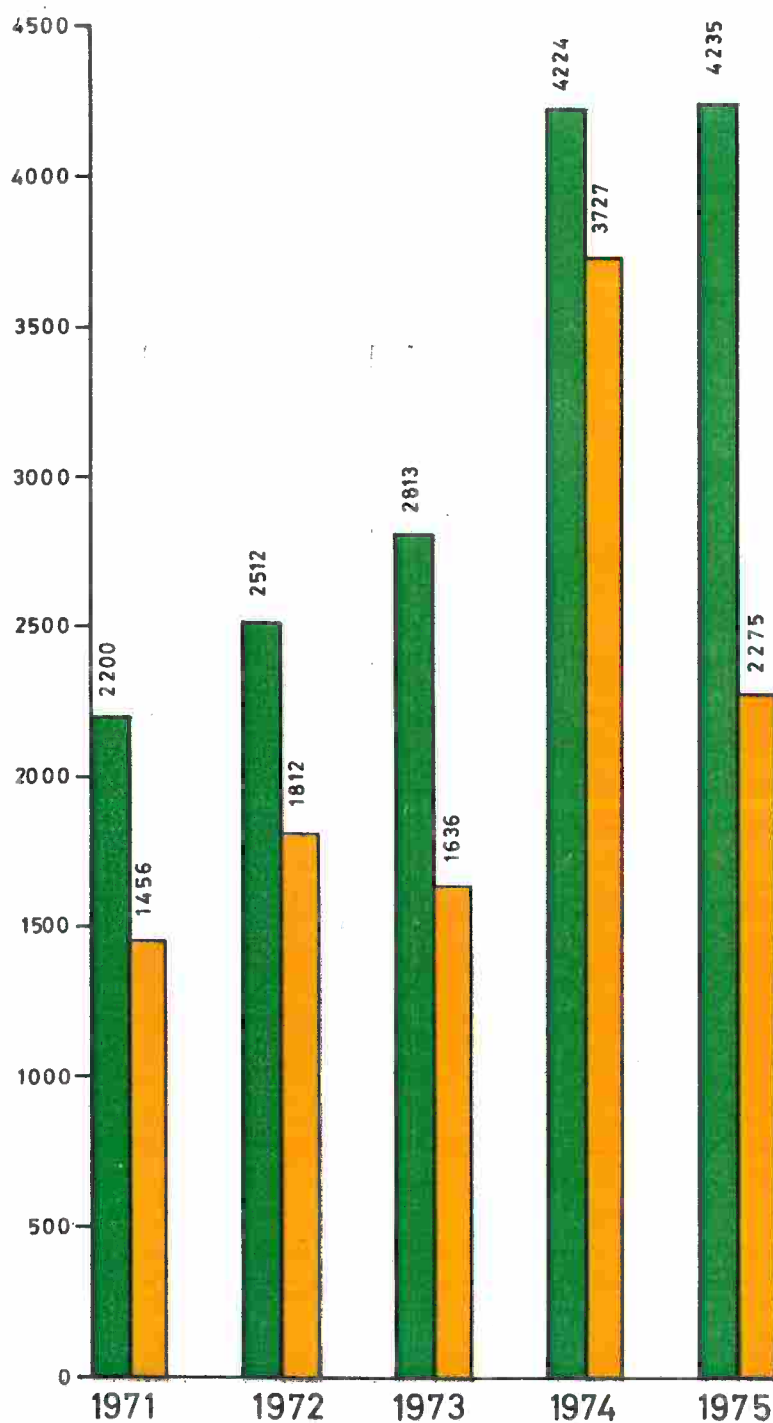
CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING EXPENDITURE 1971-1975

I OPERATING EXPENDITURE
II CAPITAL EXPENDITURE
(£ thousand)

	I	II
1966	992	371
1967	1234	881
1968	1525	806
1969	1771	688
1970	1877	1533

OPERATING EXPENDITURE
CAPITAL EXPENDITURE







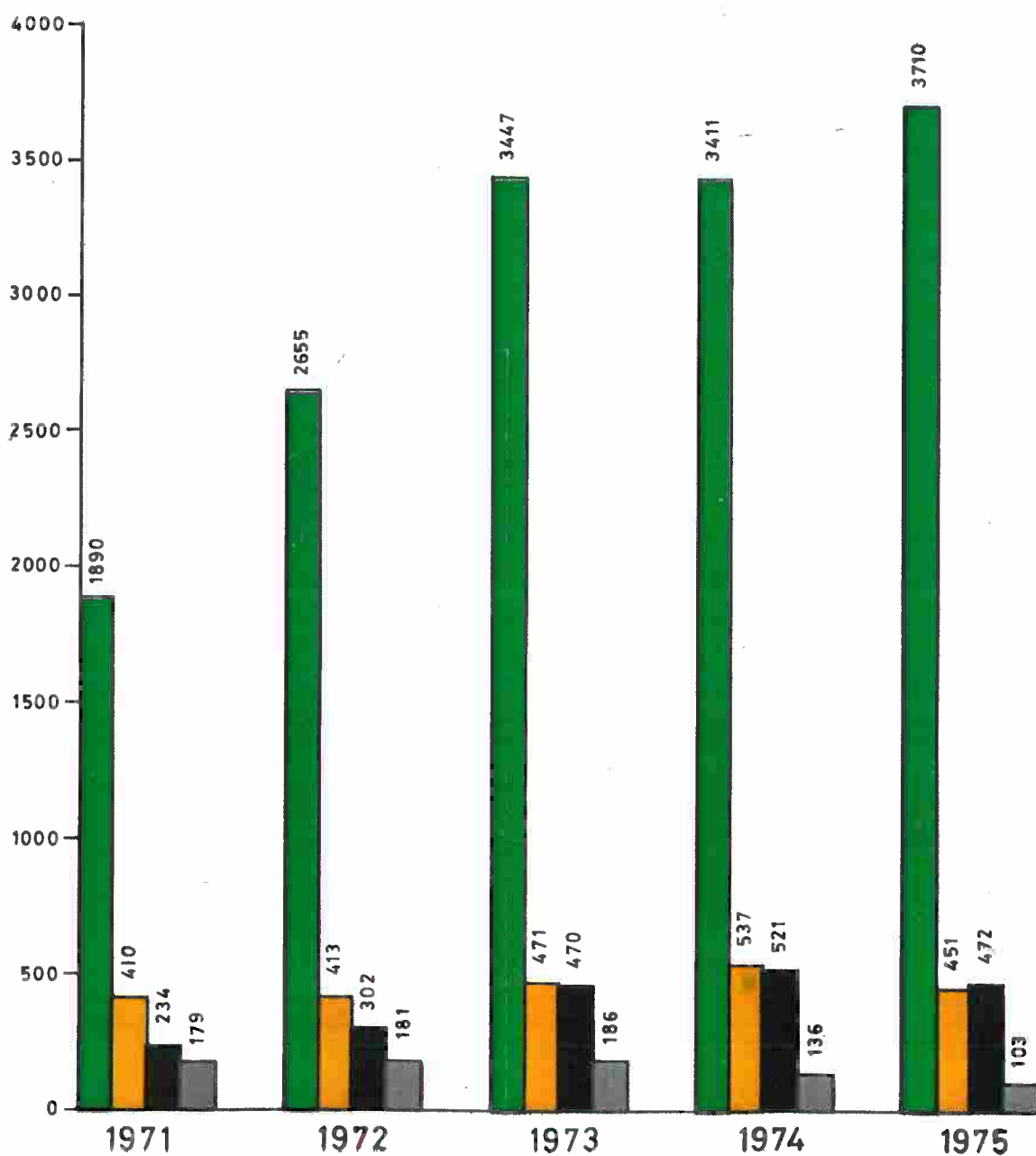
CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING OPERATING REVENUE 1971-19

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

	I	II	III	IV
1966	1026	268		66
1967	1130	384		71
1968	1175	407		140
1969	1380	411	81	193
1970	1550	381	154	207

 TELEPHONE REVENUE
 TELEGRAPH REVENUE
 TELEX REVENUE
 OTHER REVENUE



ACCOUNTS

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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, 1975 and of the deficit for the year ended on that date.

SCOTTIS & POLYDORIDES
Chartered Accountants

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

29th June, 1976.

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, 1975.

1. ASSETS IN OCCUPIED AREAS

Certain fixed assets and other equipment and materials in stores are situate in the territory occupied by the Turkish invasion forces 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 but on the fixed assets a full year's depreciation has been provided.

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.

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. DEFERRED DEBITS

This amount is made up as follows:-

	£
Interest attributable to subsequent years	1,247,621
Net exchange differences on conversion of foreign currency balances	567,854
Other expenses and consumable items in stores ..	233,134
	<hr/>
	£2,048,609
	<hr/>
(1974 —	£1,648,729)

4. DEFERRED CREDITS

This amount is made up as follows:-

	£
Rentals and installation fees relating to subsequent years	62,571
Deposits for recoverable works	69,396
Provision for staff superannuation benefits (Note 5) ..	427,600
	<hr/>
	£559,567
	<hr/>
(1974 —	£589,925)

5. 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 £427,600 up to 31st December, 1975.

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.

6. 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.

7. CONTRACTUAL COMMITMENTS

Contractual commitments as at 31st December, 1975 not provided for in these Accounts amounted to approximately £438,200 (1974—£2,464,000) of which £387,950 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, 1975.

8. CONTINGENT LIABILITIES

At 31st December, 1975 there were legal actions against the Authority of approximately £68,700 arising, mainly, from claims made by the Authority's staff in connection with disputed benefits relating to the years 1974 and 1975. No provisions have been made in these Accounts in respect thereof.

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET

31st DECEMBER, 1975

	£	£	1974 £
NET ASSETS			
FIXED ASSETS (Statement 4) (Note 1)		11,854,967	11,117,327
INVESTMENTS at cost (Note 2)			
Trade	69,613		54,513
Other	243,001		162,916
		312,614	217,429
NET CURRENT ASSETS (Statement 5)			
Current Assets	3,954,525		3,221,248
Deduct			
Current Liabilities	4,200,421		2,993,811
		(245,896)	227,437
DEFERRED DEBITS (Note 3)		2,048,609	1,648,729
		13,970,294	13,210,922
Deduct			
DEFERRED CREDITS (Note 4)	559,567		589,925
LONG-TERM LIABILITIES	5,525,907		4,551,781
		6,085,474	5,141,706
NET ASSETS		£7,884,820	£8,069,216
FINANCED BY			
CAPITAL BORROWINGS (Statement 6)		4,463,893	4,490,769
RESERVES (Statement 7)		3,420,927	3,578,447
		£7,884,820	£8,069,216

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, 1975

	£	£	1974 £
Operating Revenue (Statement 1)		4,735,798	4,605,347
Deduct			
Operating expenses (Statement 2)		4,234,569	4,224,232
NET OPERATING REVENUE		501,229	381,115
Add			
Investment Income	30,815		9,089
Other Income	48,600		80,401
		79,415	89,490
		580,644	470,605
Deduct			
Financial and other expenses (Statement 3)		708,164	655,544
DEFICIT FOR THE YEAR		127,520	184,939
Add			
Provision for staff superannuation benefits (Note 5)		30,000	30,000
		157,520	214,939
Deduct			
Revenue Balance 1st January, 1975		3,448,143	3,663,082
REVENUE BALANCE 31st DECEMBER, 1975		<u>£3,290,623</u>	<u>£3,448,143</u>

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, 1975

OPERATING REVENUE

	£	£	1974 £
Telephone services			
Rentals	718,774		784,589
Inland calls	1,572,814		1,759,727
Overseas calls	1,294,468		785,741
Leased circuits	88,345		54,529
Miscellaneous	35,542		26,893
		3,709,943	3,411,479
Telegraph services			
Telegrams	339,307		440,352
Leased circuits	75,954		62,627
Teleprinter rentals	19,576		18,012
Miscellaneous	16,380		16,132
		451,217	537,123
Telex services			
Rentals	116,742		94,919
Inland calls	6,846		8,968
Overseas calls	345,655		417,370
Miscellaneous	2,836		—
		472,079	521,257
Other services		102,559	135,488
As per Revenue Account		<u>£4,735,798</u>	<u>£4,605,347</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

OPERATING EXPENSES

	£	£	1974 £
System Operational			
Telephone services			
Operators' salaries etc.	319,072		325,285
Maintenance salaries etc.	469,105		508,221
Other salaries etc.	544,880		598,800
Materials	28,688		26,763
Network excavations	88,559		70,463
Electricity	28,745		24,872
Transport	36,736		47,860
Depreciation	929,896		853,479
Sub-marine cables, radio and repeater stations expenses	316,444		127,228
Leased circuits rentals	71,906		59,230
Miscellaneous	1,113		772
		2,835,144	2,642,973
Telegraph services			
Operators' salaries etc.	236,412		294,864
Maintenance salaries etc.	11,307		15,963
Other salaries etc.	18,853		24,862
Materials	131		1,363
Electricity	692		747
Transport	157		28
Depreciation	24,827		27,351
Sub-marine cables, radio and repeater stations expenses	73,753		51,251
Leased circuits rentals	1,342		1,644
Miscellaneous	3,181		1,751
		370,655	419,824
Telex services			
Operators' salaries etc.	28,973		17,734
Maintenance salaries etc.	28,235		19,994
Other salaries etc.	26,963		30,151
Materials	822		779
Electricity	1,808		1,200
Transport	924		509
Depreciation	134,634		47,695
Sub-marine cables, radio and repeater stations expenses	23,785		108,661
Leased circuits rentals	17,251		13,202
Miscellaneous	491		853
		263,886	240,778
Carried forward		3,469,685	3,303,575

	£	£	1974 £
Brought forward		3,469,685	3,303,575
Other services			
Operators' salaries etc.	—		36,304
Maintenance salaries etc.	28,554		26,380
Other salaries etc.	11,778		11,981
Materials	243		1,631
Transport	1,992		142
Depreciation	17,520		17,635
Sub-marine cables, radio and repeater stations expenses	3,401		30,674
Miscellaneous	678		730
		64,166	125,577
Transferred to Summary		£3,533,851	£3,429,152
Establishment			
Salaries etc.		69,530	66,749
Maintenance of buildings		7,959	26,896
Maintenance of F.F. and O.E.		4,754	7,164
Transport		1,297	1,016
Rents, Rates and Taxes		12,476	15,979
Light, Heat and Water		16,628	12,347
Insurances		6,722	7,765
Depreciation		17,125	17,981
Miscellaneous		4,003	3,878
Transferred to Summary		£140,494	£160,775
Administration			
Administration and accounts salaries		435,998	494,125
Printing and stationery		18,468	22,868
Telephones, Telegrams and Postages		38,432	36,303
Travelling and Transport		12,061	13,292
Office machinery rental		27,076	25,271
Training expenses		1,291	9,662
Newspapers and periodicals		1,732	1,208
Advertisements		3,318	5,168
Miscellaneous		21,848	26,408
Transferred to Summary		£560,224	£634,305
SUMMARY			
OPERATING EXPENSES			
	£		1974 £
System operational	3,533,851		3,429,152
Establishment	140,494		160,775
Administration	560,224		634,305
As per Revenue Account	£4,234,569		£4,224,232

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

FINANCIAL AND OTHER EXPENSES

	£	1974 £
Financial		
Interest on capital borrowings	249,052	184,433
Interest to suppliers	291,879	136,066
Bank interest	159,716	46,450
Provision for bad and doubtful debts	(24,924)	227,833
Scrap and obsolete stores and equipment	12,434	48,364
Miscellaneous	12,660	3,057
	<hr/> 700,817	<hr/> 646,203
Other		
Authority's Members emoluments and expenses	2,930	3,070
Commonwealth Telecommunications Council Expenses	4,417	6,271
	<hr/> 7,347	<hr/> 9,341
As per Revenue Account	<hr/> £708,164	<hr/> £655,544

STATEMENT 4

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

FIXED ASSETS

	Cost or Valuation as at 1.1.1975 £	Additions at cost less Disposals £	Cost or Valuation as at 31.12.1975 £	Aggregate Depreciation £	Written Down Value 31.12.1975 £	Down Value 31.12.1974 £
Land and Buildings	1,158,045	64,846	1,222,891	178,307	1,044,584	1,007,917
Exchanges, Telegraph and Line Plant and Apparatus	9,691,387	1,591,881	11,283,268	4,814,065	6,469,203	5,900,586
Radio Stations	1,021,020	3,326	1,024,346	549,012	475,334	559,744
Sub-marine cables	46,536	2,717,866	2,764,402	139,114	2,625,288	42,474
Motor Vehicles, Tools and Equipment	292,932	16,133	309,065	251,967	57,098	70,963
Office Furniture and Equipment	157,722	1,802	159,524	102,232	57,292	66,034
	12,367,642	4,395,854	16,763,496	6,034,697	10,728,799	7,647,720
Assets under construction	3,369,039	(2,286,660)	1,082,379	—	1,082,379	3,369,039
Payments on account of Equipment	100,568	(56,779)	43,789	—	43,789	100,568
As per Balance Sheet	£15,837,249	£2,052,415	£17,889,664	£6,034,697	£11,854,967	£11,117,327

- NOTES:-
1. The depreciation of Fixed Assets for the year ended 31st December, 1975, amounted to £1,345,234 (1974—£1,056,481).
 2. Certain lands were in course of registration in the name of the Authority as at 31st December, 1975.

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

NET CURRENT ASSETS

	£	£	1974 £
Current Assets			
Stores	2,366,548		1,976,873
Debtors, less provisions	1,568,022		1,228,611
Bank balances and cash in hand	19,955		15,764
		3,954,525	3,221,248
Deduct:-			
Current Liabilities			
Creditors	1,860,083		1,903,615
Bank overdraft	937,209		1,002,898
Bank loan	1,250,000		—
Interest accrued on capital borrowings	153,129		87,298
		4,200,421	2,993,811
As per Balance Sheet		(£245,896)	£227,437

STATEMENT 6

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

CAPITAL BORROWINGS

	£	£	1974 £
5% Government Loan 1965/76	5,373		10,489
5 $\frac{1}{4}$ % Government Loan 1969/83	120,310		131,906
5 $\frac{1}{4}$ % Government Loan 1970/84	110,210		119,374
5% Government Loan 1973/87	2,978,000		2,979,000
		3,213,893	3,240,769
7 $\frac{1}{2}$ % Guaranteed Debenture Stock 1980/82	600,000		600,000
7 $\frac{1}{2}$ % Guaranteed Debenture Stock 1981/83	650,000		650,000
		1,250,000	1,250,000
As per Balance Sheet		£4,463,893	£4,490,769

NOTE:- Under the terms of the relevant agreement the interest rate on the Government Loan 1973/87 has been increased from 2 $\frac{1}{4}$ % to 5% as from 9th February, 1975.

STATEMENT 7

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

RESERVES

	£	1974 £
Capital reserve	64,304	64,304
General reserve	66,000	66,000
Revenue Account — Balance	3,290,623	3,448,143
	<hr/>	<hr/>
As per Balance Sheet	£3,420,927	£3,578,447
	<hr/>	<hr/>

APPENDIX 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

SUB-MARINE CABLES, RADIO AND REPEATER STATIONS EXPENSES

	£	1974 £
Operators' salaries etc.	38,893	42,759
Maintenance salaries etc.	74,817	68,674
Other salaries etc.	71,300	84,798
Materials	5,097	4,446
Electricity	13,079	17,514
Transport	3,686	3,789
Depreciation	203,453	74,477
Miscellaneous	7,058	21,357
Total allocated to System operational	<u>£417,383</u>	<u>£317,814</u>
Allocated to:-		
Telephone services	316,444	127,228
Telegraph services	73,753	51,251
Telex services	23,785	108,661
Other services	3,401	30,674
	<u>£417,383</u>	<u>£317,814</u>

APPENDIX 2

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

MOTOR TRANSPORT EXPENSES

	£	£	1974 £
Drivers, Garage and other salaries		19,707	22,366
Licences		1,822	1,949
Insurances		2,442	2,709
Fuel		22,556	25,014
Spares and Accessories		900	783
Depreciation		17,779	17,863
Miscellaneous		9,366	10,231
		<u>£74,572</u>	<u>£80,915</u>
Allocated to:-			
Capital works		18,885	18,288
Recoverable works		1,602	1,119
Operating expenses:-			
System operational	39,809		48,639
Establishment	1,297		1,016
Administration	9,293		8,064
		<u>50,399</u>	<u>57,719</u>
Sub-marine cables, radio and repeater stations expenses		3,686	3,789
		<u>£74,572</u>	<u>£80,915</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975

STAFF COSTS

	£	£	1974 £
Salaries, wages, allowances etc.		2,696,782	2,942,174
Less: Amount charged to:-			
Capital	246,168		237,685
Recoverable works	16,237		14,479
		262,405	252,164
		<u>£2,434,377</u> ✓	<u>£2,690,010</u>
Allocated to:-			
Operating expenses:-			
System operational	1,724,132		1,910,539
Establishment	69,530		66,749
Administration	435,998		494,125
		2,229,660	2,471,413
Sub-marine cables, radio and repeater stations expenses		185,010	196,231
Motor transport expenses		19,707	22,366
		<u>£2,434,377</u>	<u>£2,690,010</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY
ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1975
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
(From 1972 to 1975)

	Financial Position 31.12.1972	Net movement of funds					Financial Position 31.12.1975
	£	1973 £	1974 £	1975 £	TOTAL £	£	£
SOURCE OF FUNDS							
Profit (Loss) and Reserves	2,402,095	1,391,291	(214,939)	(157,520)	1,018,832		3,420,927
Depreciation	3,299,492	452,407	1,056,481	1,345,234	2,854,122		6,153,614
Depreciation on disposals							(118,917)
TOTAL GENERATED							
FROM OPERATIONS	5,701,587	1,843,698	841,542	1,187,714	3,872,954	(118,917)	9,455,624
Borrowings—Government	3,297,477	(31,204)	(25,504)	(26,876)	(83,584)		3,213,893
Borrowings—Public	1,250,000						1,250,000
Borrowings—Banks (Net)	644,203	(178,814)	521,745	1,180,120	1,523,051		2,167,254
TOTAL BORROWINGS	5,191,680	(210,018)	496,241	1,153,244	1,439,467		6,631,147
Creditors (see Note below)	2,552,670	(251,277)	4,638,901	1,026,425	5,414,049		7,966,719
Deferred credits	168,172	96,018	(71,865)	(60,358)	(36,205)		131,967
Fixed asset disposals		45,232	44,556	48,767	138,555	(138,555)	
	£13,614,109	£1,523,653	£5,949,375	£3,355,792	£10,828,820	(£257,472)	£24,185,457
APPLICATION OF FUNDS							
Purchases—Fixed Assets	10,939,663	1,490,378	3,585,454	2,131,641	7,207,473		18,147,136
(Cost of disposals)							(257,472)
Purchases—Stores	1,185,228	(123,362)	915,007	389,675	1,181,320		2,366,548
TOTAL PURCHASES	12,124,891	1,367,016	4,500,461	2,521,316	8,388,793	(257,472)	20,256,212
Debtors	1,125,856	186,414	(83,659)	339,411	442,166		1,568,022
Investments	40,654	58,989	117,786	95,185	271,960		312,609
Deferred debits	322,708	(88,766)	1,414,787	399,880	1,725,901		2,048,609
	£13,614,109	£1,523,653	£5,949,375	£3,355,792	£10,828,820	(£257,472)	£24,185,457

Note - Creditors

The creditors consist of: Short-term £2,440,812 and Long-term £5,525,907.

The rates of interest payable on credits given on a long-term basis fluctuate, mainly, between 6% to 7% p.a.

The aforementioned long-term credits are due for repayment within the following periods, namely:-

—Between 1977–1980 (5 years)	£3,288,775
—Between 1981–1985 (10 years)	1,231,873
—Between 1986–1990 (15 years)	1,005,259
	<u>£5,525,907</u>

