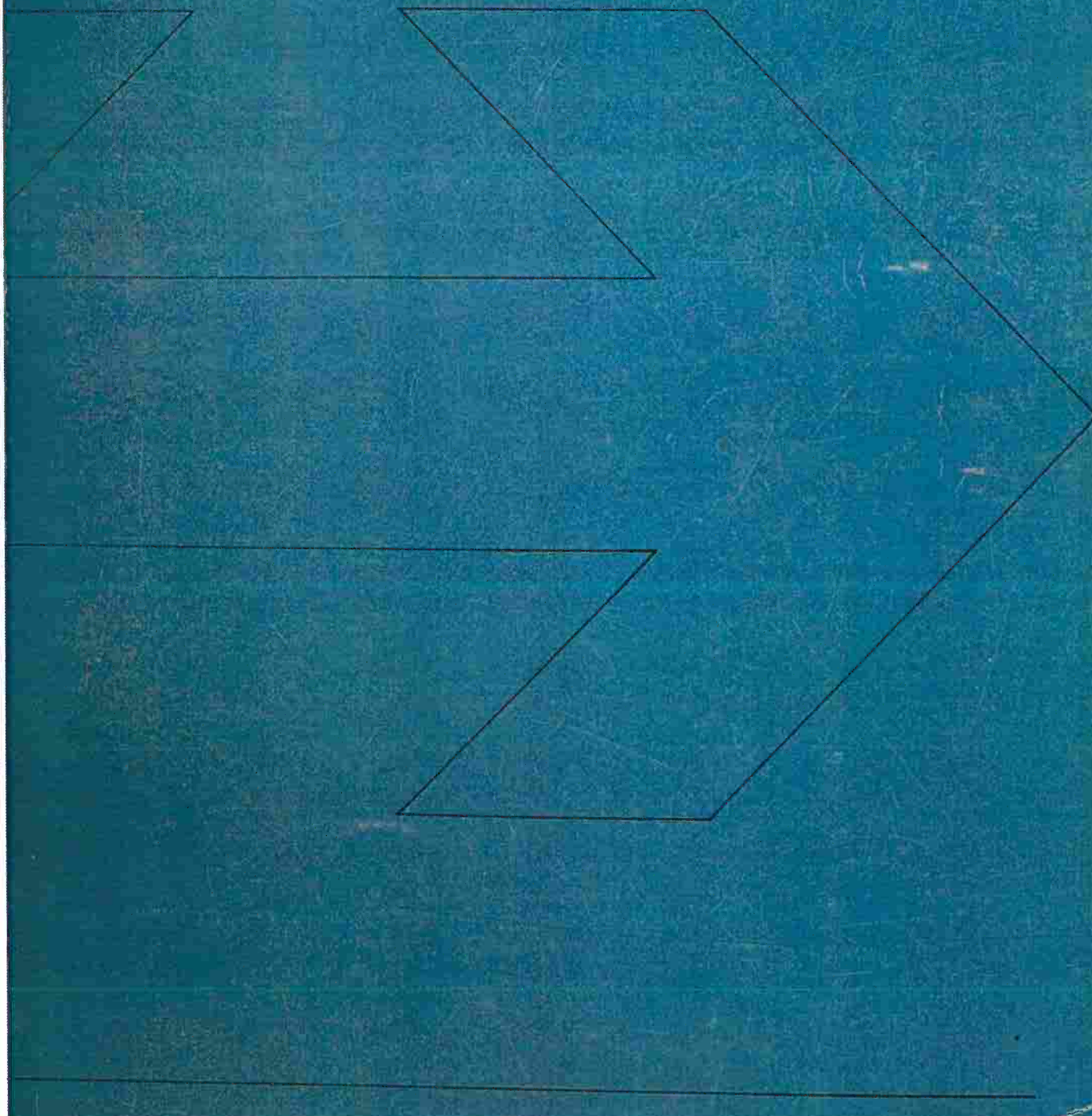


Cyprus Telecommunications Authority

21st Annual Report 1976



CYPRUS TELECOMMUNICATIONS AUTHORITY

**TWENTYFIRST ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1976.

[PRICE 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
Hadjikyriakos Building,
4th Floor,
Prodromos Avenue 121,
P.O.Box 4929
NICOSIA.
Date: 10th October, 1977.

Your Excellency,

I have the honour to submit herewith under Section 22 of the Telecommunications Service Law, 1954, (Cap. 302) the 21st Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December 1976 together with a copy of the Auditor's Report.

I am happy to advise Your Excellency that the Authority, in spite of the fact that 25% of its installations still remain idle in Turkish occupied areas, has been able to brace itself to the task of dealing efficiently with the telecommunication needs of the State, the Public, the Armed Forces and the United Nations as well as with additional requirements imposed by the influx of large numbers of businessmen and public from Lebanon, because of the tragic events in that country during 1976.

The public in general and the foreign visitors, who made use of the Island's Telecommunications Service, both local and overseas, were most favourably impressed by its high standard and efficiency.

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	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. F.I.E.E.	E. Charalambous until 1.12.1976.	N. Markides

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

Telephone : 77111

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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 provision, maintenance and development of a comprehensive telecommunications system, both local and overseas, are the main responsibilities of the Authority, which is answerable to the Council of Ministers, through the Minister of Communications & Works. The powers of the Minister over the activities of the Authority are regulated by the Amended Service Law 25 of 1963, Section 3.

The telecommunications network in response to the public's increasing demand for telecommunications facilities and services continued to grow steadily ; however no new major projects were developed during the year, as the Authority concentrated its efforts on the extensions and development of the existing exchanges, line plant and subscribers apparatus for the improvement of the quality of the service and reliability of the national, international, maritime, mobile and civil aviation telecommunication services, as well as for giving services to new subscribers.

The immediate major projects receiving close attention by the Authority are (a) the increase of the capacity of the automatic telex exchange by over 500 lines to meet the anticipated traffic growth and (b) the installation of an Earth Satellite Station for the further development of telephone, telex, telegraph and data transmission services and introduction of coloured TV both reception and transmission.

Although 25% of the Authority's plant is in areas still under turkish occupation, the financial results, which reflect the gigantic effort of the people of Cyprus to survive the brutal turkish attack, are most satisfactory. The net surplus for the year under review was C£1,384,880 as against the 1975 deficit of C£157,520 and traffic generally increased by 98% overseas, and 42% inland in the telephone service and 46% in the telex overseas service.

The Authority's relations with its staff were excellent and the highlight of the year in this respect was the finalisation of the Pension and Provident Funds, which operate now as separate bodies under Committees in accordance with the regulations of the Funds approved by Government.

To set and co-ordinate the policy of the Authority, its members had eleven meetings throughout the year. The main objectives which were fully realised were :—(a) maintenance of the service to a high degree of efficiency, (b) restoration of services disrupted by the turkish invasion, (c) expansion of the plant generally and (d) planning of immediate and future development to cope with an advancing, ambitious and highly reactivated national economy.

With regard to the achievements in the Automatic Telephone and Telex linking of Cyprus with the outside World, it is worth mentioning here that by the end of 1976 39 countries were available on our International Telephone Subscribers Dialling and 94 countries on our automatic Telex service.

2. TECHNICAL SERVICES

A. General

During the year under review most of the telecommunications services which were disrupted as a result of the Turkish invasion in 1974 were re-activated by utilising every available item of equipment and operating, in most cases, under difficult conditions at temporary locations. The necessary measures were also taken to improve the existing and provide new facilities by procuring and installing the required equipment.

B. CONSTRUCTION

The Authority, following the practice of previous years, entrusted the execution of certain projects, such as digging of holes for the erection of telephone poles, the excavation of trenches and laying of ducts and the construction of manholes, to outside contractors.

All other works were, however, carried out by the Authority's Construction Personnel. The various projects which were executed during 1976 are detailed below :—

I. Local Telephone Exchanges

(a) *Nicosia Exchanges*

(i) *Zone Centre Exchange (C82)*

The installation of terminating equipment to increase the junctions between Nicosia and the other zones was completed. Equipment was also installed to cater for the interworking of Nicosia 'C' Exchange and the Zone Centre Exchange.

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

The installation of equipment to increase the capacity of the Exchange by 14,000 lines was completed in 1976.

Work also started for the installation of an additional number of 8,000 lines, which is scheduled for completion in 1977, bringing the total number of lines of this exchange to 31,000.

(iii) *Pallouriotissa Satellite Exchange (Step-by-step).*

Work for the expansion of this exchange by 200 lines was completed in 1976, bringing the total number of lines of this exchange to 5,000.

(b) *Larnaca Exchange (Crossbar)*

The capacity of this exchange was increased from 2,000 lines to 3,500 lines in 1976.

(c) *Paphos Exchange (Crossbar)*

The installation of equipment to increase the capacity of this exchange from 1400 to 4000 lines started in 1976 and approximately 70% of the work was completed.

(d) *Platres Exchange (Crossbar)*

The installation of a Crossbar Exchange of 1,200 lines capacity was completed and the new exchange was given to service in 1976.

(e) *Rural Exchanges*

(i) *Dhali Exchange*

Work started for the increase of the capacity of the existing rural exchange by 100 lines, making a total of 200 lines.

(ii) *Paralimni Mobile Exchange*

A mobile exchange of 100 lines capacity was installed at Paralimni to provide service to the area which was previously connected on Famagusta Exchange.

(f) *Subscribers Private Exchanges*

During 1976, twenty-three Private Automatic Branch Exchanges (P.A.B.X's) were installed at various public establishments all over the island.

The capacity in lines of the various main, rural and private exchanges for 1975 and 1976 is shown in the following table :-

Type	1975		1976	
	No.	Capacity	No.	Capacity
Zone Main Automatic Telephone				
Exchanges	7	51,600	7	64,600
Zone Satellite Exchanges	2	10,000	2	10,000
Rural Exchanges	29	3,650	29	4,130
Mobile Exchanges	1	100	1	100
	39	65,350	39	78,830
Private Automatic Branch				
Exchanges	188	10,012	211	11,267
Private Manual Branch Exchanges	1,330	18,490	1,517	20,532

II. Radio and Multiplex Equipment

- (a) The 300-channel S.H.F. Radio System linking Madhari Repeater Station with Larnaca was replaced by a modern one of 600-channel capacity.
- (b) A U.H.F. radio system was set up linking Nicosia and Paralimni.
- (c) A 12-channel carrier system was installed between Nicosia and Madhari Repeater Station to provide the necessary circuits for the improvement of the Ground-to-Air Services.
- (d) Voice Frequency Telegraph Terminals were installed at Nicosia and Limassol to provide additional telex channels for the inland and overseas telex service.
- (e) The installation of equipment to provide a music channel (10 KHz bandwidth) between Somera Station at Cape Greco and Monte Carlo, France, over the submarine cable to France started and the work is expected to be completed in February, 1977.

III. Line Plant

The results of the construction for the provision of underground and overhead lines as well as manholes and ducts for the year 1976 are shown in the following tables :-

Table 1

Item	Unit	1971	1972	1973	1974	1975	1976
Manholes constructed	.. No.	83	142	224	124	65	48
Duct Lines Laid	.. Miles	32.43	53.64	76.57	76.53	28.15	17.81
Cables laid/drawn	.. Miles	173	126.83	160.69	85.21	67.48	72.31
Above cables in single wire	.. Miles	47,783	56,569	57,163	25,648	20,027	21,329

Table 2

Item	Unit	1971	1972	1973	1974	1975	1976
Pole routes Installed	.. Miles	58	29	32	5	13	16
Single Wire Installed	.. Miles	868	695	347	122	122	234
Pole Routes Overhauled	.. Miles	90	163	98	68	77	136
Single Wire Overhauled	.. Miles	1,190	1,163	818	796	1,848	3,886

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

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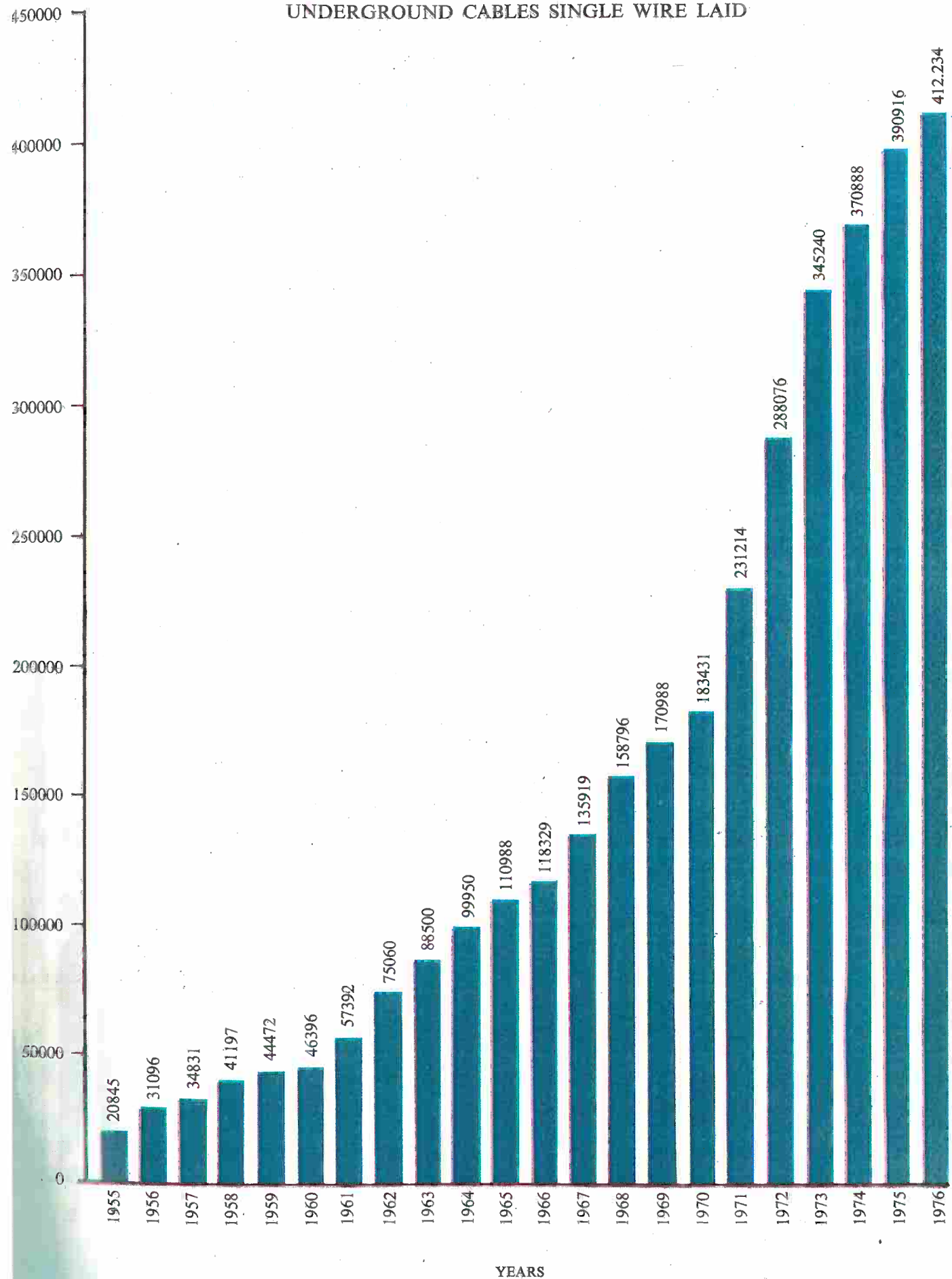
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Graphs 'A' and 'B' show the growth of underground and overhead wires run since 1955.

GRAPH "A"
UNDERGROUND CABLES SINGLE WIRE LAID



IV. Communal Installations

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

Village	Zone	Exchange
Delikipos	Larnaca	Skarinou
Skoulli	Paphos	Polis
Houlou	Paphos	Polis
Xyliatos	Morphou	Peristerona
Kannavia	Morphou	Kakopetria
Paliambela	Morphou	Polis
Pano Pyrgos	Morphou	Polis

The following seventeen rural call offices were reconnected during 1976 :—

Village	Zone	Exchange
Kotsiatis	Nicosia	Dhali
Kandou	Limassol	Paramali
Pano Polemidhia	Limassol	Limassol
Episkopi	Limassol	Paramali
Mennoyia	Larnaca	Skarinou
Kophinou	Larnaca	Skarinou
Klavdhia	Larnaca	Larnaca
Mandria	Paphos	Timi
Kato Arodes	Paphos	Stroumbi
Chrysochou	Paphos	Polis
Pano Yialia	Paphos	Polis
Phrenaros	Famagusta	Paralimni
Liopetri	Famagusta	Paralimni
Sotira	Famagusta	Paralimni
Ayia Napa	Famagusta	Paralimni
Dherynia	Famagusta	Paralimni
Paralimni	Famagusta	Paralimni

In addition, six public call offices were installed at Refugee camps as follows :—

Vrysoulles	2
Tsiakkileri	2
Kokkines	2

V. Subscribers Telephone Installations

An indication of the applications received and the applicants on the Waiting List is given in the following table :—

	1974	1975	1976
Applications in hand as at 1st January ..	7,475	4,364	2,004
New Applications received during the year ..	5,745	5,005	8,254
Applications for new Direct Exchange Lines released during the year	5,138	5,189	6,379
Applications cancelled during the year ..	1,089	2,176	1,308
Applicants on the Waiting List as at the end of the year	6,993	2,004	2,571

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

During 1976 the following Works Orders were executed at various zones for the telephone installations and associated works :—

	1974	1975	1976
Nicosia (including Kyrenia and Morphou) ..	8,992	9,964	7,547
Limassol (including Paphos and Platres) ..	2,993	4,211	4,420
Famagusta	1,308	—	—
Larnaca	925	1,741	1,981
Total	14,218	15,916	13,948

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

VI. Subscribers Telex Installations.

The demand for telex service has shown a marked increase during 1976. By the end of 1976, 786 subscribers were connected to the Telex Exchange and the number of subscribers on the Waiting List was 130.

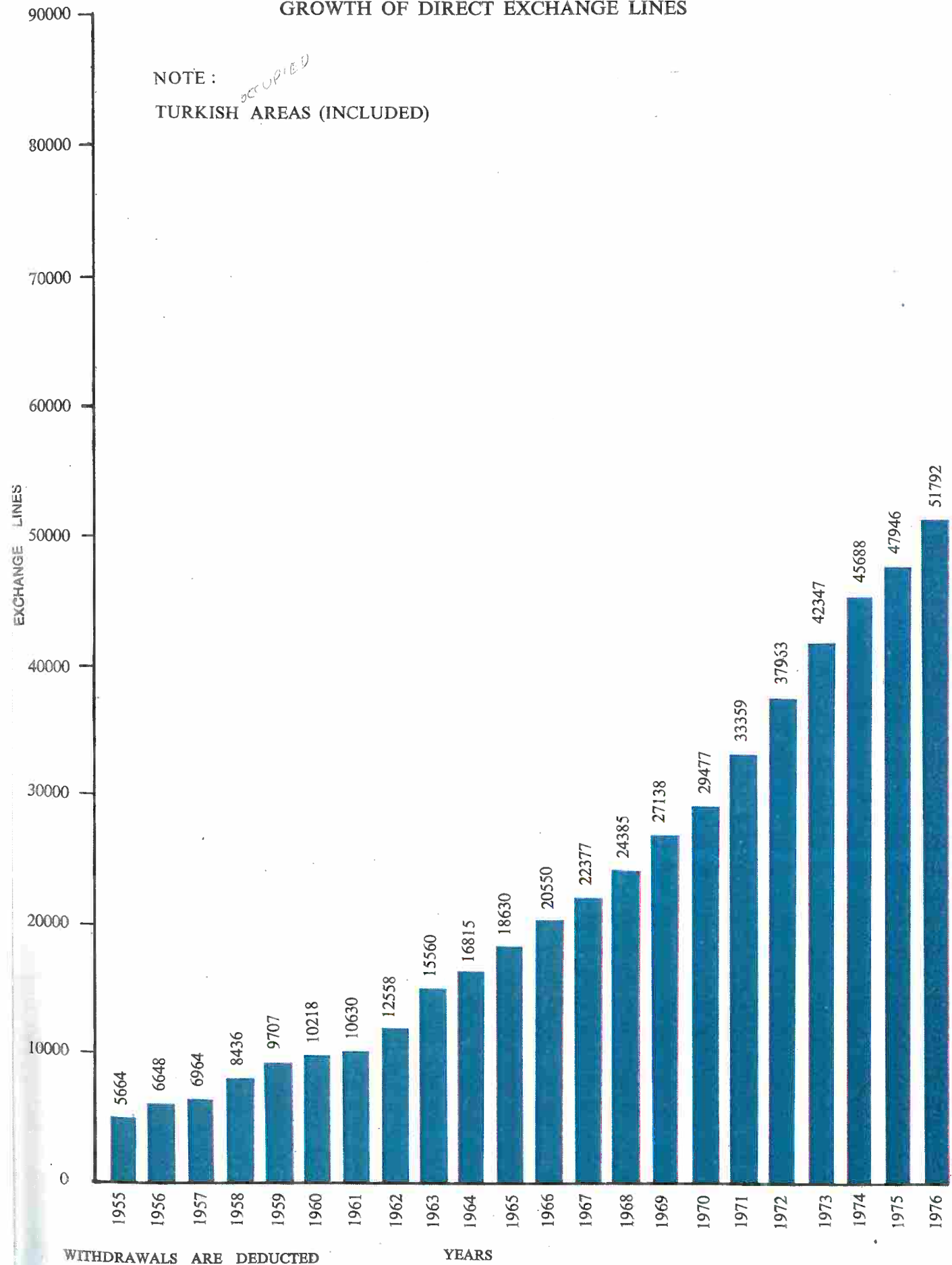
Graph 'D' shows the growth in telex subscribers.

Note: The above figure includes 81 telex units which were installed in the occupied areas and are not operational.

GRAPH "C"
GROWTH OF DIRECT EXCHANGE LINES

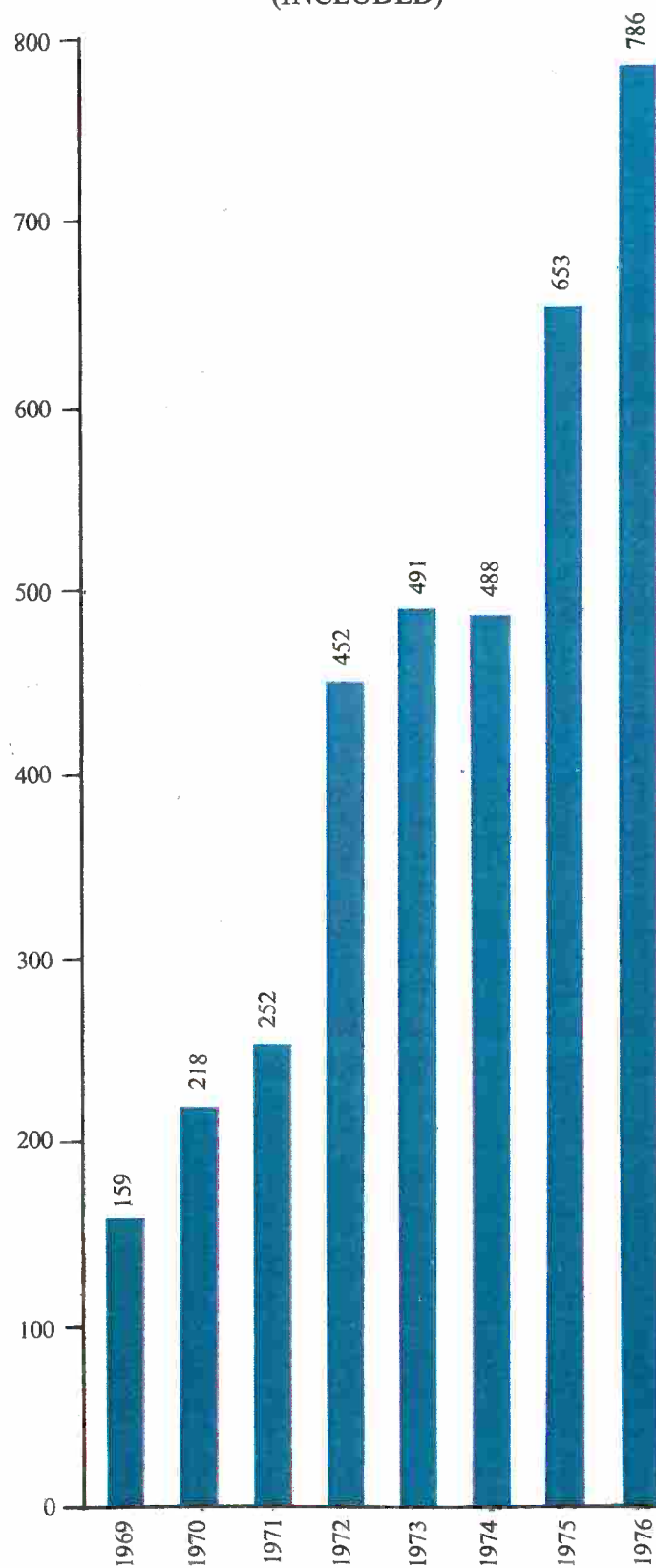
NOTE :

TURKISH AREAS (INCLUDED)



GRAPH "D"
GROWTH OF TELEX SUBSCRIBERS.

NOTE :-81 IN TURKISH HELD AREAS
(INCLUDED)



WITHDRAWALS ARE DEDUCTED

YEARS

VIII. Buildings.

Work commenced on the extension of Acropolis building at Nicosia by two additional floors. This building will be completed early in 1977.



Extended Buildings—Acropolis Satellite Exchange (Nicosia)

VIII. General.

(a) *Coin Collecting Boxes*

Work continued this year in replacing the old type of public coin collecting box by the new fully automatic, electronic one, which offers S.T.D. and I.S.D. facilities. A total of 175 old coin collecting boxes were replaced by the new type as at 31st December, 1976.

(b) *Private Meters*

The installation of Private Meters (Teletaxi Units) at various locations started in 1976. This meter provides an indication of the cost of every local, trunk or international call.



Telephone Call charge meter.

(c) *Improvement of 191 192 services (Enquiry Service)*

In an effort to improve the Enquiry Service, a modern system utilizing Microfiche Equipment was installed. This service will be further improved by the provision of a new electronic switchboard, designed and developed by the Authority, which will replace the existing old type switchboards. The new switchboard is still under development and is expected to be operational in 1977.

COMPARATIVE CHART SHOWING TELEPHONES OF CYPRUS AND NEIGHBOURING COUNTRIES

As at 1.1.1976

	Telephones		
	No. of Telephones	per 100 Population	Per Cent Automatic
CYPRUS	71,394	11.17	100.0
Israel, State of	791,348	22.80	100.0
Iran	688,396	2.00	92.5
Iraq, Republic of	184,924	1.69	94.7
Kuwait, State of	128,751	12.49	100.0
Greece	2,008,522	22.12	99.0
Turkey.. .. .	1,011,790	2.52	79.5
Spain	7,835,970	21.98	92.6
Bulgaria	777,127	8.90	92.8
Italy	14,495,677	25.88	100.0
Algerian Dem. and Pop. Rep. ..	250,424	1.46	81.6
Czechoslovakia	2,614,761	17.62	96.9
Hungary	1,048,090	9.91	81.4
Yugoslavia	1,301,219	6.06	98.0

Total number of telephones in the world as at 1st January, 1976 was 379,524,000.

TELEPHONES IN THE PRINCIPAL CITIES OF NEIGHBOURING COUNTRIES

	No of Telephones	Population (thousands)	Telephones per 100 pop.
Nicosia (A)	37,117	118	31.5
Tel-Aviv and Jaffa (A)	355,050	941	37.7
Kuwait (A)	128,751	1,031	12.5
Athens (A) (1975 figures)	1,089,911	2,548	42.8
Ankara (B)	159,958	1,699	9.4
Belgrade (1975 fig.)	198,194	1,270	15.6
Sofia	262,591	965	27.2
Madrid	1,517,688	3,634	41.8
Rome (A)	1,479,856	2,888	51.2
Alger, Greater (A)	95,132	1,004	9.5
Praha (A)	517,282	1,170	44.2
Budapest (A)	591,717	2,103	28.1
Tehran (A)	325,200	3,955	8.2
Baghdad	102,828	2,872	3.6

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

Note: A—The exchange serves the entire city, and also serves beyond the city.
B—The exchange serves the entire city but not beyond it.

C. PLANNING AND DEVELOPMENT

During 1976 various projects were planned and in most cases equipment was placed on order to meet the need for the provision of additional facilities and improvement in the quality of service and reliability of the national international, maritime mobile and Civil Aviation telecommunications services.

The main projects which were planned in 1976 are detailed below :—

I. National Communications Network

(a) *Nicosia—Paralimni 120-channel U.H.F. Link.*

An order was placed for this equipment which is expected to be received, installed and given to service in the last quarter of 1977.

(b) *Nicosia-Klirou 12-channel U.H.F. Link.*

A 12-channel U.H.F. system was placed on order and will be delivered and installed in September/October 1977.

(c) *Nicosia-Peristerona 12-channel Open Wire Carrier System.*

The equipment is scheduled for delivery and installation in September 1977.

(d) *V.F.T. Systems.*

Equipment to increase the number of V.F.T. channels between zone centres by 144 was placed on order and is due for delivery in stages, in 1977.

(e) *Limassol-Platres S.H.F. Radio Link.*

Specifications have been prepared and international tenders will be invited in 1977 for the provision of equipment to establish this link.

II. International Communications Network

(a) *Additional U.H.F. link with Israel*

The radio and multiplex equipment required to provide this link was received, installed and tested in 1976. However, activation of this link prior to September 1977 is not envisaged, as the terminal equipment in Israel has not been installed yet.

(b) *Cyprus-Lebanon standby U.H.F. Link.*

The radio and multiplex equipment required for the setting up of a 24-channel standby link with Lebanon were received and installed in 1976. Testing commenced in 1976 and this system will be activated in April 1977.

III. Maritime Mobile Services

(a) *M.F./H.F. Equipment*

In order to improve the ship-to-shore service, specifications have been prepared and international tenders will be invited early in 1977 for the supply of one M.F. Radiotelegraph and two H.F. Radio-telephone Transmitters.

IV. Civil Aviation Telecommunications Services

(a) *V.H.F. Direction Finder*

The V.H.F. Direction Finder equipment for Larnaca International Airport, which was placed on order in 1976, is expected to be delivered and installed in April/May 1977.

(b) *V.H.F./U.H.F. Ground-to-Air Equipment*

Specifications have been prepared and International tenders will be invited early in 1977 for the supply of V.H.F./U.H.F. Ground-to-Air equipment.

V. Cape Greco-Monte Carlo, France, Programme Channel.

The U.H.F. radio and music channel translating equipment was received in December 1976 and it is estimated that the circuit will be given to service in February, 1977.

VI. Local Telephone Exchanges

(a) *Zone Main & Satellite Exchanges*

An order for the provision of an extension of 3,000 lines, to increase the capacity of Larnaca Crossbar Exchange, was placed during 1976. Plans were also prepared for maximum utilisation of the available equipment.

The following table shows the planned increase in capacity of the zone telephone exchanges.

Exchange			Existing Lines in 1976	Under Installation	Additional Lines on Order or in stock	Planned total No. of Lines in 1977
Nicosia	..	..	43,400	8,000	1,000	52,400
Famagusta	..	..	9,000	—	—	9,000
Larnaca	..	..	3,500	400	5,400	9,300
Limassol	..	..	14,600	—	9,000	23,600
Paphos	..	..	1,400	2,600	—	4,000
Morphou	..	..	1,400	—	1,600	3,000
Kyrenia	..	..	1,400	—	1,600	3,000

(b) *Rural Exchanges*

Plans were prepared for the provision of a new 600 lines Crossbar Type Rural Exchange with ancillary equipment for the replacement of the existing Dhali Rural Exchange. The recovered equipment will be redeployed at other dependent exchanges.

VII. Telex Exchange

An order was placed for equipment to increase the capacity of the National and International Telex Exchange by 512 lines, making a total of 1536 lines.

An order was also placed for a no-break power supply system for the Telex Exchange.

VIII. 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 and also to facilitate the provision of telephone service at the following Government community centres :—

Nicosia	—Strovolos I and II
	Latsia
	Lakatamia
Limassol	—Ayios Athanasios
Larnaca	—Ayii Anargiri

(b) *Rural Development*

Plans were prepared for the reconnection of communal call offices in various villages all over Cyprus.

IX. Design and New Product Development

A new section was formed within the Chief Engineer's Office to carry out electronic design work and development of new products. The design involves mainly specialised items for interworking with existing equipment which cannot be obtained from manufacturers.

For the above work, use is made of the latest micro-electronics technology and the necessary printed circuits are wholly produced within the Authority.

One of the major projects undertaken is the design and development of a fully electronic multiposition switchboard to be used for the enquiry services in conjunction with the recently acquired automatic information retrieval microfiche system. The complexity of this switchboard may be assessed from the number of microcircuits used, which approaches 350.

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, public speeches, voicecasts, etc.

During 1976, fifty-seven (57) outside broadcasts were effected by using the Authority's network, as compared with twenty (20) in 1975.

II. Overseas Voicecasts

The demand for overseas voicecasts was lower than in the previous year, as the following table of comparative figures shows :—

			1974	1975	1976
Number of voicecasts	..	..	265	320	177
Number of Minutes	..	..	10,756	13,867	10,173

III. Facsimile (Radio Pictures)

This service operated only for transmission of radio pictures and not for reception, as no dark room facilities could be made available due to lack of suitable premises.

(Note: This service was operated from Kolokosh prior to invasion).

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

				1974	1975	1976
Received	..	..	..	108	—	—
Forwarded	..	..	..	536	208	266

IV. Communication with ships at sea (Maritime Mobile Services)

Since the Turkish invasion in 1974, when both the H.F. Transmitting and Receiving stations were lost, communication with ships has been effected from temporary sites using every available item of equipment.

By reconditioning some old equipment, it was made possible to introduce V.H.F. communication in the Maritime Mobile Service early in 1976 and this partly met a long needed demand. The increase in traffic figures which has been recorded for the past few years, reached a new peak in 1976 by registering a rise of 153% in telephone and 134% in telegraph traffic over the last year.

It is interesting to note that the amount of telephone traffic handled by the ship-shore station during the year under review, reached the level of the total traffic which was handled by the Overseas Exchange between Cyprus and the rest of the world ten years ago.

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

Telephony					1974	1975	1976
Calls	..	..	..	..	19,315	30,597	73,164
Minutes	..	..	..	..	73,983	124,694	315,532

Telegraphy					1974	1975	1976
Telegrams	..	..	..	..	5,190	5,031	8,577
Words	..	..	..	..	86,159	85,864	201,512

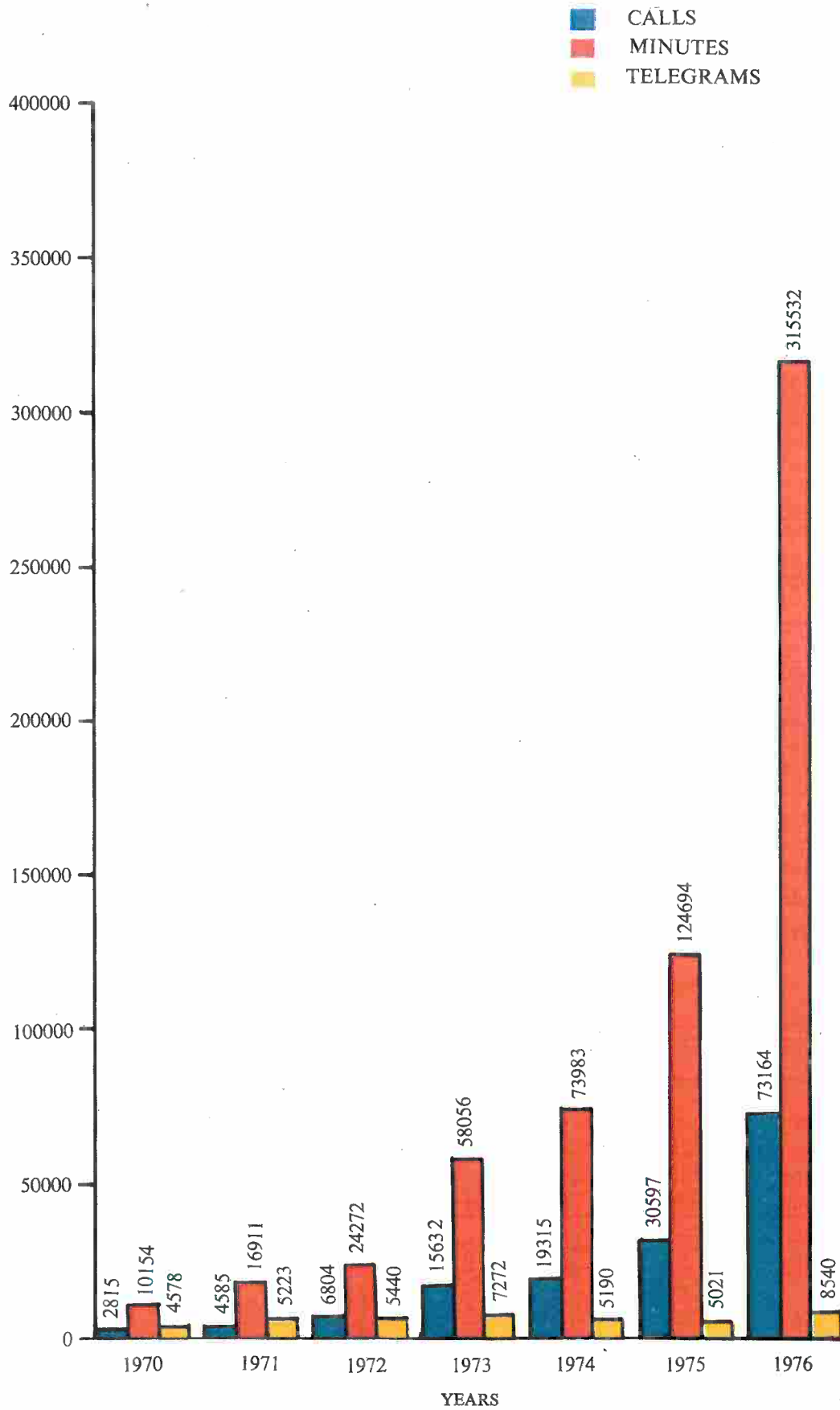
Graph 'E' shows the Ship/Shore R.T./W.T. Traffic since 1970.

V. Civil Aviation Telecommunications Services

All Civil Aviation Telecommunications Services are provided by the Authority on behalf of the Ministry of Communications and Works, in accordance with the procedures and recommendations laid down by the International Civil Aviation Organisation (I.C.A.O.). These services comprise the following :—

- (a) Radiotelephone communication with aircraft in flight within the Cyprus Flight Information Region, as well as with the International Airports of Athens, Beirut, Tel-Aviv and Cairo.
- (b) Telegraph communication within the Aeronautical Fixed Telecommunications Network (A.F.T.N.) to the airports of Athens, Beirut and Tel-Aviv. Since the Turkish invasion, when the Automatic Message Switching Centre (A.M.S.C.) became inoperative, A.F.T.N. Traffic has been handled manually on torn-tape basis. Work is under way for the reactivation of the A.M.S.C. which is envisaged to resume operation by mid 1977.
- (c) Radio Air Navigation Aids for the use of civil aircraft in the form of a V.H.F. Omni Range System (V.O.R.) and Distance Measuring Equipment (D.M.E.), and two non-directional Radio Beacons located at Dhekelia and Pervolia Village.
- (d) Approach and landing facilities at the Larnaca Airport for communication between aircraft and the Control Tower.

GRAPH "E"
SHIP SHORE RT/WT TRAFFIC



- (e) One Mufax (Reception of Weather Charts) as from 1st July, 1976, and the teleprinter circuits for the reception of Meteorological Bulletins (as from 1st April, 1977) provided at the request of the Ministry of Agriculture and Natural Resources.

E. MAINTENANCE

I. Routine and Preventive Maintenance

(a) General Maintenance

The inland and overseas telecommunications services were kept to a very good standard of maintenance due to the efforts of the staff of the Authority for the provision of an efficient and reliable service to the public.

(b) Preventive Maintenance

The recommendations of the B.P.O. are adopted by the Authority for the Strowger Exchanges and those of the Japanese Post Office (N.T.T.P.C.) for Crossbar Exchanges. For the rest of the equipment the recommendations of the manufacturers are followed.

Routine maintenance was carried out systematically throughout 1976.

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 Electronics Workshop which was established in 1975, as part of the Research and Development Department, continued to operate most successfully. Testing and maintenance of the electronic coin collecting boxes, maintenance of push button telephones as well as other complicated electronic equipment are amongst its many functions.

III. Transport

The Authority maintains its own fleet of 147 vehicles.

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

	1974	1975	1976
Miles run	1,056,000	963,000	1,026,000
Fuel consumption (gallons) ..	64,749	57,724	58,669
Oil consumption (kg)	4,440	4,336	3,697

The Authority runs its own garage repair service. Repairs and routine maintenance work on motor vehicles are carried out by experience mechanics.

3. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES

I. General

The expansion of the facilities and their increase in circuit capacity, in conjunction with the acquisition of transit facilities in foreign systems and the Commonwealth network, contributed towards a remarkable increase of international Telephone and Telex traffic.

Cyprus' world-wide connections are primarily effected through the APHRODITE and ADONIS submarine cable systems, the TROPOSPHERIC Scatter link with Greece and the UHF (Ultra High Frequency) link with ISRAEL. The present total capacity of these systems is 864 voice grade circuits, out of which 217 circuits were used for Telephone, Telex and Telegraph terminal traffic and 408 circuits were made available to other Administrations (either on "Indefeasible Right of Use" (IRU) basis or on lease basis).

A detailed analysis of direct routes is shown in the following table :—

Country	Direct Circuits 1976		
	Telephone	Telex	Telegraph
AUSTRIA	—	2	—
CANADA	4	—	1
FRANCE	8	8	1
GERMANY F.R.	10	10	1
GREECE	104	23	1
ISRAEL	8	6	1
ITALY	8	12	1
LEBANON	8	4	1
SWEDEN	—	4	1
SWITZERLAND	—	8	—
U.K.	53	33	1
U.S.A.	4	8	—
TOTAL	207	118	9

II. TELEPHONE

The year under review was the first complete year for the operation of International Subscriber Dialling (ISD). The traffic volume in minutes over the previous year showed an overall increase of 97 per cent in the outgoing direction and 146 per cent in the incoming direction and confirmed forecasts as to the expansion of this service.

Nearly 87 per cent of international calls were dialled direct. This together with self-dialled inland calls (STD calls) keeps Cyprus among the telecommunicationswise developed countries, while inexpensive, up to date and effective telephone service is being offered to the public.

Operator's assistance was provided for calls to places not accessible by self dialling and for special ones such as personal calls, collect calls, credit card calls etc.

For speeding-up operator-connected calls outgoing semi-automatic service was established with 8 more countries. Manual service was also established with 5 countries.

(a) *Inland Services*

Famagusta, Kyrenia, Morphou and other rural telephone exchanges, which have ceased to function since the Turkish invasion, are still silent and not contributing to the Authority's revenue.

The installation of new electronic coin collecting boxes which provide inland and overseas automatic dialling was completed in the areas of the main towns while the project for rural areas continued.

(b) *International Services*

The Authority's programme to make available on ISD more countries continued during the year and 5 countries were added to the self-dialling system. This gives to users of ISD service finger-tip access to 39 countries with over 330 million telephones, approximately 87% of the 379,524,000 World's telephones as at 1st January, 1976.

In the incoming direction Cyprus is reached automatically by 10 countries and semi-automatically by 17 countries.

CYPRUS ON THE GLOBAL TELEPHONE NETWORK
as at 31st December 1976

	Number of countries connected	
	OUTGOING	INCOMING
ISD Service	39	10
Semi-Automatic Service	13	17
Manual Service	78	103
TOTAL	130	130

The international outgoing and incoming telephone traffic was routed over the direct links, as shown herebelow, which connect Cyprus with the complex Global Network.

International traffic :				1975	1976	% increase
(in thousand minutes)						
Outgoing	..	..	..	2,755	5,443	97.57
Incoming..	..	..	..	2,765	6,820	146.66

DIRECT TELEPHONE CIRCUITS

				1974	1975	1976
CANADA	..	..	..	—	3	4
FRANCE	..	..	..	—	8	8
GERMANY W.	..	..	..	1	10	10
GREECE	..	..	..	48	80	104
ISRAEL ..	..	..	..	6	8	8
ITALY ..	..	..	..	2	2	8
LEBANON	..	..	..	2	8	8
U.K.	..	..	..	11	54	55
U.S.A.	..	..	..	1	4	4
TOTAL	..	..	..	71	177	209

III. TELEX

The Automatic Telex Exchange, installed as from April 1975, improved the overall quality of service in both automatic and manual operations.

At the end of the year International Automatic Service was available towards 94 countries and manual service to the rest of the world via ten direct routes. Inland Telex Service is fully automatic.

Statistical data regarding channels and traffic for the last three years is shown below :—

(a) *Channels*

COUNTRY	OUTGOING			INCOMING			BOTHWAY		
	1974	1975	1976	1974	1975	1976	1974	1975	1976
AUSTRIA ..	—	—	—	—	—	—	—	—	2
FRANCE ..	—	4	4	—	2	4	—	—	—
GERMANY F.R.	—	5	5	2	4	5	—	—	—
GREECE ..	4	9	9	10	14	14	—	—	—
ISRAEL ..	1	3	3	2	3	3	—	—	—
ITALY ..	2	7	7	2	5	5	—	—	—
LEBANON ..	2	2	2	2	2	2	—	—	—
SWEDEN ..	1	—	—	1	—	—	1	4	4
SWITZERLAND	—	3	4	—	3	4	—	—	—
U.K.	11	20	20	8	13	13	—	—	—
U.S.A. (ITT) ..	—	—	—	—	—	—	1	3	3
U.S.A. (RCA)	—	—	—	—	—	—	1	2	2
U.S.A. (WUI)	—	—	—	—	—	—	1	3	3
TOTAL ..	21	53	54	27	46	50	4	12	14

(b) *Traffic*

The international traffic showed an increase of 36.53% over 1975.

(i) *International :*

	1974	1975	1976	% 1976/1975
Outgoing calls ..	179,700	233,899	421,040	80
Outgoing minutes ..	952,943	980,012	1,338,037	36.53

(ii) *Inland*

	1974	1975	1976
Calls	—	—	153,035
Minutes	—	—	384,446

IV. TELEGRAPH

The international telegraph traffic was adversely affected by the introduction of International Subscriber Dialling in telephone and telex services.

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

(a) *Channels*

				BOTHWAY CHANNELS		
COUNTRY				1974	1975	1976
CANADA	..	..	..	1	1	1
FRANCE	..	..	..	—	1	1
GERMANY F. R.	..	..	..	—	1	1
GREECE	..	..	..	1	1	1
ISRAEL ..	..	..	..	1	1	1
ITALY ..	..	..	..	—	1	1
LEBANON	..	..	..	1	1	1
SWEEDEN	..	..	..	1	1	1
U.K.	..	..	..	1	1	1
TOTAL	..	..	..	6	9	9

(b) *Traffic*

		1974	1975	1976
(i)	International telegrams forwarded (including Cyprus Radio) ..	170,140	86,447	90,624
	Increase 4.83% in 1976 over 1975.			
(ii)	Inland telegrams forwarded ..	55,820	50,521	47,745
	Decrease 5.49% in 1976 over 1975.			

4. ADMINISTRATION AND STAFF

I. TRADE UNIONS - STAFF RELATIONS AND JOINT COMMITTEES

As mentioned in the previous reports, the Authority, compelled by the impact of the turkish invasion on its affairs and finance, has decided reluctantly to effect various alterations in the staff conditions of service. Following the discussions with the Unions during the year for the renewal of the collective agreement which expired on 31st December, 1975, and taking into account the general improvement which resulted by the introduction of the development plans, the improved methods and the drastic measures adopted by the Authority, an agreement was reached providing for the gradual reversion to normal staff conditions of service during the term of the new agreement which will be valid until the 31st December, 1977.

Management-Staff relations were satisfactory and proved most conducive towards the Authority's efforts to fulfil its obligations to the Public.

II. JOINT CONSULTATION

The joint Management/Staff Committees functioned satisfactorily as hereunder :-

1. Staff Safety & Welfare

(a) *Safety*

The Safety Committee's efforts for the elimination of accidents were evidenced in the following action :-

- (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 every effort was made for their reduction to the minimum.

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

	1975	1976
Accidents which did not necessitate sick leave	4	5
Accidents necessitated 1-3 days sick leave	6	1
Accidents necessitated 4-30 days sick leave	16(4)*	13(2)*
Accidents necessitated over 30 days sick leave	6	2(1)*
Fatal Accidents	—	—
	<hr/> 32	<hr/> 21

*(*Figures in parenthesis refer to 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 met regularly and dealt with matters promoting the welfare of the Authority's staff.

- (i) The construction of the Holiday Centre at Pedhoulas was postponed due to the adverse financial effects of the anomalous situation on the Authority which undertook, by decision of its Board to contribute by a substantial amount of money towards this project.
- (ii) Christmas presents generously donated by OTE (Greek Telecommunications Organisation) 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 £4,315.-

2. Establishment - Promotion - Advancement of Staff

The displacement of the personnel from the Authority's offices in areas still under turkish occupation and the redundancy of telephone operating staff, due to further automation of the service, were, to a great extent, successfully faced, by utilizing the services of such redundant staff in other profitable engagements in the interest of the service.

In addition to the above, the Authority proceeded with the implementation of an agreement reached with the Unions on promotions, confirmations and advancement of staff and with the co-operation of an Adhoc Committee appointed in accordance with the revised staff rules and regulations ; as a result of this action the following were effected :-

Promotions and Confirmations	113
Various Transfers to other scales	12
Transfer of Temporary Monthly Paid to Permanent Staff	65

Comparison of staff strength for the year 1975-1976

	1975	1976
Administration & Accounts	272	261
Engineering	1055	1048
Telegraph Operating	142	139
Telephone Operating	187	180
	<u>1656</u>	<u>1628</u>
Monthly Paid	1541	1520
Weekly Paid	115	108
	<u>1656</u>	<u>1628</u>
Less		
Turkish employees not attending to duty ..	256	256
	<u>1400</u>	<u>1372</u>

3. Pension and Provident Funds

After many years of negotiations, final agreement with the Unions on the Pension and Provident Funds was reached and the Authority, in pursuance of article 42 of the Telecommunications Service Law, established, with Government's approval, the following two Funds :-

(a) The CYTA Permanent Monthly Paid Employees Superannuation Fund

and

(b) The CYTA Permanent Monthly Paid Employees Provident Fund.

With the completion of all preparatory work by the end of October, the two Funds have each separately been, as from that date, operating under its own Joint Committee as provided by the Rules.

4. Training

The Authority, continued the implementation of an approved Training Programme in the interest of the service.

The Authority's expenses for training during 1976, amounted to £30,360.- (£22,502.- were spent in 1975) and included the following :-

(i) *Training in CYTA'S Training Centre*

a)	Training on T.O.R. Equipment ..	6 employees
b)	Training on Multiplex equipment (Type Bell ITT)	10 "
c)	Training on the Maintenance of Telex Equipment	1 employee
d)	Training on Telexes.. .. .	1 "
e)	Training on the Maintenance of Switchboards	77 employees
f)	Training on Microfiche Equipment ..	6 "
g)	Training on the NC-Paralimni USF Radio Link	7 "
h)	Familiarisation Course on Ruraxes & PABXs	8 "
i)	Training on Teleprinters Type Creed 444	5 "
j)	Training on the New Microwave Equipment (Madhari-LK Link)	20 "
k)	Training on the Crossbar PABX type AKD 741	4 "
l)	Training on Crossbar PABX Type ARD 526	6 "
m)	Training on Plant Records	3 "
n)	Training on Batteries	2 "

(ii) *Training Abroad*

a)	NEAT/3 Programming Course in Cairo	2 "
b)	UNDP/ITU Regional Teletraffic Engineering Course in Libya	1 employee

(iii) *Scholarships*

- a) Two members of the Authority's technical staff who were awarded a 4-year scholarship by the Authority for acquiring the B.Sc degree in Electrical Engineering (with special subjects in Telecommunications) completed their studies and returned to Cyprus.

- b) Two members of the Authority's technical staff were awarded a sixteen-months scholarship on Telecommunication Techniques by the Federal Republic of Germany.
- c) Two members of the Authority's technical staff were awarded a sixteen-months scholarship on Maintenance Engineering and Wireless Engineering by the Federal Republic of Germany.

(iv) *Payment of Tuition and Examination fees*

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

5. Medical Funds - Medical Treatment - Sick leave.

a) *Monthly Paid Personnel*

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

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

During the year 1976 the sum of C£83,700.000 was paid out of the Fund in benefits (the sum of £52,393.705 mils was paid in 1975) and the Fund's cash position as at 31st December, 1976, was £6,953.000 cash at Bank on current account and £48,480.000 at fixed deposits.

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.*

						No. of man days lost	
						1975	1976
Clerical Staff	..	..	..	..	..	2,340	2,245
Telephone Operating Staff	..	..	..	..	..	2,050	2,189
Telegraph Operating Staff	..	..	..	..	..	278	384
Technical Operating Staff	..	..	..	..	..	189	182
Technical Staff	..	..	..	..	..	1,161	1,367
Skilled Staff	..	..	..	..	..	2,467	3,055
Messengers and Watchmen	..	..	..	..	..	727	641
TOTAL	..	..	..	..	..	9,212	10,063

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 1976 were 767 (629 in 1975).

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 £1,213.-

6. **Annual leave all staff**

Table showing the leave entitlement :

						No. of working days	
						1975	1976
Balance brought forward from previous year	..	..	..	..	..	18,878	9,799
Leave entitlement for the year	..	..	..	..	..	40,054	39,357
						58,932	49,156
Leave granted during the year	..	..	..	..	..	49,133	40,715
Balance due to employees	..	..	..	..	..	9,799	8,441

7. Leave without pay to employees securing employment abroad.

Among the measures taken by the Authority in its efforts to cope with redundancy and ensure the best—under the circumstances—utilisation of the services of the staff was the granting of leave without pay to employees securing employment abroad.

To this effect 14 employees were granted leave without pay for a period of one to two years (13 employees in 1975). Four of them returned to their duties and one resigned from the Authority's service. Therefore the total number of staff on leave without pay as at 31st December, 1976 was 22).

8. Retirements, Resignations, Dismissals etc.

a) 16 employees retired from the Authority's service.

b) *Resignations, Termination of services and Deaths.*

(i) 6 employees resigned from the Authority's service.

(ii) 2 employees were dismissed from the Authority's service (termination of services).

(iii) 5 employees passed away.

c) *Change of Status*

The part time employed charwoman was transferred to the Weekly Paid Staff.

9. Missing employees.

6 employees are still missing as a result of the Turkish invasion of Cyprus in 1974.

5. COMMONWEALTH TELECOMMUNICATIONS COUNCIL

The Authority maintained, as in previous years, close contact with the Commonwealth Telecommunications Organization through its Chairman, Mr. N. S. Roussos, who is the Representative for Cyprus on the Commonwealth Telecommunications Council, appointed by the Government of Cyprus.

Cyprus was very happy to host this year the 14th Meeting of the C.T.C. The selection of Nicosia as the venue of the CTC 14th Meeting was decided by Council at its 13th Meeting held in Ocho Rios, Jamaica, early in November, 1975, following Mr. N. S. Roussos's renewed invitation for this purpose. At that 13th Meeting Mr. N. S. Roussos was selected as Vice-Chairman of the Council.

The 14th Meeting, which took place from the 7th to the 17th September, 1976, was addressed and officially opened by H.E. the Minister of Communications and Works, Mr. G. Tombazos ; the Meeting was attended by twenty one Representatives for twenty one Commonwealth Countries, Partners to C.T.C., including the Ensemble of the British Overseas Territories and Associated States (BOTAS) and the General Secretary of the C.T. Bureau. The Commonwealth Secretary-General being unable to attend in person, was represented by Dr. M.N.G.A. KHAN.

The General Manager, Mr. A. N. Stylianides and other officials of the Authority *viz*: Messrs. G. Papaioannou, E. Charalambous, S. Modestou and A. Kritiotis, attended also the Meeting, in addition to 52 Advisers to the representatives.

In this 14th Meeting the review of the C. T. Organization and the Financial Agreement of 1973 were discussed at length with a view to updating the various aspects of the Partnership. As, however, the discussions on CTFA matter, were not concluded to a consensus, the Council decided to set up a " Group of Three " composed of the Chairman Mr. J-C Delorme and the two Vice-Chairmen, *viz*: Mr. H. Barber of Jamaica and Mr. N. S. Roussos of Cyprus, with a view " to identify the areas of disagreement amongst Representatives on the proposed solutions and packages for the resolution of the CTFA outstanding issues and consult with Representatives for the purpose of evolving a proposal or proposals for consideration by the SCC and, thereafter, by Council, with a view to facilitating the resolution of these matters in time to enable Council to report unanimity to Conference in May 1977 ".

Thus the Council decided that a second Session of the 14th Meeting be held in London from 24 January to 4 February 1977.

The "Group of Three" started work in November 1976 by visiting (with its three Members in some places and the Chairman only in others) various Commonwealth Partner Countries for consultations with the Representatives. At the conclusion of these consultations the three members of the Group met at Montreal early in December and prepared their report for consideration by SCC and Council. The Authority's Chairman Mr. N. S. Roussos at the various Meetings of the Group was accompanied by his Adviser Mr. A. Kritiotis.

Cyprus continued in 1976 to participate actively through its various officials who were appointed members in the Specialist Groups constituted to carry out the studies of various questions and matters assigned to them by the C.T.C. and its Standing Committee.

The Council agreed that the Fifteenth Council Meeting be held in Auckland, New Zealand from 19 to 27th May 1977, immediately before the next Conference, due to commence on the 30th May 1977 in Sydney, Australia.

6. FINANCIAL REPORT

GENERAL

The financial results of the year were most satisfactory. The net surplus for the year was £1,381,607 as against the previous year's deficit of £157,520. It has almost reached the surplus of the pre-invasion year of 1973 (£1,391,291) despite the fact that still almost 25% of the Authority's installations remained idle in the Turkish occupied area.

The operating revenue of £7,045,808 is by 48.8% higher than that of 1975 (£4,735,798).

The main contribution to this marked increase was from the Telephone Overseas Calls which rose by 98% (1976 £2,559,201 vs 1975 £1,294,468), the Inland Telephone Calls which rose by 42% (1976 £2,239,796 vs 1975 £1,572,814) and the Telex Overseas Calls which rose by 46% (1976 £503,512 vs 1975 £345,655).

There has not been any unusual increase in the expenses during the year and the 13.8% increase in the Operating Expenses as well as the 9.8% in the Financial Expenses are considered normal.

A comparison of the Operating Revenue and Expenses by service of the years 1975 and 1976 shows :-

OPERATING REVENUE

			1975	1976	Increase
			£	£	%
Telephone Services	..	..	3,709,943	5,748,147	54.9
Telegraph Services	..	..	451,217	421,935	-6.5
Telex Services	..	..	472,079	671,790	42.3
Other Services	..	..	102,559	203,936	98.8
			<u>4,735,798</u>	<u>7,045,808</u>	<u>48.8</u>

OPERATING EXPENSES

System Operational :-					
Telephone Services	..	..	2,835,144	3,187,676	12.4
Telegraph Services	..	..	370,655	433,234	16.9
Telex Services	..	..	263,886	271,234	2.8
Other Services	..	..	64,166	142,167	121.5
Establishment..	..	..	140,494	154,692	10.1
Administration	..	..	560,224	630,709	12.6
			<u>4,234,569</u>	<u>4,819,712</u>	<u>13.8</u>
Net Operating Revenue	..	..	<u>501,229</u>	<u>2,226,096</u>	<u>344.1</u>

DEVELOPMENT

The net additions to the Fixed Assets during the year were £975,098 and is arrived at as follows :-

Development :-

(i)	Telecommunications installations	..	£1,246,817
(ii)	Other Expenditure	.. ..	74,238
			<hr/>
			1,321,055

Less :

Installation and Removal Fees			
by Subscribers	.. ..	£163,896	
Disposals	.. ..	182,061	
		<hr/>	345,957
			<hr/>
			£975,098

This year's development does not include any major projects but consists mainly of additions to exchanges, line plant, and subscribers apparatus, which reflects the Authority's efforts to satisfy the needs of the reviving economy of the Island. The 1977 development budget, which is in the region of £3,000,000, was also prepared on the same basis.

CASH POSITION

The year's satisfactory results had also a favourable impact on the Authority's cash position. The bank loan and overdraft were reduced by £1,187,209 and the bank balance increased by £482,156.

It is expected that the cash position will be even better in 1977 if the upward trend of revenue continues and the anticipated sales of circuits (IRUs) on the Cyprus/Greece and Cyprus/Lebanon Sub-marine Cables to Foreign Administrations are effected.

LONG-TERM LIABILITIES

The long-term liabilities consist of :-

- (a) £4,226,484 due to suppliers for equipment and services and are repayable over a period between 2 and 14 years at rates of interest ranging between 6 and 7 1/2% per annum.
- (b) £1,743,194 representing the Authority's liability to the Staff Superannuation and Provident Funds. £137,504 of this amount

will be repaid over a period of 5 years and the balance of £1,605,690, which is the deficiency in the Superannuation Fund as disclosed by actuarial valuation on 31.12.1976, will be repaid over 33 years by equal annual instalments with 5% interest per annum.

CONTRACTUAL COMMITMENTS

The amount of £1,519,000 shown in the Notes on the Accounts represents mainly outstanding orders for capital equipment to be delivered in 1977.

NET WORTH

The Authority's net worth as at 31st December, 1976, amounted to £4,802,534 as against £3,420,927 of 31st December, 1975.

RETURN ON CAPITAL

The return on capital during the last ten years is as follows :-

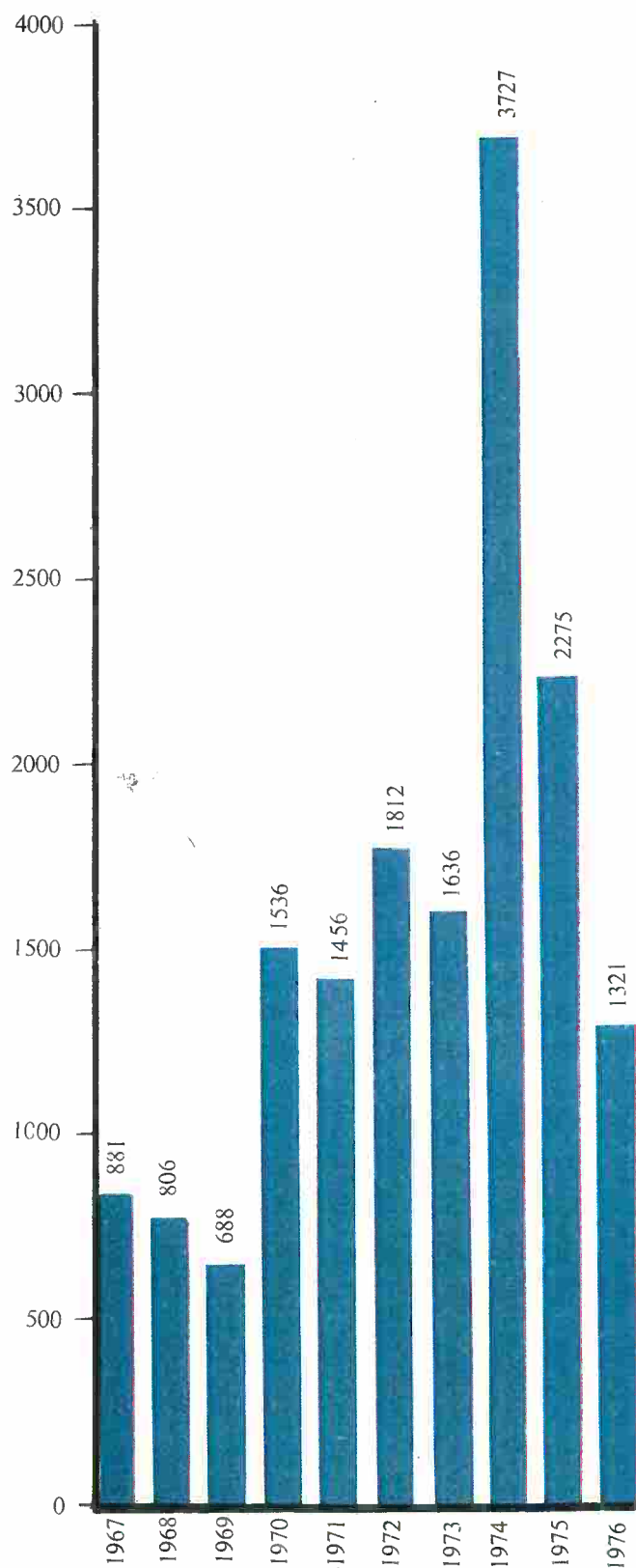
(i) Before interest on Government Loans and Debentures

1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
10.5%	7.1%	5.7%	5.2%	5.8%	12.4%	19.0%	-0.4%	1.2%	17.7%

(ii) After interest on Government Loans and Debentures

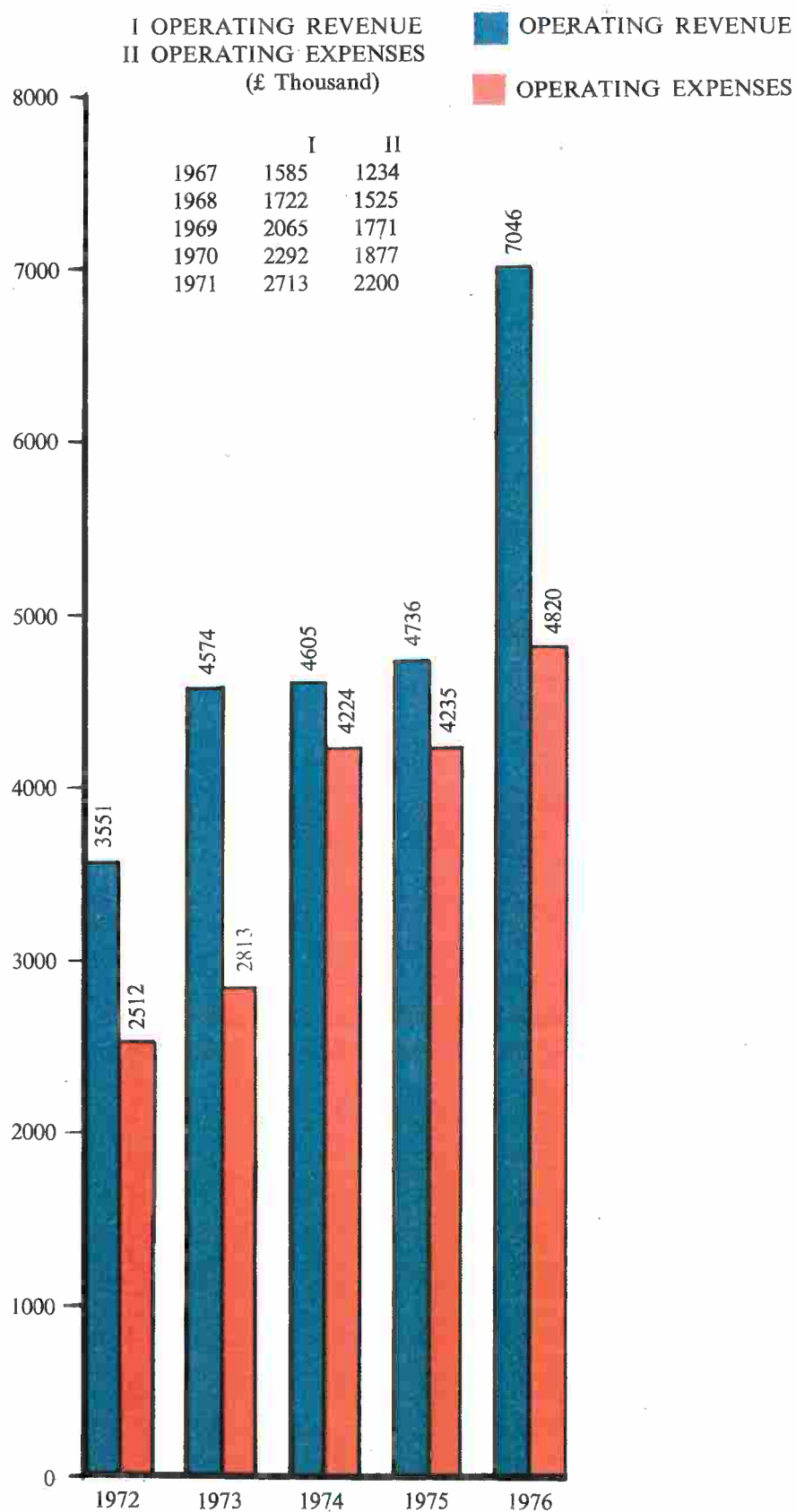
1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
5.3%	5%	3.5%	3.3%	3%	9.7%	16.7%	- 2.6%	- 2%	15%

CYPRUS TELECOMMUNICATIONS AUTHORITY
TABLE SHOWING CAPITAL EXPENDITURE 1967 - 1976
(£ THOUSAND)



CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING OPERATING REVENUE AND EXPENSES 1972-1976

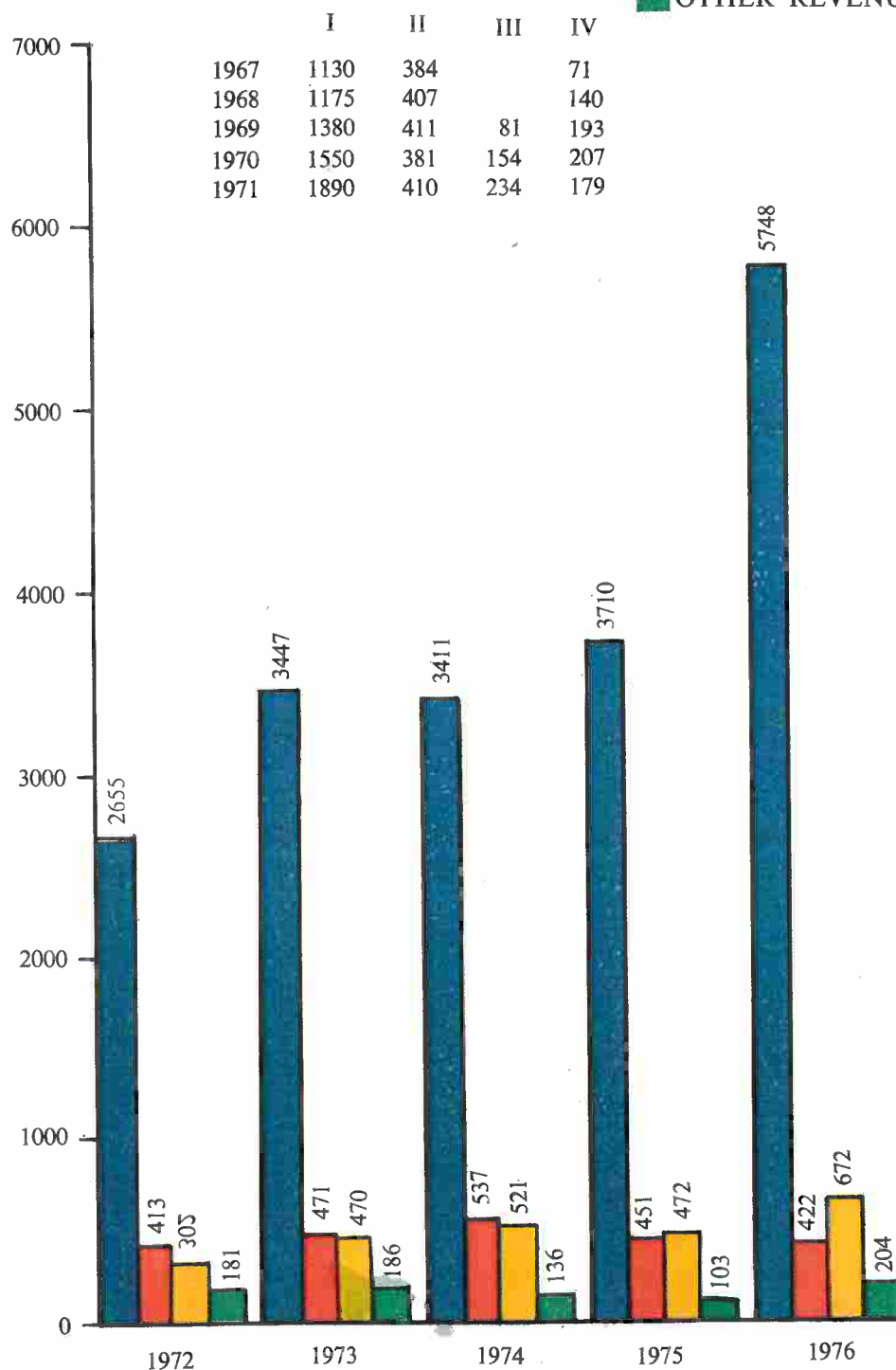


CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING OPERATING REVENUE 1972-1976

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

■ 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, Revenue Account and the Notes thereon of the Cyprus Telecommunications Authority and 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 Notes 2 and 16 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, 1976 and of its surplus for the year ended on that date.

SCOTTIS & POLYDORIDES
Chartered Accountants

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

29th June, 1977.

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET 31st DECEMBER, 1976

	1976	1975
	£	£
ASSETS		
FIXED ASSETS (Notes 1 (a), 2, 3)	11,436,529	11,854,967
INVESTMENTS (Note 4)	424,951	312,614
CURRENT ASSETS (Note 5)	4,214,370	3,954,525
DEFERRED DEBITS (Note 6)	2,763,636	2,048,609
	<u>£18,839,486</u>	<u>£18,170,715</u>
LIABILITIES		
LONG TERM LIABILITIES	5,969,678	5,525,907
GOVERNMENT LOANS (Note 7)	3,185,567	3,213,893
DEBENTURE STOCKS (Secured) (Note 8)	1,250,000	1,250,000
CURRENT LIABILITIES (Note 9)	3,334,088	4,200,421
DEFERRED CREDITS (Note 10)	297,619	559,567
	<u>14,036,952</u>	<u>14,749,788</u>
RESERVED FUND		
CAPITAL RESERVE	64,304	64,304
REVENUE RESERVE (Note 11)	4,738,230	3,356,623
	<u>4,802,534</u>	<u>3,420,927</u>
	<u>£18,839,486</u>	<u>£18,170,715</u>

The Notes on the Accounts form an integral part of these Accounts.

N. S. ROUSSOS

Chairman

A. N. STYLIANIDES

General Manager

CYPRUS TELECOMMUNICATIONS AUTHORITY

REVENUE ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1976

	1976	1975
	£	£
OPERATING REVENUE	7,045,808	4,735,798
Deduct		
OPERATING EXPENSES	4,819,712	4,234,569
NET OPERATING REVENUE (Note 12)	2,226,096	501,229
Add		
INVESTMENT AND OTHER INCOME	35,884	79,415
	2,261,980	580,644
Deduct		
FINANCIAL AND OTHER EXPENSES (Note 13)	810,599	738,164
SPECIAL CONTRIBUTION (Note 14) ..	69,774	—
	880,373	738,164
REVENUE SURPLUS FOR THE YEAR		
(1975 - DEFICIT) CARRIED TO REVENUE		
RESERVE	£1,381,607	(£157,520)

The Notes on the Accounts form an integral part of these Accounts.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 1976

1. ACCOUNTING POLICIES

(a) 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.

(b) Debtors

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

(c) 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.

(d) Repairs and Renewals

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

(e) Excavations

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

(f) 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.

2. 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.

3. FIXED ASSETS

	Cost	Depreciation	Written Down Value	
			1976	1975
	£	£	£	£
Freehold Land and Buildings	1,163,187	182,654	980,533	1,004,991
Leasehold Buildings..	61,648	23,910	37,738	39,593
Exchanges, Telegraph and Line Plant and Apparatus	12,700,007	5,927,920	6,772,087	6,469,203
Radio Stations ..	1,052,370	629,910	422,460	475,334
Sub-marine Cables ..	2,763,602	274,006	2,489,596	2,625,288
Motor Vehicles, Tools and Equipment ..	311,096	274,289	36,807	57,098
Office Furniture and Equipment	183,572	115,544	68,028	57,292
C/F	18,235,482	7,428,233	10,807,249	10,728,799

		Cost	Depreciation	Written Down Value	
		£	£	1976	1975
		£	£	£	£
B/F		18,235,482	7,428,233	10,807,249	10,728,799
Assets under construction	..	553,725	—	553,725	1,082,379
Payments on account of Equipment	..	75,555	—	75,555	43,789
		<u>£18,864,762</u>	<u>£7,428,233</u>	<u>£11,436,529</u>	<u>£11,854,967</u>
1975 —		<u>£17,889,664</u>	<u>£6,034,697</u>	<u>£11,854,967</u>	

The depreciation of fixed assets for the year ended 31st December, 1976 amounted to £1,438,891 (1975—£1,345,234) and is reflected in the Operating Expenses.

The cost of Freehold Land and Buildings includes £66,150 at valuation made in 1961.

Lands of £5,484 book value, were not registered in the name of the Authority as at 31st December, 1976.

4. INVESTMENTS

Trade, unquoted £74,130.— 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 £350,821.— 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.

5. CURRENT ASSETS

		1976	1975
		£	£
Stores (Notes 1 (c), 2)	.. .. .	2,062,341	2,366,548
Debtors and Other Accounts, less provisions			
(Note 1 (b))	.. .. .	1,649,918	1,568,022
Bank balances and cash in hand	.. ..	502,111	19,955
		<u>4,214,370</u>	<u>£3,954,525</u>

6. DEFERRED DEBITS

	1976	1975
	£	£
Interest attributable to subsequent years.. ..	1,007,723	1,247,621
Net exchange differences on conversion of foreign currency balances (Note 1 (f))	138,355	567,854
Staff Superannuation Fund Deficit (Note 15) ..	1,412,581	—
Other expenses and consumable items in stores ..	204,977	233,134
	<u>£2,763,636</u>	<u>£2,048,609</u>

7. GOVERNMENT LOANS

	1976	1975
	£	£
5% Government Loan 1965/76	—	5,373
5 3/4% Government Loan 1969/83	108,047	120,310
5 3/4% Government Loan 1970/84	100,520	110,210
5% Government Loan 1973/87	2,977,000	2,978,000
	<u>£3,185,567</u>	<u>£3,213,893</u>

8. DEBENTURE STOCKS

	1976	1975
	£	£
7 1/2% Guaranteed Debenture Stock 1980/82	600,000	600,000
7 1/2% Guaranteed Debenture Stock 1981/83	650,000	650,000
	<u>£1,250,000</u>	<u>£1,250,000</u>

The 7 1/2% Guaranteed Debenture Stock 1980/82 is repayable at par on 30th November, 1982 or at the option of the Authority at par at any time between 30th November, 1980 and 31st December, 1982.

The 7 1/2% Guaranteed Debenture Stock 1981/83 is repayable at par on 31st March, 1983 or at the option of the Authority at par at any time between 31st March, 1981 and 31st March, 1983.

9. CURRENT LIABILITIES

					1976	1975
					£	£
Creditors and Other Accounts	..	..			2,334,088	2,013,212
Bank overdrafts	..	..	..	..	—	937,209
Bank Loan	..	..	..	..	1,000,000	1,250,000
					<u>£3,334,088</u>	<u>£4,200,421</u>

10. DEFERRED CREDITS

					1976	1975
					£	£
Rentals and installation fees relating to subsequent years	..	..	..	..	142,048	62,571
Deposits for recoverable works	..	..	..		155,571	69,396
Provision for staff superannuation benefits	..				—	427,600
					<u>£297,619</u>	<u>£559,567</u>

11. REVENUE RESERVE

		£
Balance 1st January, 1976—		
Transfer of balance of General Reserve	..	66,000
Revenue Account balance 31st December, 1975		3,290,623
		<u>3,356,623</u>
Add		
Revenue Surplus for the year from Revenue Account		1,381,607
		<u>£4,738,230</u>

12. NET OPERATING REVENUE

					1976	1975
					£	£
Operating Revenue—						
Telephone services	..	..	..	..	5,748,147	3,709,943
Telegraph services	..	..	..	..	421,935	451,217
Telex services	..	..	..	..	671,790	472,079
Other services	..	..	..	..	203,936	102,559
				C/F	<u>7,045,808</u>	<u>4,735,798</u>

						1976 £	1975 £
					B/F	7,045,808	4,735,798
Deduct							
Operating Expenses—							
System operational							
Telephone services	..	..	..	..		3,187,676	2,835,144
Telegraph services	..	..	..	..		433,234	370,655
Telex services	..	..	..	..		271,234	263,886
Other services	..	..	..	..		142,167	64,166
						4,034,311	3,533,851
Establishment..	..	..	..	..		154,692	140,494
Administrative	..	..	..	..		630,709	560,224
						4,819,712	4,234,569
						£2,226,096	£501,229

The staff costs for the year amounted to £2,956,766 (1975—£2,696,782) of which £248,015 (1975—£246,168) have been charged to capital expenditure and £23,908 (1975—£16,237) to recoverable works. The balance of £2,684,843 (1975—£2,434,377) is reflected in the Operating Expenses. Staff costs include £63,786 in respect of staff benefits for the years 1974 and 1975.

13. FINANCIAL AND OTHER EXPENSES

		1976 £	1975 £
Interest on Government Loans and Debenture			
Stocks	.. .. .	255,725	249,052
Interest on Suppliers' credit	.. .. .	290,921	291,879
Bank and Other Interest	.. .. .	170,051	163,820
Authority's Members Emoluments and Expenses		2,862	2,930
Staff Superannuation Fund Deficiency (Note 15)..		44,143	—
Other	.. .. .	46,897	30,483
		£810,599	£738,164

14. SPECIAL CONTRIBUTION

Under special legislation enacted after the Turkish invasion of Cyprus, corporate bodies are liable to make quarterly contributions to the Government's Special Fund for the Relief of Displaced Persons, computed by reference to the profit made in the respective quarter.

15. STAFF SUPERANNUATION BENEFITS

The Authority's liability towards the two Schemes providing benefits to the monthly paid staff has, during the year under review, been finally determined in the amount of £1,800,666 of which £1,666,756 is in respect of the Superannuation Fund and £133,910 in respect of the Provident Fund. The Superannuation Fund liability will be paid in 33 years by equal annual installments at 5% per annum interest, whilst that of the Provident Fund in 5 years at a rate of interest equal to that earned by the Fund in the respective year of payment.

In establishing the aforesaid liabilities a net deficiency of £1,456,724 has been disclosed due to the improved benefits agreed with the Trade Unions during 1976. This deficiency will be charged against revenues over the period of 33 years commencing as from the year under review.

In accordance with the regulations of the Superannuation Fund the Authority is under obligation to make good any future deficiencies of the Fund.

16. 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 has not yet been determined.

17. CONTRACTUAL COMMITMENTS

Contractual commitments in respect of capital expenditure as at 31st December, 1976, not provided for in these Accounts, amounted to approximately £1,519,000 (1975—£438,200) of which £1,379,000 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, 1976.

18. CONTINGENT LIABILITIES

Contingent liabilities in respect of claims against the Authority amounted to approximately £1,000 at 31st December, 1976 (1975—£68,700). No provisions have been made in these Accounts in respect thereof.

CYPRUS TELECOMMUNICATIONS AUTHORITY

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1976	1975
	£	£
SOURCE OF FUNDS		
Revenue surplus (deficit)	1,381,607	(157,520)
Depreciation	1,438,891	1,345,234
Funds generated from operations	2,820,498	1,187,714
Borrowing from Banks	—	1,184,311
Creditors	764,647	996,425
Stores	304,207	(389,675)
Funds from other sources	1,068,854	1,791,061
	<u>£3,889,352</u>	<u>£2,978,775</u>
APPLICATION OF FUNDS		
Additions to Fixed Assets	1,321,055	2,275,453
Less : Installation fees recovered	163,896	143,812
	1,157,159	2,131,641
Less : Residual value of Fixed Assets disposed	136,706	48,767
	1,020,453	2,082,874
Repayments towards—Borrowings from Banks	1,187,209	—
— Government Loans	28,326	26,876
Increase of Bank balances and cash in hand ..	482,156	4,191
Investments	112,337	95,185
Debtors	81,896	339,411
Deferred debits	715,027	399,880
Deferred credits	261,948	30,358
	<u>£3,889,352</u>	<u>£2,978,775</u>

