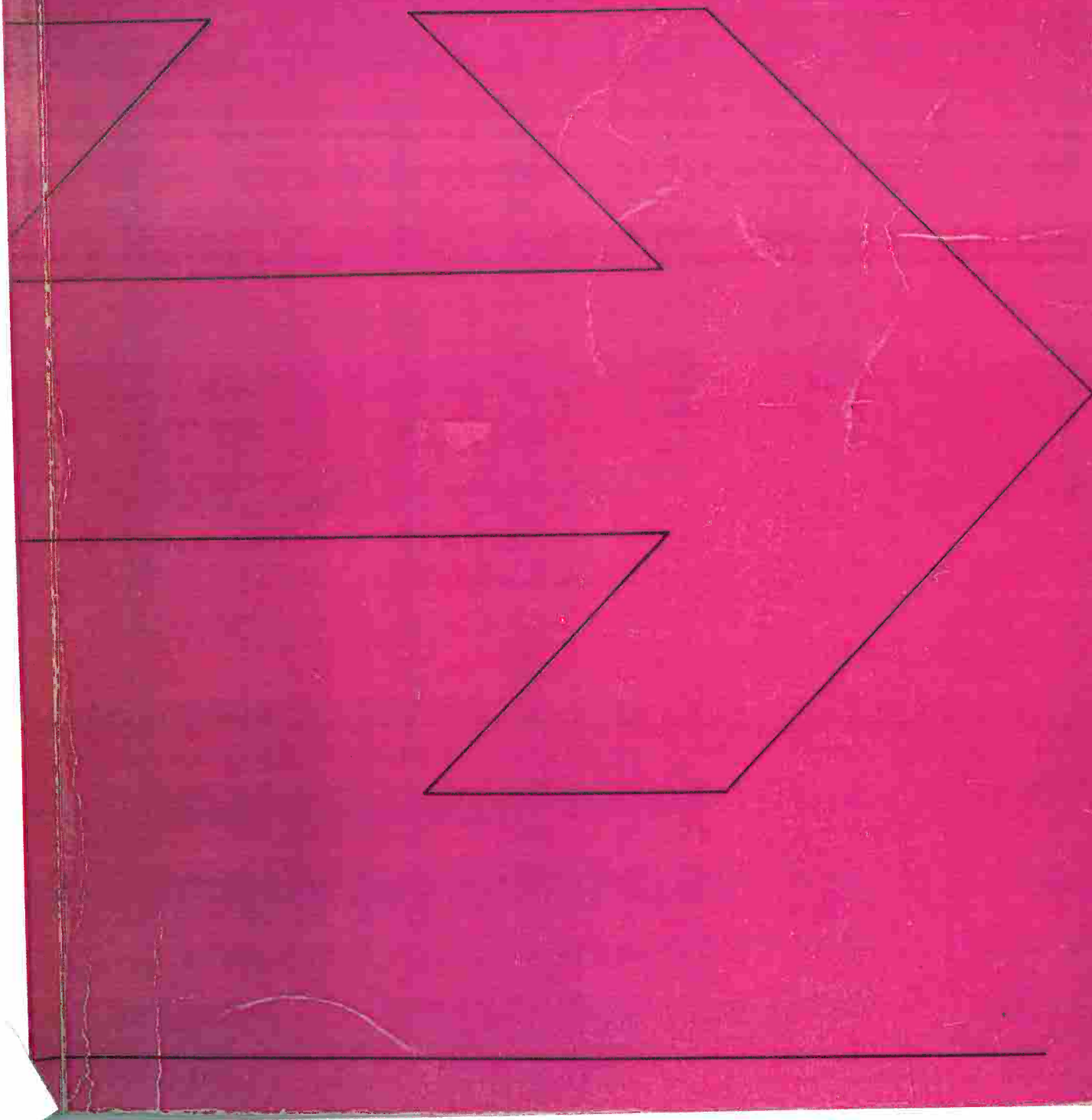


Cyprus Telecommunications Authority

22nd Annual Report 1977



**CYPRUS TELECOMMUNICATIONS AUTHORITY**

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**TWENTYSECOND ANNUAL REPORT  
AND ACCOUNTS**

**FOR THE YEAR ENDED**

**31st December, 1977.**

**[PRICE 50 mls]**

## CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office,  
121 Prodromos Str.  
Nicosia 116  
Post Office Box 4929  
Telex 2288, 3288  
Telegrams CYTA Nicosia  
Telephone 021-60200

25th July, 1978.

Your Excellency,

In compliance with section 22 of the Telecommunications Service Law 1954 (Cap. 302), I have the honour and pleasure to submit, on behalf of the Board, the 22nd Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December, 1977, together with a copy of the Auditor's Report.

The year 1977, besides the very grievous fact that about 25% of the Authority's plant continued to be under the control of Turkish invaders, was a record year both in making use of the Authority's Services in general and the revenue resulting therefrom. A share of the impetus which led to these good results is due to the fact that all important services, disrupted because of the Turkish invasion, were restored to normal and to the progress made during the year as well; and on this point, I may add, that all these activities helped to bring Cyprus a step nearer to the pursued target of being included in the small number of the really developed telecommunications-wise countries of the World.

Though all the achievements of the year under review are mentioned in the Report, attached herewith, yet I would like to refer here to two important achievements:-

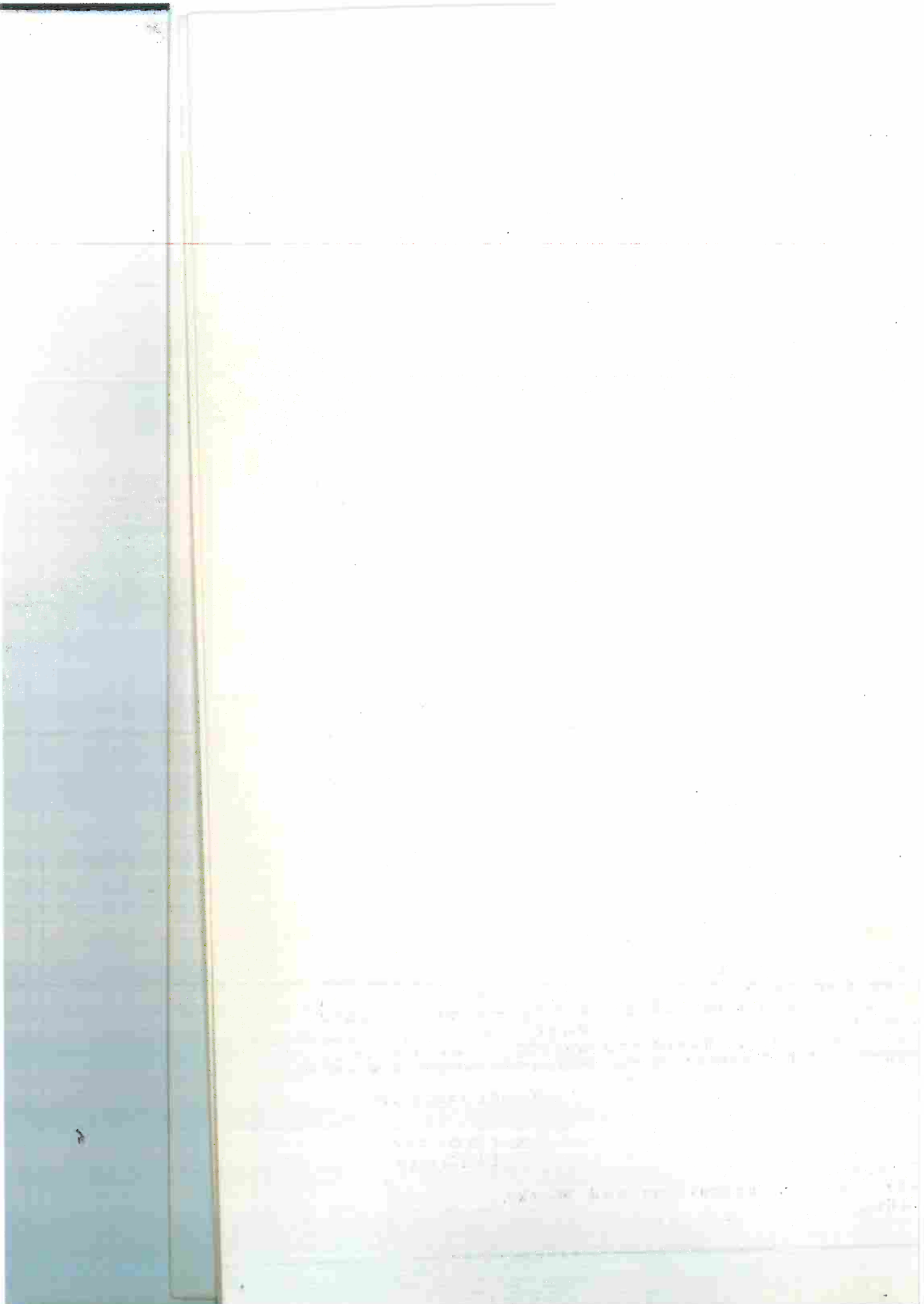
- (i) A net surplus of C£2,240,006.- resulted from the year's operations (against C£1,381,607 in 1976) which shall be used for development, as stated in the Report.
- (ii) Cyprus, a small island, is connected by I.S.D. (Automatic Telephony) with 54 countries (against 39 in 1976) thus coming fourth on the list of the countries connected with others by I.S.D., following United Kingdom (with 73), Australia (with 62) and Switzerland (with 56).

Before ending I would like to emphasize that the Board and myself feel very happy because of the excellent relations between the Authority and its staff during the year and of the fact that the General Staff Regulations, which have been a subject of discussions since 1972, were agreed upon, signed and circulated to all employees in a Booklet Form. I would, also, like on behalf of the Board and myself, to pay tribute to the efficiency and dedication of the Executive and the Staff.

Yours faithfully,

N. S. ROUSSOS,  
Chairman

His Excellency,  
The Minister of Communications and Works,  
Mr. M. Eliades,  
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 Untill 30.6.77  
: V. Demetriou B.Sc. (Eng.) as from 1.7.77

Members : V. Demetriou B.Sc. (Eng.) until 30.6.77

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.

Pr. Papavassiliou As from 1.7.77



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 Engineer	Personnel Officer.	Chief Accountant	Telecommunications Officer
S. A. Kokkinides, ACIS, AMBIM, Soc. Science & Admin. Cert. L.S.E. (University of London)	G. C. Papaioannou, B.Sc. (Eng.) C. Eng. F.I.E.E.	N. Markides.	S. Modestou, F.A.I.A. (Assist. Chief Accountant)	A. Ch. Kritiotis, (Section Head) Physics and Electronics degree, Athens University.

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

Telephone : 77111

Telex : 2288, 3288

## Branches :

NICOSIA	— Egypt Avenue	Tel.	021-60333
LIMASSOL	— 4, Marcos Botsaris Street	Tel.	051-62500
FAMAGUSTA	— Edison 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

1. The Cyprus Telecommunications Authority is a Public Corporation established by Law, whose main responsibility is the provision, maintenance and development of a comprehensive telecommunications service, both local and overseas.

2. The Authority is answerable to the Council of Ministers, through the Minister of Communications and Works, whose powers over its activities are regulated by the Amended Service Law 25 of 1963, Section 3.

3. The Board of the Authority had, during the year, sixteen meetings, and decisions were taken for the general modernization and expansion of the services provided in order to cope with an ever increasing demand.

Quoted hereunder are some of the achievements of the Authority resulting from the implementation of the policy decided upon :-

- (i) All important services, disrupted as a result of the Turkish invasion, were restored to normal.
- (ii) (a) Over six thousand new direct telephone lines were added, thus bringing the total number of direct telephone lines installed to 56,639.
- (b) The capacity of the telephone exchanges was increased by over eight thousand lines.
- (c) Fifty four countries – an increase of 15 countries over 1976 – with 357 million telephones (i.e. 90% of the World's telephones) can now be reached from Cyprus automatically (ISD).
- (d) Traffic increased by 24% for the outgoing telephony and 28% for the incoming.
- (iii) The capacity of the computerized telex exchange was, during the year, increased by 512 new lines i.e. an increase of 50%; thus the total capacity of the Telex Exchange reached 1536 lines. The service was provided with the most modern telex units and two hundred and fifty additional units were installed during 1977 bringing the total number of units installed to 1038.
- (iv) The Automatic Message Switching Centre, damaged during the Turkish invasion, was repaired and put into operation.
- (v) New equipment was installed and orders placed for the expansion and improvement of all telecommunication services provided, both local and overseas and plans were finalized for a new Repeater Station at mount Kionia for 1978.

(vi) Plans were finalized also for :-

- (a) The establishment of a Satellite Earth Station; it is envisaged that tenders for the construction of this project will be invited before June 1978.
- (b) The erection of new Head Offices in Nicosia to house all Management and Administrative Services, which are now scattered in various congested and unsuitable premises.

4. The relations between the Authority and its staff were excellent and the General Staff Regulations, which have been a subject of discussions with the Unions since 1972, were agreed upon, signed and circulated to all employees in a Booklet Form.

5. The Authority paid tribute to late Archbishop Makarios III, Ethnarch and President of the Republic of Cyprus who passed away on August 3rd 1977, by deciding *inter alia* :-

- (i) to contribute generously to an island wide Makarios III Fund.
- (ii) to name the Satellite Earth Station after Makarios III.
- (iii) to erect Makarios statue in the yard of the Earth Station.
- (iv) to build a small church in the same yard in Makarios III memory.

6. 1977 was a record year both in the utilization of the Authority's services and the revenue therefrom. A net surplus of C£ 2,240,006 resulted from the year's operations, against 1,381,607 of 1976. This is an indication of the island's determination to survive, and overcome the adverse effects due to the Turkish invasion and the continued occupation of the 40% of its territory.

7. In spite of the fact that 25% of the Authority's plant continues to be controlled by the Turkish invaders, the Authority is nearing, by long strides, its target of being among the small number of the really developed telecommunicationswise countries of the World. A vivid example is, among many others, the fact that the small island of Cyprus is connected by I.S.D. (automatically) with 54 countries, being in this respect, fourth on the list of the countries connected by I.S.D. with other countries and following United Kingdom (with 73), Australia (with 62) and Switzerland (with 56).

## 2. TECHNICAL SERVICES

### A. GENERAL

During the year under review, all important services which were disrupted as a result of the Turkish invasion, were restored to normal operation by employing existing and new equipment, purchased for this particular purpose.

Studies were also carried out and plans prepared for the implementation of major projects in order to further improve and diversify, where necessary, our telecommunications network.

### B. PLANNING AND DEVELOPMENT

During the year under review a number of studies were carried out, plans and specifications were prepared, tenders were invited and equipment was placed on order to provide additional telecommunication facilities and to improve existing services.

The main projects for the national, international, maritime mobile and Civil Aviation telecommunication services, which were planned in 1977, are detailed below :

#### I. National Communications Network

##### (a) *Equipment on order*

##### (i) *Nicosia-Klirou 24-channel U.H.F. Link*

The equipment was received in the last quarter of 1977 and installation will take place in 1978.

##### (ii) *Nicosia-Peristerona 12-channel Open-Wire Carrier System*

Activation of this system prior to March 1978 is not envisaged due to late delivery of the equipment.

##### (iii) *Limassol-Platres 300-channel S.H.F. Radio Link*

The equipment is scheduled for delivery and installation in 1978.

##### (iv) *Nicosia-Mount Olympus 120-channel U.H.F. Link.*

The equipment was received in the last quarter of 1977 and will be installed early in 1978.



(v) *Telex Units*

250 units were received in the last quarter of 1977 and the remaining 150 units are due for delivery early in 1978.

(vi) *Multiplex Equipment*

Equipment to increase the number of channels between zone centres is scheduled for delivery in 1978.

(b) *Tenders for new Equipment*

International tenders were invited for the supply of the following equipment :-

(i) *12-channel Open-Wire Carrier Systems*

The above equipment will be utilized to replace the existing valve-operated systems and to establish new links between Rural and Main Exchanges.

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

The equipment will be used to :-

1. Increase the number of V.F.T. channels between zone centres.
2. Provide V.F.T. channels to rural areas.

(c) *Specifications for New Equipment*

Specifications have been prepared and international tenders will be invited, early next year, for the supply of the following equipment :-

(i) *Paphos-Kili 300-channel S.H.F. Link*

This equipment will replace the old valve-operated U.H.F. Link.

(ii) *Chakistra-Mount Olympus 24-channel U.H.F. Link.*

The radio and multiplex equipment will be used to establish communication with Chakistra and neighbouring areas.

(iii) *12-channel U.H.F. Mobile Radio Link*

The above link will be used on a standby basis, in cases of emergency.

(d) *New Repeater Station at Mount Kionia*

It is expected that the new Repeater Station will be operational at the end of 1979.

Tenders will be invited and an order will be placed for radio, multiplex and associated equipment for the Nicosia-Kionia and Kionia-Larnaca links, early next year.

## **II. International Communications Network**

### **(a) *Earth Station for Satellite Communications***

During 1977 the project for the establishment of a Satellite Earth Station in Cyprus was re-activated. The initial phases of the project involved feasibility studies to determine the viability of a Satellite Earth Station for Cyprus. Preliminary studies were carried out by the staff of the Authority and a more comprehensive study was later carried out by the I.T.U. on behalf of the Government of Cyprus, which confirmed the results of the preliminary studies. A firm decision to proceed with the establishment of a "Standard A" Satellite Earth Station was reached during 1977, based on the results of the above studies.

Towards the end of 1977, Consultants were appointed by the Authority for the Earth Station project. It is envisaged that in March/April 1978 international tenders will be invited for the construction of the project.

The Board of the Authority has decided to name the Earth Satellite Station "The Makarios III Satellite Earth Station" in memory of the late Ethnarch and President of the Republic, Archbishop Makarios III.

### **(b) *Additional U.H.F. Link with Israel***

Activation of this link prior to April 1978 is not envisaged, as the installation of the terminal equipment in Israel has not been completed yet.

## **III. Maritime Mobile Services**

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

One 10 kW and three 5 kW H.F. transmitters were placed on order and are due for delivery and installation in 1978.

Specifications have been prepared and international tenders will be invited, early next year, for the supply of eight H.F. radio-receivers and V.H.F./F.M. transmitting and receiving equipment.

## **IV. Civil Aviation Telecommunications Services**

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

The V.H.F. Direction Finder Equipment for Larnaca International Airport was received in November, and installation will take place early next year.

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

The V.H.F./U.H.F. Ground-to Air equipment for Madhari, Mount Olympus, and Larnaca International Airport is scheduled for delivery and installation in 1978.

(c) *Air Traffic Control Consoles for the Nicosia A.T.C.C.*

The equipment was placed on order in 1977 and is scheduled for delivery in 1978.

(d) *Communications Recorder/Non-Directional M.F. Beacon Transmitter*

Specifications have been prepared and international tenders will be invited in 1978 for the supply of the above equipment.

**V. Local Telephone Exchanges**

(a) *Zone Main and Satellite Exchanges*

During 1977 various projects were planned and in most cases equipment was placed on order to meet the need for the provision of additional facilities in the exchanges, improvement of the grade of service, the maintenance and operating facilities.

Plans were also prepared for the maximum utilization of the equipment already installed in the exchanges or available in the stores.

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

Exchange	Existing lines in 1977	Under Installation	Additional Lines on order or in stock	Planned Total No. of lines in 1978.	Remarks
Nicosia	39,000	9,000	4,500	52,500	Note 1
Famagusta	9,000	—	—	9,000	
Larnaca	5,900	—	3,000	8,900	Note 1
Limassol	10,000	5,000	7,200	22,200	Notes 1 and 2
Paphos	4,000	—	—	4,000	
Morphou	1,400	—	—	1,400	Note 2
Kyrenia	1,400	—	—	1,400	Note 2

Notes 1. The 2400 lines of Larnaca SxS Exchange and part of Limassol SxS Exchange have been allocated for the Nicosia Satellite Exchanges.

2. The 3200 lines for Morphou and Kyrenia have been allocated for the Limassol Crossbar Exchange.

(b) *Rural Exchanges*

Plans were prepared for the increase of most rural exchanges. An order was placed for a 600 line Crossbar, Rural type Exchange, for Dhali and it is anticipated that orders will be placed for two new 600 line Rural Crossbar Exchanges with ancillary equipment for the replacement of Dheftera and Kakopetria existing SxS exchanges, in 1978. The recovered equipment will be redeployed at other dependent exchanges.

Orders were also placed for the increase of the junction equipment between dependent and zone exchanges.

The following table shows the planned increase of the rural exchanges including mobile exchanges.

Zone	No. of Ruraxes	Existing lines in 1977	Under Installation	Additional lines on order or in stock	Planned Total No. of lines in 1978.
Nicosia	6	900	—	1300	2200
Famagusta	5	500	—	—	500
Larnaca	5	540	600	50	1190
Limassol	6	1400	—	650	2050
Paphos	3	200	—	50	250
Morphou	3	400	—	—	400
Kyrenia	2	350	—	1200	1550
Total	30	4290	600	3250	8140

**VI. International Telephone Exchange**

Orders were placed for the increase of I/C and O/G Trunks.

**VII. International Telex Exchange**

Plans were prepared for the increase of the telex exchange by 512 subscribers, bringing the total to 2048 lines.

**VIII. Subscribers Telephone Apparatus**

Orders were placed for telephone instruments, PMBX's, PABX's and private meters to meet the demand for these services.

A specification was also prepared for the supply of fancy telephone instruments.

All equipment intalled by third parties was tested and evaluated prior to its approval for connection on the Authority's telephone network.



## **IX. Line Plant Development**

### **(a) Urban Development**

- (i) Plans and estimates were prepared for further expansion of the underground and overhead network in the towns of Nicosia, Limassol and Larnaca.

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

- (i) Plans and estimates were prepared for the reconnection of communal call offices, at the following villages :-

Axylou, Terra, Magounda, Androlikou, Kithasi, Plataniskia, Ayios Thomas, Moutayiaka and Armenokhori.

- (ii) Plans and Estimates were prepared for the installation of communal call offices at the following villages :-

Milikouri, Kissousa, Klonari, Cherkez, Kambos, Chakistra, Ay. Theodoros, Ayios Georgios (Kafkalou), Margi, Kivisil, Ayios Georgios, Phasoula, Lapithiou, Pelathousa and Koloni.

## **X. Government Communities and Industrial Estates**

Plans and Estimates were prepared for the provision of telephone service to the following :-

### **(a) Government Communities**

#### **(i) Nicosia**

Ayios Georgios, Plati, Ayios Mamas, Ayia Varvara and Ayios Nikolaos.

#### **(ii) Limassol**

Linopetra.

#### **(iii) Larnaca**

Ayii Anargiri.

### **(b) Industrial Estates**

#### **(i) Nicosia**

Extension of Strovolos Industrial Estate.

#### **(ii) Limassol**

Extension of Limassol Industrial Estate (Limassol-Paphos Road).

New Ayios Athanasios Industrial Estate.

- (iii) *Famagusta*  
Phrenaros Industrial Estate.

## **XI. Power Plant**

(a) *Power Factor Correction Equipment*

Specifications were prepared, tenders were invited and an order was eventually placed for the provision of the necessary equipment to effect improvement of the power factor of power plants of the Authority throughout Cyprus.

(b) *A.C. Generators/Battery Floating Systems/Isolating Transformers.*

Specifications for the above equipment were under way and tenders are expected to be invited early in 1978.

## **C. CONSTRUCTION**

As per the established practice, 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 was contracted to outside firms. All other works were, however, carried out by the Authority's construction services.

The various projects which were executed during 1977 are detailed below :-

### **I. Telephone Exchanges.**

(a) *International Telephone Exchange*

Equipment was installed during 1977 for the increase of the incoming and outgoing trunks by at least 22%.

### **II. Local Exchanges.**

(a) *Nicosia Exchanges.*

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

Work for the installation of additional 8,000 lines - thus bringing the total number of lines of this exchange to 31,000 - was nearing completion at the end of 1977.

(ii) *Acropolis Satellite Exchange (Step-by-Step)*

Work for the expansion of this exchange by 1,000 lines - i.e. from 5,000 lines to 6,000 lines - started late in 1977.

(b) *Limassol Exchange (Crossbar)*

Work started in 1977 for the installation of additional 5,000 lines, thus bringing the total number of lines of this exchange to 15,000.



(c) *Larnaca Exchange (Crossbar)*

The capacity of this exchange was increased from 3,500 lines to 5,900 lines in 1977.

(d) *Paphos Exchange (Crossbar)*

The installation of equipment to increase the capacity of this exchange from 1,400 lines to 4,000 lines was completed in 1977.

(e) *Rural Exchanges*

(i) *Dhali Exchange*

The installation of equipment to increase the capacity of this exchange from 100 to 200 lines was completed in 1977.

(ii) *Paralimni Mobile Exchange*

Installation work for a new Mobile Exchange of 600 lines capacity started in 1977.

(f) *Subscribers Private Exchanges*

During 1977, 46 Private Automatic Branch Exchanges (P.A.B.X's) were installed at various places all over the island. In particular, a 20+100 P.A.B.X. with trunk discrimination equipment was installed at the Ministry of Commerce and Industry, Nicosia.

The capacity in lines of the various main, rural and private exchanges for 1976 and 1977 is shown in the following table :-

Type	1976		1977	
	No.	Capacity	No.	Capacity
Zone Main Automatic Telephone Exchanges .. ..	7	64,600	7	69,600
Zone Satellite Exchanges .. ..	2	10,000	2	10,000
Rural Exchanges .. ..	29	4,130	29	4,230
Mobile Exchanges .. ..	1	100	1	100
	39	78,830	39	83,930
Private Automatic Branch Exchanges .. ..	211	11,267	257	12,621
Private Manual Branch Exchanges .. ..	1,517	20,532	1,702	22,188

### III. Telex Exchange

- (a) The capacity of the Telex Exchange was increased by 512 lines, (i.e. by 50%) bringing the total number of lines to 1,536.

- (b) A no-break power supply system (uninterruptible power supply) complete with batteries for the Telex Exchange was also installed in 1977.

#### IV. Radio and Multiplex Equipment

- (a) A new 120 channel U.H.F. link was set up linking Nicosia and Paralimni.
- (b) Voice Frequency Telegraph Terminals were installed,
- (i) at Nicosia and Limassol to provide 67 additional telex channels for the inland and overseas telex service i.e. an increase of 35%.
  - (ii) Nicosia and Larnaca an increase of 30% and
  - (iii) Nicosia and Paphos an increase of 30%.
- (c) The radio and multiplex equipment of the 24-channel U.H.F. standby link with Lebanon was given to service in 1977.
- (d) The U.H.F. radio and music channel translating equipment, for the provision of a music channel of 10 kHz bandwidth between Somera Station at Cape Greco and Monte Carlo, France, was given to service in 1977.

#### V. Line Plant

The results of the construction for the provision of underground and overhead lines as well as manholes and ducts for the year 1977 are shown in the following tables :-

Table 1

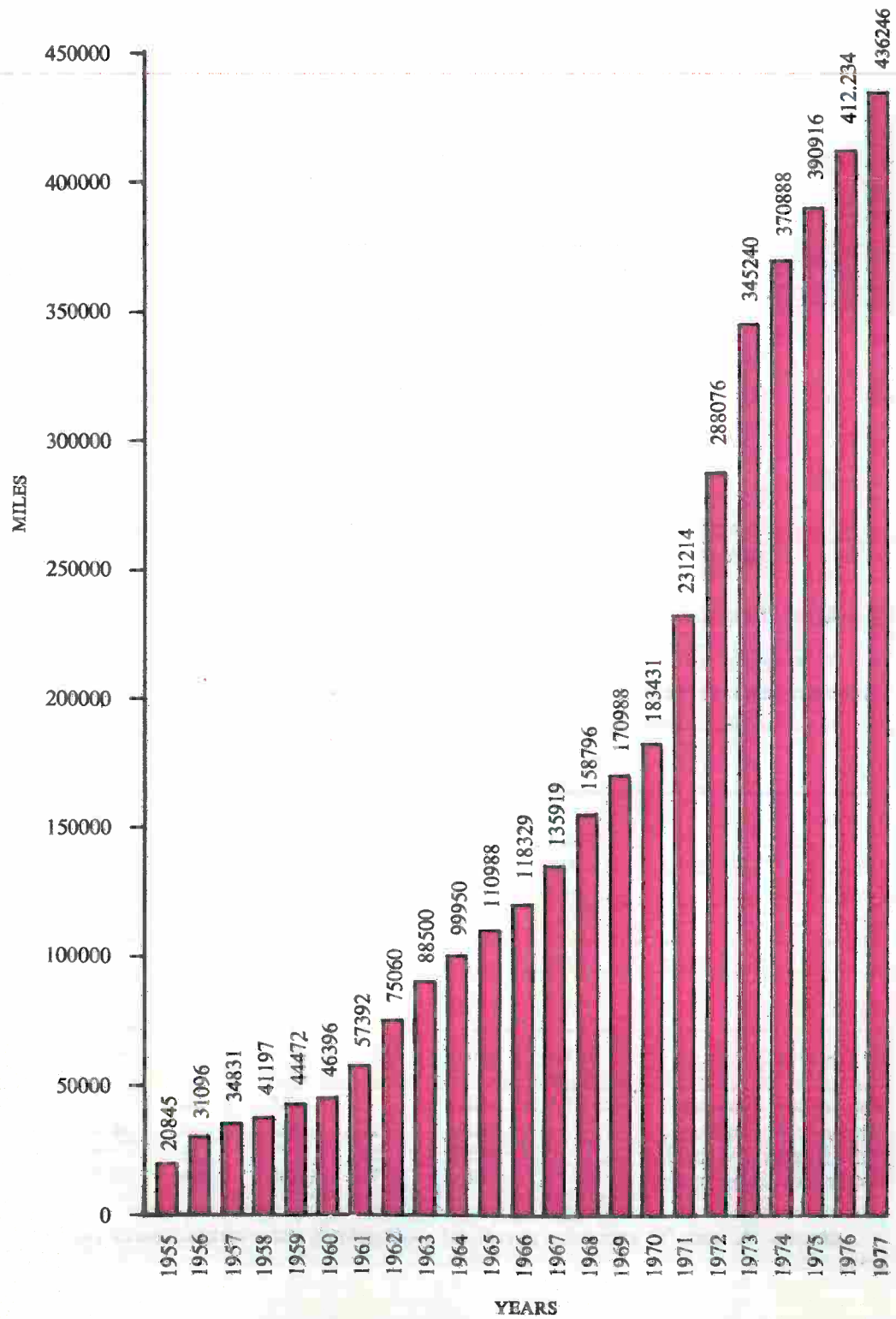
Item	Unit	1974	1975	1976	1977
Manholes Constructed .. ..	No.	124	65	48	189
Duct Lines laid .. ..	Miles	76.53	28.15	17.81	58.80
Cables laid/drawn .. ..	Miles	85.21	67.48	72.31	73.40
Above cables in single wire ..	Miles	25,648	20,027	21,329	24,012

Table 2

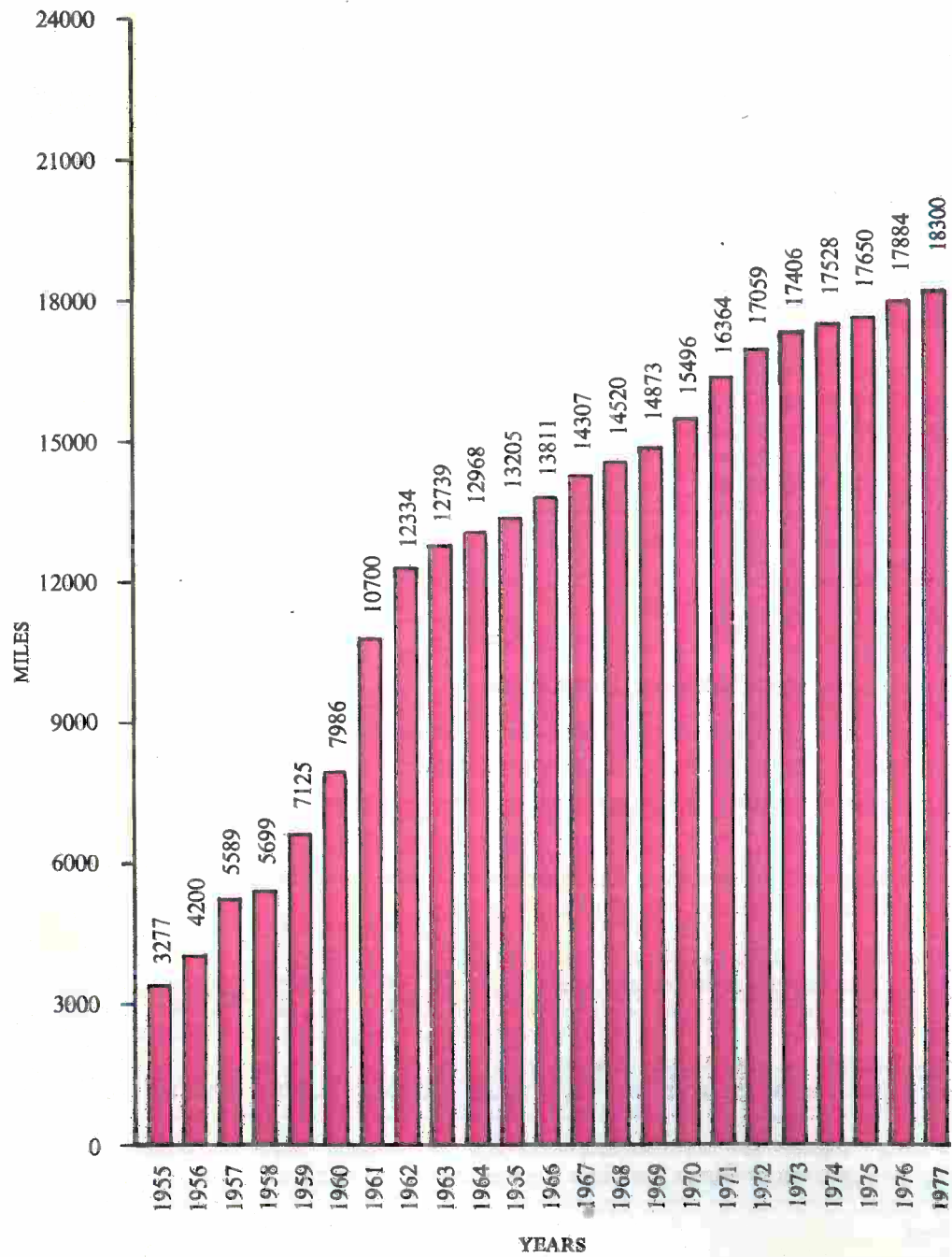
Item	Unit	1974	1975	1976	1977
Pole routes installed .. ..	Miles	5	13	16	59
Single Wire installed .. ..	Miles	122	122	234	416
Pole Routes Overhauled .. ..	Miles	68	77	136	59
Single Wire Overhauled .. ..	Miles	796	1,848	3,886	940

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

GRAPH "A"  
UNDERGROUND CABLES SINGLE WIRE LAID



GRAPH "B"  
OVERHEAD SINGLE WIRE MILEAGE INSTALLED



## VI. Communal Installations

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

Village	Zone	Exchange
Lazania	Nicosia	Klirou
Phikardou	Nicosia	Klirou
Sanidha	Limassol	Moni
Souni-Zanaja	Limassol	Paramali
Ayia Anna	Larnaca	Dhali
Milia	Paphos	Stroumbi
Ayia Marinoudha	Paphos	Paphos

The following ten communal call offices were reconnected :-

Village	Zone	Exchange
Mammari	Nicosia	Nicosia
Avgorou	Famagusta	Richmond
Evdhimou	Limassol	Paramali
Alekhtora	Limassol	Paramali
Mosphiloti	Larnaca	Dhali
Kellia	Larnaca	Larnaca
Ay. Nikolaos	Paphos	Platres
Stavrokono	Paphos	Timi
Ay. Ioannis	Paphos	Platres

In addition, two public call offices were installed at Refugee Camps as follows :-

Voroklini	Larnaca
Akhna Forest Camp	Famagusta

## VII. 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	1977	1978
Applications in hand as at 1st January	7,475	4,364	2,004	2,571	427
New Applications received during the year	5,745	5,005	8,254	8,821	1176
Applications for new Direct Exchange Lines released during the year	5,138	5,189	6,379	6,333	7121
Applications cancelled during the year	1,089	2,176	1,308	788	827
Applicants on the Waiting List as at the end of the year	6,993	2,004	2,571	4,271	

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

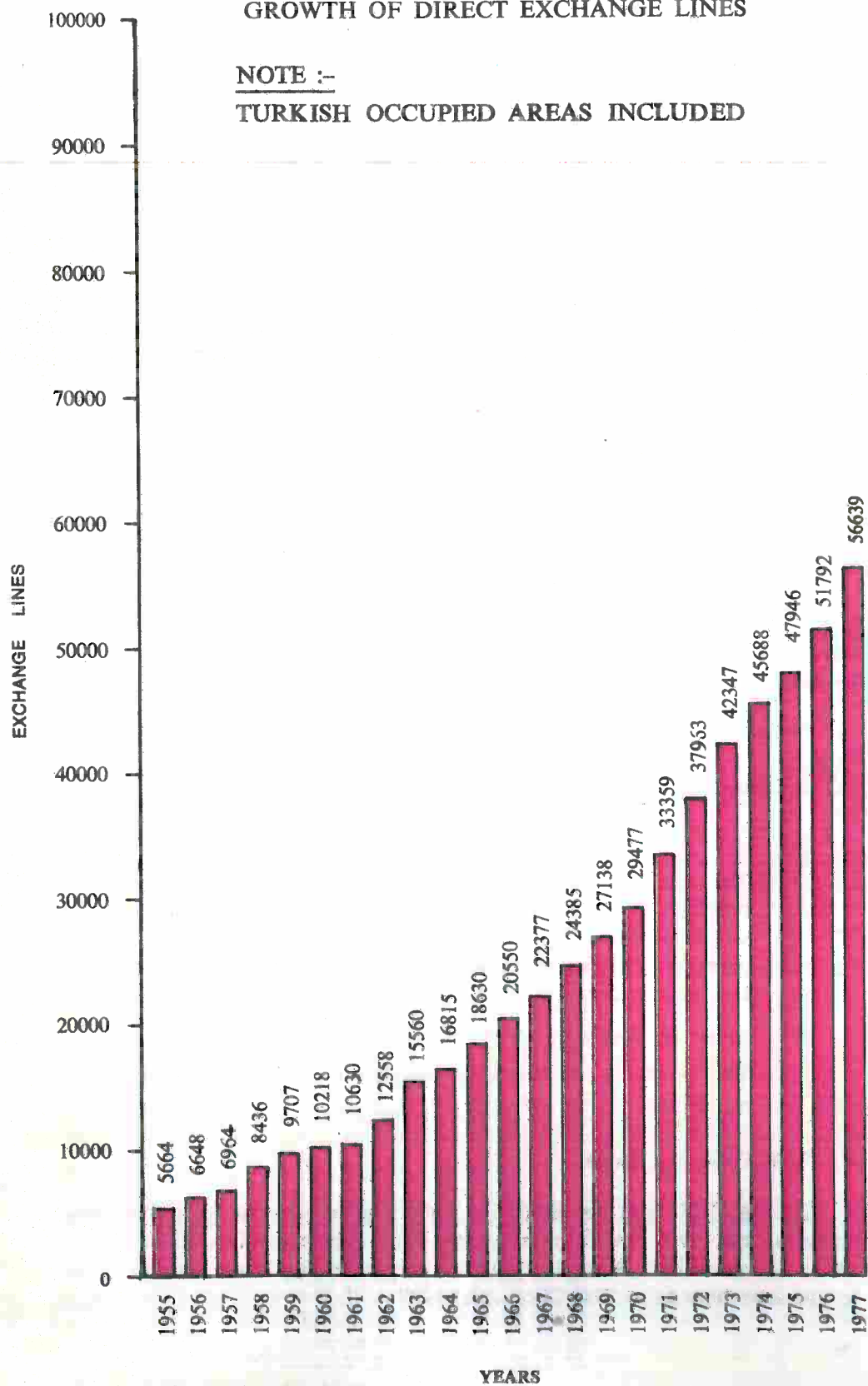
1000 lines 8036  
 1000 lines 1258  
 1000 lines 894  
 1000 lines 5480



GRAPH "C"  
GROWTH OF DIRECT EXCHANGE LINES

NOTE :-

TURKISH OCCUPIED AREAS INCLUDED



\* WITHDRAWALS ARE DEDUCTED



During 1977 the following Works Orders were executed at various zones for the telephone installations and associated works :-

	1974	1975	1976	1977
Nicosia (Including Kyrenia and Morphou) .. .. .	8,992	9,964	7,547	8,138
Limassol (Including Paphos and Platres) .. .. .	2,993	4,211	4,420	4,547
Famagusta .. .. .	1,308	—	—	—
Larnaca .. .. .	925	1,741	1,981	1,626
<b>Total .. .. .</b>	<b>14,218</b>	<b>15,916</b>	<b>13,948</b>	<b>14,311</b>

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 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.

#### VIII. Subscribers Telex Installations

By the end of 1977, 1038 subscribers were connected on the Telex Exchange (seventy-five in the Turkish occupied area) and only three applicants were on the Waiting List.

Graph 'D' shows the growth in telex subscribers.

#### IX Buildings.

##### (a) *New Headquarters Building :*

The Authority decided in principle to erect new headquarters buildings in order to house all Management and Administrative services which are now scattered in various congested and unsuitable premises and thus terminate this costly and inefficient situation. It is expected that work to this effect will commence in 1978.

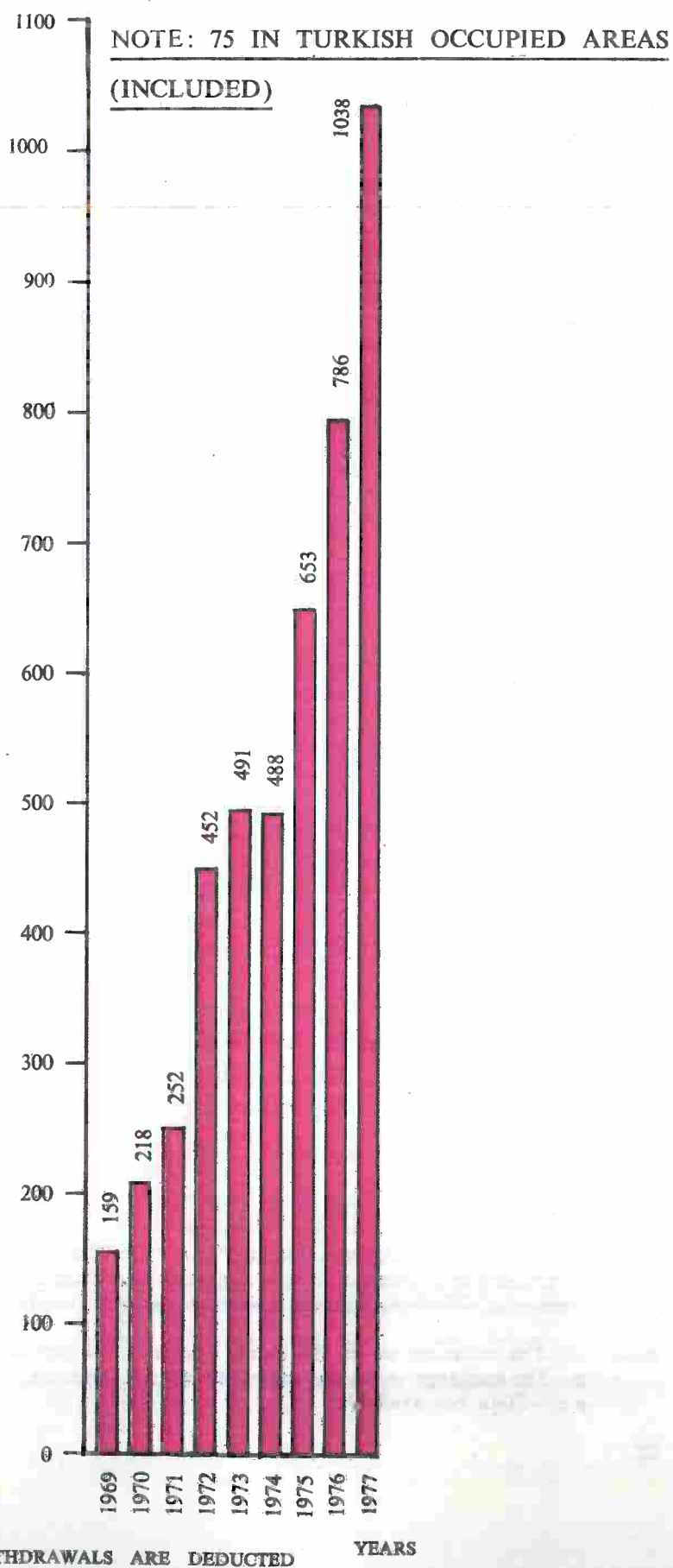
##### (b) *Acropolis Building :*

The extension of Acropolis building at Nicosia was completed in 1977.

#### X. Coin Collecting Boxes

During 1977 work continued for replacing the old type of public coin collecting box by a new fully automatic electronic one, which offers S.T.D. and I.S.D. facilities. A total of 409 old coin collecting boxes were replaced by the new type as at 31st December, 1977.

GRAPH "D"  
GROWTH OF TELEX SUBSCRIBERS.



# COMPARATIVE CHART SHOWING TELEPHONES OF CYPRUS AND NEIGHBOURING COUNTRIES

As at 1.1.1977.

	No. of Telephones	Telephones per 100 Population	Per Cent Automatic
CYPRUS .. .. .	77,163	12.0	100.0
Israel, State of .. .. .	869,042	24.3	100.0
Iran .. .. .	781,537	2.3	91.5
Iraq, Republic of .. .. .	319,591	2.8	95.8
Kuwait, State of .. .. .	139,880	13.0	100.0
Greece .. .. .	2,180,243	23.8	99.2
Turkey .. .. .	1,130,978	2.8	79.9
Spain .. .. .	8,597,781	23.9	94.2
Bulgaria .. .. .	852,858	9.7	93.0
Italy .. .. .	15,240,527	27.1	100.0
Algerian Dem. and Pop. Rep. .. .. .	266,470	1.5	80.5
Czechoslovakia .. .. .	2,743,387	18.3	97.1
Hungary .. .. .	1,076,064	10.1	81.3
Yugoslavia .. .. .	1,430,575	6.6	98.0

Total number of telephones in the world as at 1st January, 1977 was 398,182,000.

## TELEPHONES IN THE PRINCIPAL CITIES OF NEIGHBOURING COUNTRIES.

	No of Telephones	Population (thousands)	Telephones per 100 pop.
Nisolia (A) .. .. .	40,292	118.0	34.1
Tel-Aviv and Jaffa (A) .. .. .	373,208	939.4	39.7
Kuwait (A) (1976 figures) .. .. .	128,751	1,031.0	12.5
Athens (A) (1975 figures) .. .. .	1,089,911	2,548.0	42.8
Ankara (B) .. .. .	176,707	1,806.0	9.8
Belgrade .. .. .	235,428	1,345.0	17.5
Sofia .. .. .	279,579	976.0	28.6
Madrid .. .. .	1,625,256	3,810.9	42.6
Rome (A) .. .. .	1,482,504	2,904.9	51.0
Algier .. .. .	102,350	n.a.	—
Prague (A) .. .. .	539,687	1,176.0	45.9
Budapest (A) .. .. .	600,236	2,119.0	28.3
Tehran (A) .. .. .	369,500	4,496.1	8.2
Baghdad (A) .. .. .	149,779	3,036.0	4.9

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.  
n.a.—Data not available.

## D. MAINTENANCE

### I. General Maintenance

The inland and overseas telecommunications services were kept to a very good standard of maintenance thus ensuring uninterrupted, efficient and reliable service to the public.

### II. Preventive Maintenance

The recommendations of the B.P.O were adopted 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 were followed.

Routine maintenance was carried out systematically throughout 1977.

### III. 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 continued to operate most successfully. Testing and maintenance of the electronic coin collecting boxes, electronic teleprinters, maintenance of push button telephones as well as other complicated electronic equipment are amongst its many functions.

### IV. Transport

The Authority maintains its own fleet of 151 vehicles. Statistical data in respect of the Authority's fleet is shown in the following table :-

	1974	1975	1976	1977
Miles run .. ..	1,056,000	963,000	1,026,000	1,031,000
Fuel consumption (gallons) .. ..	64,749	57,724	58,669	62,545
Oil consumption (kg) ..	4,440	4,336	3,697	3,822

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

## E. 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 1977, one hundred and eight (108) outside broadcasts were effected by using the Authority's network, as compared with fifty-seven (57) in 1976.

### II. Overseas Voicecasts

A record number of voicecasts were effected during the year as the following table of comparative figures shows :-

	1974	1975	1976	1977
Number of voicecasts ..	265	320	177	483
Number of minutes ..	10756	13867	10173	44336

### III. Facsimile (Radio Pictures)

This service continued to operate for transmission of radio pictures only as no dark room facilities could be made available at the station for picture reception.

The following table shows comparative figures handled over the last four years.

	1974	1975	1976	1977
Transmitted .. ..	536	208	266	167
Received .. ..	108	—	—	—

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

A satisfactory service was maintained throughout the year in spite of the fact that both the Transmitting and Receiving Stations continued to function from temporary locations. (The main H.F. Transmitting and Receiving Stations Heraclis and Kolokosh, were lost because of the Turkish invasion).



The following tables show comparative figures of traffic handled over the last four years :-

Telephony				1974	1975	1976	1977
Calls	..	..	..	19315	30597	73164	73933
Minutes	..	..	..	73983	124694	315532	310181

Telegraphy				1974	1975	1976	1977
Telegrams	..	..	..	5190	5031	8577	9641
Words	..	..	..	86159	85864	201512	185978

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 Organization (I.C.A.O.).

The Services rendered during 1977 were the following :-

- (a) Radiotelephone communication with aircraft in flight within the Cyprus Flight Information Region, as well as with International Airports of Athens, Beirut, Tel-Aviv and Cairo.
- (b) Telegraph communications within the Aeronautical Fixed Telecommunications Network (AFTN) to the airports of Athens (2 channels), Tel-Aviv (1 channel) and Beirut (2 channels). With the re-activation of the computerized Automatic Message Switching Centre (AMSC), this service reverted to fully automatic operation, for the first time since August 1974, in September 1977.

Traffic volume for this service increased to more than double in 1977, as the following comparative figures of the aggregate of received and transmitted messages show :-

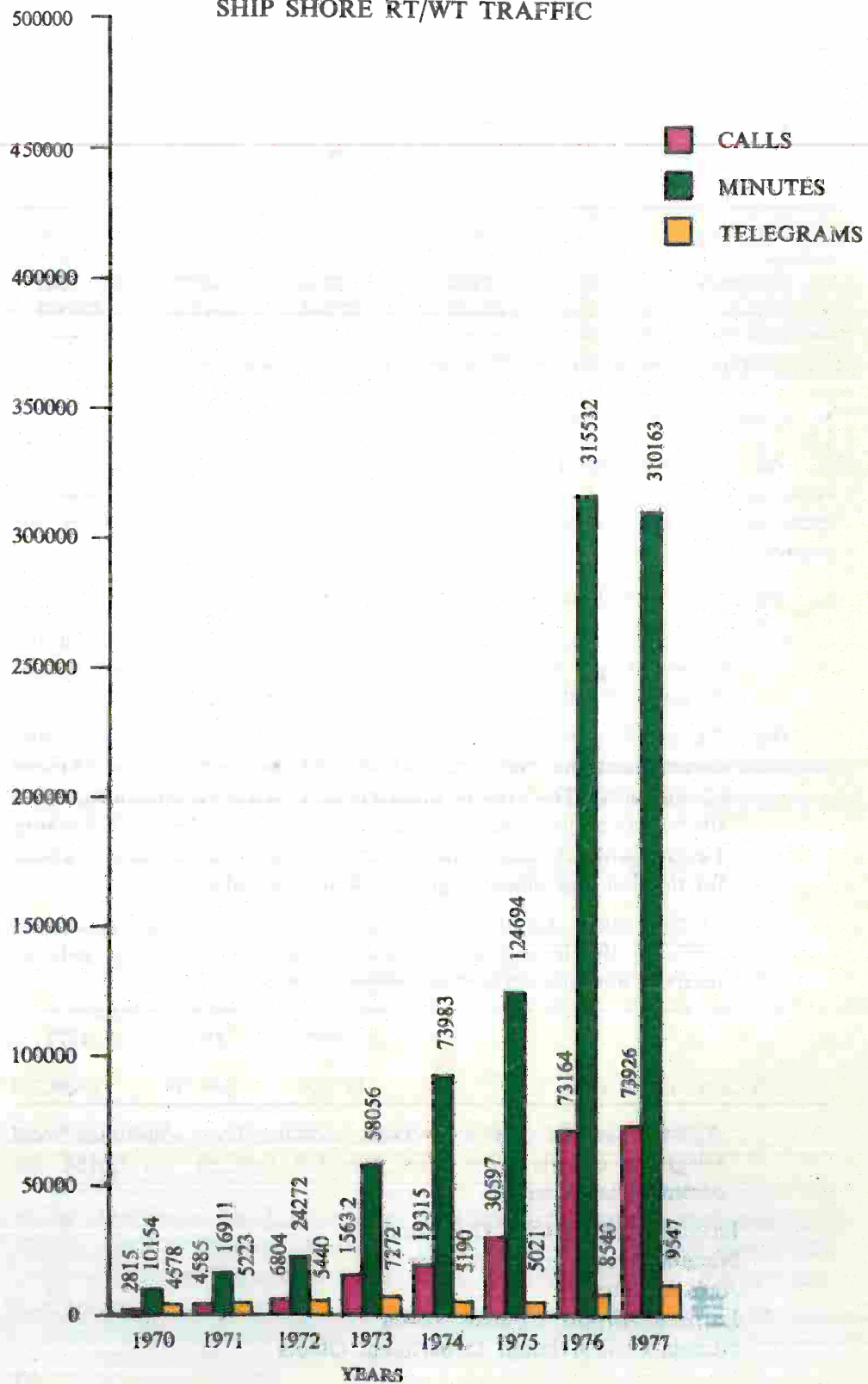
	1975	1976	1977
Number of messages .. .. .	342,935	746,270	1,639,218

Apart from the above overseas circuits, five additional local telegraph circuits were also provided through the AMSC for communication with :-

Larnaca Airport Civil Operations  
Nicosia Area Control Centre  
Akrotiri Airport  
Larnaca Airport Control Tower  
Nicosia Civil Aviation Department Offices



GRAPH "E"  
SHIP SHORE RT/WT TRAFFIC



- (c) Radio Air Navigational Aids for the use of civil aircraft in the form of a V.H.F. Omni Range System (V.O.R.), 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.

#### **VI. Meteorological Service**

A reliable and continuous Mufax (reception of weather charts) service and four teleprinter circuits for the reception of meteorological bulletins were provided by the Authority for the Ministry of Agriculture and Natural Resources.

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

#### I. GENERAL

The submarine Cable Systems, APHRODITE (link with Greece) and ADONIS (link with Lebanon) as well as the Tropo Scatter link with Greece and the UHF link with Israel operated satisfactorily and served our international communications well. Equipment was installed during 1977 for the increase of the incoming and outgoing trunks.

Existing telephone exchanges were expanded and new ones constructed to serve local needs.

The capacity of the telex exchange was increased and the computerized Automatic Message Switching Centre (AMSC), which was seriously damaged during the Turkish invasion in 1974 was repaired and reintroduced successfully into service in September 1977.

The undermentioned diagram indicates how our traffic was routed-

#### II. TELEPHONE

The year under review was the second complete year for the operation of the International Subscriber Dialling (ISD) Service which was introduced on 14th June, 1975 and improved the overall quality of the service with about 87 per cent of International Calls dialled direct by the Subscribers. The traffic volume in 1977 over the previous year showed an overall increase of 24 per cent in the outgoing direction and 28 per cent in the incoming direction.

Operator's assistance was provided for calls to places not accessible by self dialling and for calls with special facilities such as Personal Calls, Collect Calls, Credit Card Calls etc.

The expansion of ISD service was part of the Authority's Programme during the year and 15 additional countries became available on ISD service offering to users direct access to 54 countries with over 357 million telephones, approximately 90% of the 398,182,000 World's telephones as at 1st January, 1977.

Outgoing Semi-Automatic service was established with 2 additional countries and manual service with 4 additional countries.

As at the end of the year, Cyprus was reached Automatically by 15 countries and Semi-Automatically by 28 countries.

The following tables show Statistical data indicating Cyprus on the Global Telephone Network, International traffic and Direct telephone circuits.

# **CYPRUS ON THE GLOBAL TELEPHONE NETWORK**

as at 31st December 1977

SERVICE	NUMBER OF COUNTRIES			
	OUTGOING		INCOMING	
	1976	1977	1976	1977
ISD .. .. .	39	54	10	15
Semi-Automatic .. .. .	13	11	17	28
Manual .. .. .	78	76	103	98
<b>TOTAL .. .. .</b>	<b>130</b>	<b>141</b>	<b>130</b>	<b>141</b>

## (b) *INTERNATIONAL TRAFFIC* (in thousand minutes)

TELEPHONE SERVICE .. .. .	1975	1976	1977	1977/1976 Growth %
Outgoing .. .. .	2,755	5,443	6,776	24.49
Incoming .. .. .	2,765	6,820	8,757	28.40

## (c) *DIRECT TELEPHONE CIRCUITS*

COUNTRY	1974	1975	1976	1977
CANADA .. .. .	—	3	4	4
FRANCE .. .. .	—	8	8	12
GERMANY F.R. .. .. .	1	10	10	11
GREECE .. .. .	48	80	104	104
ISRAEL .. .. .	6	8	8	8
ITALY .. .. .	2	2	8	10
LEBANON .. .. .	2	8	8	28
U.K. .. .. .	11	54	55	77
U.S.A. .. .. .	1	4	4	4
<b>TOTAL .. .. .</b>	<b>71</b>	<b>177</b>	<b>209</b>	<b>258</b>

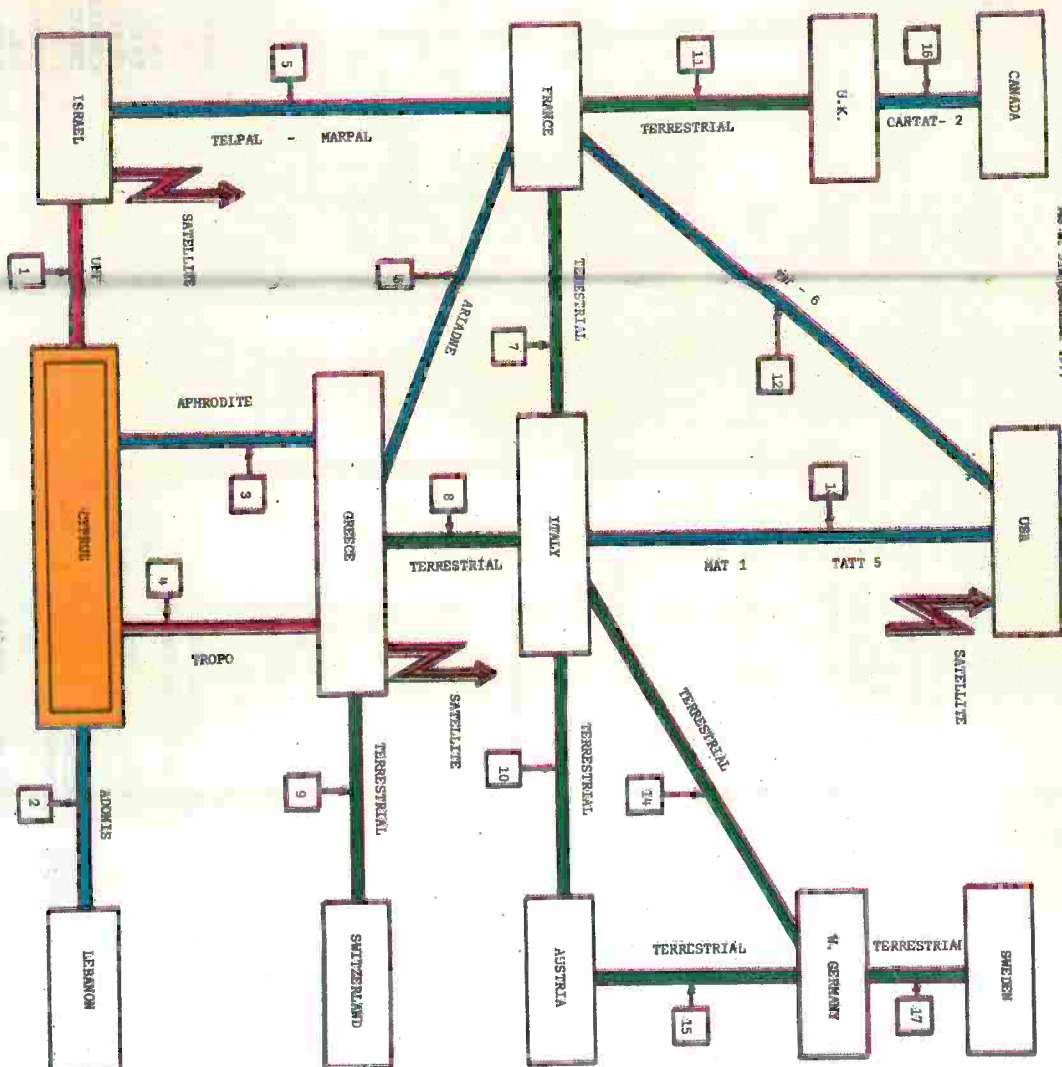


CYPRUS TELECOMMUNICATIONS AUTHORITY  
TELECOMMUNICATIONS DEPARTMENT  
CIRCUIT CONTROL

COUNTRY	DIRECT CIRCUITS PER COUNTRY			
	TELEPHONE	TELEX	DATA	OTHER
ALGERIA	0/0	0/0	0/0	0/0
ANDORRA	0/0	0/0	0/0	0/0
ARGENTINA	0/0	0/0	0/0	0/0
AUSTRALIA	0/0	0/0	0/0	0/0
AUSTRIA	0/0	0/0	0/0	0/0
BELGIUM	0/0	0/0	0/0	0/0
BENIN	0/0	0/0	0/0	0/0
BULGARIA	0/0	0/0	0/0	0/0
CANADA	0/0	0/0	0/0	0/0
CHINA	0/0	0/0	0/0	0/0
COLOMBIA	0/0	0/0	0/0	0/0
COSTA RICA	0/0	0/0	0/0	0/0
CUBA	0/0	0/0	0/0	0/0
CYPRUS	0/0	0/0	0/0	0/0
DEM. REP. GERM.	0/0	0/0	0/0	0/0
FRANCE	0/0	0/0	0/0	0/0
GREECE	0/0	0/0	0/0	0/0
HONG KONG	0/0	0/0	0/0	0/0
INDIA	0/0	0/0	0/0	0/0
ITALY	0/0	0/0	0/0	0/0
JAPAN	0/0	0/0	0/0	0/0
JORDAN	0/0	0/0	0/0	0/0
KENYA	0/0	0/0	0/0	0/0
KOREA	0/0	0/0	0/0	0/0
LIBERIA	0/0	0/0	0/0	0/0
LIBYIA	0/0	0/0	0/0	0/0
LUXEMBOURG	0/0	0/0	0/0	0/0
MACAU	0/0	0/0	0/0	0/0
MAURITIUS	0/0	0/0	0/0	0/0
MEXICO	0/0	0/0	0/0	0/0
MOROCCO	0/0	0/0	0/0	0/0
NETHERLANDS	0/0	0/0	0/0	0/0
NEW ZEALAND	0/0	0/0	0/0	0/0
NIGERIA	0/0	0/0	0/0	0/0
OMAN	0/0	0/0	0/0	0/0
PANAMA	0/0	0/0	0/0	0/0
PARAGUAY	0/0	0/0	0/0	0/0
PERU	0/0	0/0	0/0	0/0
PHILIPPINES	0/0	0/0	0/0	0/0
PORTUGAL	0/0	0/0	0/0	0/0
QATAR	0/0	0/0	0/0	0/0
ROMANIA	0/0	0/0	0/0	0/0
RUSSIA	0/0	0/0	0/0	0/0
SAUDI ARABIA	0/0	0/0	0/0	0/0
SENEGAL	0/0	0/0	0/0	0/0
SIERRA LEONE	0/0	0/0	0/0	0/0
SINGAPORE	0/0	0/0	0/0	0/0
SLOVAKIA	0/0	0/0	0/0	0/0
SLOVENIA	0/0	0/0	0/0	0/0
SOUTH AFRICA	0/0	0/0	0/0	0/0
SPAIN	0/0	0/0	0/0	0/0
SWEDEN	0/0	0/0	0/0	0/0
SWITZERLAND	0/0	0/0	0/0	0/0
TAIWAN	0/0	0/0	0/0	0/0
TANZANIA	0/0	0/0	0/0	0/0
THAILAND	0/0	0/0	0/0	0/0
TUNISIA	0/0	0/0	0/0	0/0
TURKEY	0/0	0/0	0/0	0/0
UNITED ARAB EMIRATES	0/0	0/0	0/0	0/0
UNITED KINGDOM	0/0	0/0	0/0	0/0
UNITED STATES	0/0	0/0	0/0	0/0
URUGUAY	0/0	0/0	0/0	0/0
YUGOSLAVIA	0/0	0/0	0/0	0/0
ZAMBIA	0/0	0/0	0/0	0/0
ZIMBABWE	0/0	0/0	0/0	0/0
TOTAL	108	107	8	9

COUNTRY	TOTAL CIRCUITS PER COUNTRY			
	TELEPHONE	TELEX	DATA	OTHER
ALGERIA	0/0	0/0	0/0	0/0
ANDORRA	0/0	0/0	0/0	0/0
ARGENTINA	0/0	0/0	0/0	0/0
AUSTRALIA	0/0	0/0	0/0	0/0
AUSTRIA	0/0	0/0	0/0	0/0
BELGIUM	0/0	0/0	0/0	0/0
BENIN	0/0	0/0	0/0	0/0
BULGARIA	0/0	0/0	0/0	0/0
CANADA	0/0	0/0	0/0	0/0
CHINA	0/0	0/0	0/0	0/0
COLOMBIA	0/0	0/0	0/0	0/0
COSTA RICA	0/0	0/0	0/0	0/0
CUBA	0/0	0/0	0/0	0/0
CYPRUS	0/0	0/0	0/0	0/0
DEM. REP. GERM.	0/0	0/0	0/0	0/0
FRANCE	0/0	0/0	0/0	0/0
GREECE	0/0	0/0	0/0	0/0
HONG KONG	0/0	0/0	0/0	0/0
INDIA	0/0	0/0	0/0	0/0
ITALY	0/0	0/0	0/0	0/0
JAPAN	0/0	0/0	0/0	0/0
JORDAN	0/0	0/0	0/0	0/0
KENYA	0/0	0/0	0/0	0/0
KOREA	0/0	0/0	0/0	0/0
LIBERIA	0/0	0/0	0/0	0/0
LIBYIA	0/0	0/0	0/0	0/0
LUXEMBOURG	0/0	0/0	0/0	0/0
MACAU	0/0	0/0	0/0	0/0
MAURITIUS	0/0	0/0	0/0	0/0
MEXICO	0/0	0/0	0/0	0/0
MOROCCO	0/0	0/0	0/0	0/0
NETHERLANDS	0/0	0/0	0/0	0/0
NEW ZEALAND	0/0	0/0	0/0	0/0
NIGERIA	0/0	0/0	0/0	0/0
OMAN	0/0	0/0	0/0	0/0
PANAMA	0/0	0/0	0/0	0/0
PARAGUAY	0/0	0/0	0/0	0/0
PERU	0/0	0/0	0/0	0/0
PHILIPPINES	0/0	0/0	0/0	0/0
PORTUGAL	0/0	0/0	0/0	0/0
QATAR	0/0	0/0	0/0	0/0
ROMANIA	0/0	0/0	0/0	0/0
RUSSIA	0/0	0/0	0/0	0/0
SAUDI ARABIA	0/0	0/0	0/0	0/0
SENEGAL	0/0	0/0	0/0	0/0
SIERRA LEONE	0/0	0/0	0/0	0/0
SINGAPORE	0/0	0/0	0/0	0/0
SLOVAKIA	0/0	0/0	0/0	0/0
SLOVENIA	0/0	0/0	0/0	0/0
SOUTH AFRICA	0/0	0/0	0/0	0/0
SPAIN	0/0	0/0	0/0	0/0
SWEDEN	0/0	0/0	0/0	0/0
SWITZERLAND	0/0	0/0	0/0	0/0
TAIWAN	0/0	0/0	0/0	0/0
TANZANIA	0/0	0/0	0/0	0/0
THAILAND	0/0	0/0	0/0	0/0
TUNISIA	0/0	0/0	0/0	0/0
TURKEY	0/0	0/0	0/0	0/0
UNITED ARAB EMIRATES	0/0	0/0	0/0	0/0
UNITED KINGDOM	0/0	0/0	0/0	0/0
UNITED STATES	0/0	0/0	0/0	0/0
URUGUAY	0/0	0/0	0/0	0/0
YUGOSLAVIA	0/0	0/0	0/0	0/0
ZAMBIA	0/0	0/0	0/0	0/0
ZIMBABWE	0/0	0/0	0/0	0/0
TOTAL	108	107	8	9

INTERNATIONAL ROUTING DIAGRAM  
As at 31 December 1977





### III. TELEX

A general growth in the number of subscribers, circuits and traffic was observed in the Automatic telex service during 1977.

By the end of the year under review, Automatic telex service was available to 103 countries and manual service to the rest of the world.

As from 1st December 1977, automatic telex service was also introduced with ships at sea via the MARISAT system (Maritime Satellite) covering the Atlantic and Pacific Ocean areas.

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

#### (a) Channels

COUNTRY	OUTGOING			INCOMING			BOTHWAY		
	1975	1976	1977	1975	1976	1977	1975	1976	1977
AUSTRIA ..	—	—	—	—	—	—	—	2	5
FRANCE ..	4	4	6	2	4	5	—	—	—
GERMANY F.R.	5	5	5	4	5	6	—	—	—
GREECE ..	9	9	11	14	14	14	—	—	—
ISRAEL ..	3	3	3	3	3	3	—	—	—
ITALY..	7	7	7	5	5	5	—	—	—
LEBANON ..	2	2	4	2	2	3	—	—	—
SWEDEN ..	—	—	—	—	—	—	4	4	3
SWITZERLAND	3	4	6	3	4	6	—	—	—
U.K. ..	20	20	26	13	13	17	—	—	—
U.S.A. (ITT)	—	—	—	—	—	—	3	3	4
U.S.A. (RCA)	—	—	—	—	—	—	2	2	4
U.S.A. (WUI)	—	—	—	—	—	—	3	3	5
<b>TOTAL ..</b>	<b>53</b>	<b>54</b>	<b>68</b>	<b>46</b>	<b>50</b>	<b>59</b>	<b>12</b>	<b>14</b>	<b>21</b>

#### (b) Traffic

TELEX SERVICE			OUTGOING TRAFFIC			1977/1976 GROWTH %
			1975	1976	1977	
<i>International :</i>						
a)	Calls	.. ..	233,899	421,040	518,844	23.2
b)	Minutes	.. ..	980,012	1,338,037	1,577,411	17.9
<i>Inland :</i>						
a)	Calls	.. ..	—	153,035	181,918	18.9
b)	Minutes	.. ..	—	384,446	435,037	13.2

#### IV. TELEGRAPH

The computerized Automatic Message Switching Centre (AMSC) was commissioned in 1970 and operated satisfactorily till August 1974, when it was put out of service because of serious damages during the Turkish invasion of Cyprus. It was repaired and re-introduced successfully into service on the 21st September 1977, handling automatically both, inland and international telegram traffic, for Public and Civil Aviation (ICAO) services, through the following nine direct international routes, with one bothway circuit per route :

##### *Public Telegraphy*

Canada  
France  
Germany F.R.  
Greece  
Israel  
Italy  
Lebanon  
Sweden  
United Kingdom

##### *Civil Aviation*

Greece  
Israel  
Lebanon

The effect of the introduction of International Subscriber Dialling (ISD) Telephone Service and (IXSD) Telex service, on the telegraph traffic became obvious in the year under review by a decrease of the number of international telegraph messages handled in 1977, as shown in the following table :

TELEGRAPH SERVICE	TELEGRAM MESSAGES FORWARDED			
	1975	1976	1977	1977/1976 GROWTH %
International .. ..	86,447	90,624	77,450	- 14.5
Inland .. ..	50,521	47,745	74,848	56.8

## 4. ADMINISTRATION AND STAFF

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

Generally good labour relations continued to be maintained and it is gratifying to note that the industrial peace of the year under review and the close co-operation of Management and Staff together with the implementation of the Authority's extensive development plans and improved methods, resulted in a better and more efficient service to the public.

The Collective Agreement between the Authority and the Unions expired on 31st December, 1977, and claims had been submitted by the Unions on 1st November, 1977, for the revision of the conditions of employment and salary scales of the staff.

It is expected that a new agreement will be signed thus ensuring industrial peace and co-operation in an effort to overcome the continued adverse effects of the Turkish invasion and meet the ever increasing demand for the provision of Telecommunication Service to the public.

### II. JOINT CONSULTATION

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

#### 1. Staff Safety and Welfare

##### (a) *Safety*

The Safety Committee continued its efforts during the year towards ensuring safety conditions of employment and the following practical measures were 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 every effort was made for their reduction to the minimum.

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

	1976	1977
Accidents which did not necessitate sick leave	5	5
Accidents necessitated 1—3 days sick leave	1	5(1)*
Accidents necessitated 4—30 days sick leave	13(2)*	16(2)*
Accidents necessitated over 30 days sick leave	2(1)*	3(1)*
Fatal Accidents	—	—
	<u>21</u>	<u>29</u>

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

(b) *Welfare*

The Welfare Committee did its best during the year for the promotion of the welfare of the staff.

- (i) As mentioned in the previous reports also, the construction of the Holiday Centre at Pedhoulas was postponed due to the anomalous situation and its adverse financial effects on the Authority from whom generous financial assistance is anticipated as already decided by the Board.
- (ii) Christmas presents donated by OTE (Greek Telecommunications Organization) were distributed to the children of the employees.
- (iii) Government Savings Bonds were donated 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) With the Authority's approval, and after careful consideration special grants were awarded to a number of pensioners of the Authority, retired before May 1977.

All expenses incurred for the above were met by the Authority.

**2. Establishment - Promotions - Advancement of Staff**

The Authority in order to give effect to its personnel policy proceeded with the implementation of the existing agreement governing the promotions, confirmations and the advancement of staff and to this effect the adhoc committee which was appointed in accordance with the provisions of the 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	89
Various transfers to other scales	3
Transfer of Temporary Monthly Paid to Permanent Staff	1

*Comparison of staff strength for the year 1976 - 1977*

	1976	1977
Administration & Accounts .. .. .	261	263
Engineering .. .. .	1048	1038
Telegraph Operating .. .. .	139	137
Telephone Operating .. .. .	180	174
	<u>1628</u>	<u>1612</u>
Monthly Paid .. .. .	1520	1499
Weekly Paid .. .. .	108	113
	<u>1628</u>	<u>1612</u>
Less		
Turkish employees not attending to duty .. ..	256	255
	<u>1372</u>	<u>1357</u>

**3. Pension and Provident Funds**

The Authority's undermentioned funds :-

- (a) CYTA Permanent Monthly Paid employees Superannuation Fund
- (b) CYTA Permanent Monthly Paid employees Provident Fund
- (c) Weekly Paid employees Provident Fund

were administered satisfactorily by their respective committees during the year.

**4. General Conditions of Employment - Staff Rules and Regulations.**

The study for the compilation of all conditions of service and staff rules and regulations was completed and, after agreement with the Unions, were circulated to all staff in Booklet Form.



## 5. Training

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

The Authority's Training Centre is now accommodated at Pallouriotissa Satellite Exchange building. In some cases training of the staff is carried out on site.

(a)	One course on Digital Alarm System	8	employees
(b)	One course on U.H.F. Systems	10	"
(c)	One course on Microwave Systems	12	"
(d)	One course on Electronic Coin Collecting Boxes	13	"
(e)	One course on Electronic Telex Units	9	"
(f)	One course on Computer Programming (NEAT/3)	3	"

### (ii) *Training Abroad*

- (a) Two Engineers and one technician of the Authority attended 15-days training course on V.H.F. Direction Finder Equipment in Munich, Federal Republic of Germany.
- (b) One Engineer of the Authority attended a 6-weeks course at the Totsuka Works of Hitachi Limited, Japan, on the Mobile Telephone Exchange, Type C23S.

### (iii) *Scholarships*

- (a) The two Engineers of the Authority who were awarded a 16-months scholarship on Telecommunication Techniques by the Federal Republic of Germany completed their studies and returned to Cyprus.
- (b) The two technicians of the Authority, who were awarded a 16-months scholarship on Maintenance Engineering and Wireless Engineering by the Federal Republic of Germany completed their studies and returned to Cyprus.

### (iv) *Miscellaneous Training Courses*

- (a) Forty-five employees of the Authority attended night classes at the Nicosia Technical Institute for the year 1977/1978. The Authority encourages its employees to attend night classes by refunding their tuition and examination fees when

they succeed in passing the relevant City and Guilds examinations.

- (b) The Authority assisted its staff to purchase British Post Office Correspondence Courses and refunds 50% of their cost to those who succeed in the relevant City and Guilds examinations. Furthermore tuition and examination fees are refunded to employees who succeed in examinations on subjects approved by the Authority.

#### **6. 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%. In addition a special financial assistance in the amount of £6,000 was granted for this year to the Fund by the Authority through the Welfare Fund.

##### **(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**

The Authority's close attention and diligent efforts during the year for the elimination of sickness absenteeism, resulted in the

reduction of the time lost in respect of sick leave as hereunder :-

*Sick leave granted during the year and comparison with the previous year*

(i) *Monthly Paid Employees*

	1976	1977
Clerical Staff .. .. .	2,245	946
Telephone Operating Staff .. .. .	2,189	864
Telegraph Operating Staff .. .. .	384	330
Technical Operating Staff .. .. .	182	168
Technical Staff .. .. .	1,367	602
Skilled Staff .. .. .	3,055	2,232
Messengers and Watchmen .. .. .	641	442
	10,063	5,584
(ii) <i>Weekly Paid Employees</i> .. .. .	767	359

	10,830	5,943
--	--------	-------

7. Annual leave all staff

Table showing the leave entitlement :-

	No. of working days	
	1976	1977
Balance brought forward from previous year .. .. .	9,799	8,441
Leave entitlement for the year .. .. .	39,357	39,708
	49,156	48,149
Leave granted during the year .. .. .	40,715	39,813
Balance due to employees.. .. .	8,441	8,331

8. Leave without pay to employees securing employment abroad

As mentioned in the previous reports, among the decisions taken by the Authority in its effort to face the redundancy and ensure the best - under the circumstances - utilization of the services of the redundant personnel was the granting of leave without pay to employees securing employment abroad.

To this effect 8 employees were granted leave without pay for a period of one to two years (22 employees on leave without pay as at 31st December, 1976). Six of them returned to their duties and four resigned from the Authority's service. Therefore the total number of staff on leave without pay as at 31st December, 1977, is 20.

**9. Retirements, Resignations, Dismissals etc.**

(a) 6 employees retired from the Authority's service.

(b) *Resignations, Termin. of services & Deaths*

( i) 8 employees resigned from the Authority's service.

(ii) 4 employees were dismissed from the Authority's service (termination of services).

(iii) 4 employees passed away (one of them a Turk of those not attending duty).

**10. Engagements**

6 charwomen were engaged during the year.

**11. Missing Employees**

6 employees are still missing.

## 5. COMMONWEALTH TELECOMMUNICATIONS ORGANIZATION (C.T.O.)

Significant developments occurred in C.T. Organization during the year under review, as a result of three C.T. Council meetings (14th-second Session, 15th and 16th) and C.T. Conference held in 1977.

The Chairman of the Authority, Mr. N.S. Roussos, continued to participate actively in the affairs of the Commonwealth Telecommunication Council (CTC), in his capacity as Cyprus Representative on C.T. Council, appointed by the Government of the Republic. He contributed constructively to the development of an acceptable package to the Partners to C.T. Financial Arrangements (CTFA) for the resolution of the outstanding issues, as a member of the Standing Committee of Council (SCC) and as a member of the "Group of Three" constituted by the Nicosia (First) Session of the Fourteenth Council meeting in the previous year 1976.

The Second Session of the Fourteenth Council meeting was held in London from 24 January to 4 February 1977. At this meeting, an agreement was reached on a new package of Financial Arrangements to substitute the 1973 CTFA. The main feature of the new arrangements was the adoption of an alternative treatment of costs and revenues of the Partnership for foreign transit traffic, applicable from 1 April, 1975. Under the new CTFA, it was specified that transit Partners would be compensated, for their transit facilities, their "Unit Cost" plus a "Premium" of 10%, by the introduction of the so-called "Premium Scheme" which replaced the "Pool" arrangements. Though this change was not favoured by Cyprus, yet, concurrence was not withheld, on the understanding that a kind of "Transitional Arrangements" would be devised by Council, so as to reduce the financial impact on the adversely affected small Partners. Another major modification to CTFA was the introduction and adoption of Special Drawing Rights (SDR's), as the Partnership currency of account, for the purpose of minimizing the effects of currency fluctuations on the Partnership's accounts.

The Fifteenth Council meeting took place in Auckland, New Zealand from the 19th to the 26th May 1977 and it was continued in Sydney, Australia, from 3 to 9 June 1977, interleaved with the 1977 Conference, which was, also, held in Sydney, Australia from 30 May to 10 June, 1977.

The Fifteenth Council meeting agreed to adopt "Transitional Arrangements" to the benefit of small Partners and continued the discussion on the remaining outstanding issues for the purpose of finalizing its report to the Conference.



The new financial arrangements were noted by the Conference which invited Council to pursue with despatch the examination of the effective purposes of the Organization and to develop further the collaborative arrangements.

The Chairman of the Authority, Mr. N.S. Roussos, appointed by the Government of Cyprus, represented it at the Conference.

The Sixteenth C.T. Council Meeting took place in Singapore between the 28th November and 9th December 1977.

The meeting was attended by Representatives for 24 Partner Commonwealth Countries and the British Overseas Territories and Associated States. Cyprus was represented by Mr. N.S. Roussos, Chairman of the Cyprus Telecommunications Authority, accompanied by his adviser, Mr. A. Ch. Kritiotis.

The 16th Meeting was opened by the Honourable Minister of National Development and Communications Mr. Lim Kim San and presided over by Mr. J-C. Delorme OC, Representative for Canada and Chairman of C.T. Council.

At the first session of the Meeting, on the 28th November 1977, the Council agreed (minute 449.11) :-

"That following the death of the President of Cyprus, His Beatitude Archbishop Makarios, who had graciously received Council in audience during the Nicosia session of the Fourteenth Meeting, to record Council's sympathy and to ask the Representative for Cyprus to convey to the Government of Cyprus, Council's condolences on their sad loss."

"The Representative for Cyprus thanked the Council for its kind gesture and said that he would convey forthwith the Council's condolences to the Government of Cyprus (minute 449.12)". The Government of Cyprus reply was announced by Mr. Roussos to Council during its Seventh Session, on 7th December 1977 (see minute 466.3).

The activities of C.T. Organization since the previous meeting were reviewed and the matters referred to Council by the 1977 Conference were discussed.

The C.T. Financial Agreements were further discussed with focusing on the outstanding issues and with a view of exploiting the Commonwealth Telecommunication Network, in a better way to the interest of the Partners.

The Organization and Staffing of the C.T. Bureau was also discussed and emphasis was placed on the urgent requirement for recruiting General Secretary.

At this Meeting Cyprus extended the invitation of the Government to hold the next Conference in Nicosia, (Minutes 461.10, 461.11 and 461.12). The appropriate steps should be taken in time to issue invitations and to organize the next Conference, which normally must take place sometime in 1980. The specific date for the Conference should be proposed to Governments after consultation with C.T. Council.

The Council accepted the invitation of Zambia to stage its Seventeenth meeting in Zambia from 6 to 17 November 1978.

The Chairman, Mr. N.S. Roussos, participated in all C.T. Council meetings held in 1977 and C.T. Conference (1977), accompanied by his adviser on Commonwealth Telecommunications matters, Mr. A. Kritiotis.

The Authority continued also to represent Cyprus by actively participating through its officials, Messrs. G. Papaioannou, S. Modestou and A. Kritiotis, appointed members in the various Specialist Groups, constituted to study and examine various matters referred to them by C.T. Council and its Standing Committee.

## 6. FINANCIAL REPORT

This year's operations resulted in a net surplus of £2,240,006 after deduction of £83,584 for special contribution. There has been an increase of 62% over the 1976 net surplus of £1,381,607.

### OPERATING REVENUE

The Operating Revenue by service was as follows :-

	1976	1977	Increase
	£	£	%
Telephone services .. .. .	5,748,147	6,982,008	21.5
Telegraph services .. .. .	421,935	405,915	-3.8
Telex services .. .. .	671,790	819,158	21.9
Other services .. .. .	203,936	275,533	35.1
	<u>7,045,808</u>	<u>8,482,614</u>	<u>20.4</u>

The main increase in the Telephone services, which was due to the additional subscribers connected to the system and the increased traffic from existing subscribers, was from the inland calls which rose by 13.8% (1977 £2,549,498 vs 1976 £2,239,796) and the overseas calls which rose by 27.8% (1977 £3,270,066 vs 1976 £2,559,201).

The small reduction in the Telegraph services revenue is attributable to the wider usage of the telex service.

The increase in the Telex services revenue, which resulted mainly from additional subscribers, was £57,328 from the rentals and £87,184 from the overseas calls.

The introduction of new services for the Civil Aviation contributed to the increase of £71,597 in the Other Revenue.

### OPERATING EXPENSES

The Operating Expenses for the year were as follows :-

	1976	1977	Increase
	£	£	%
System Operational :-			
Telephone services .. .. .	3,187,676	3,524,241	10.6
Telegraph services .. .. .	433,234	532,431	22.9
Telex services .. .. .	271,234	320,739	18.3
Other services .. .. .	142,167	193,449	36.1
Establishment .. .. .	154,692	175,154	13.2
Administration .. .. .	630,709	723,024	14.6
	<u>4,819,712</u>	<u>5,469,038</u>	<u>13.5</u>

The increase in the operating expenses was mainly due to the depreciation £105,848 (1977 £1,544,739 vs 1976 £1,438,891) and the staff costs £487,515 (1977 £3,172,358 vs 1976 £2,684,843). The latter resulted from the 5% increase in the Cost of Living Allowance from 1.7.1977, the 4.5% revision of salaries from 1.4.77 and the normal staff increments.

## DEVELOPMENT

The net additions to Fixed Assets during the year were £1,133,238 and is arrived at as follows :-

### Development :-

(i)	Telecommunications installations ..	£1,766,779
(ii)	Purchases of circuits in Sub-marine Cable Systems of Foreign Administrations	357,760
(iii)	Other expenditure .. .. .	43,841
		<hr/> £2,168,380

### Less :-

Installation and Removal Fees by subscribers	£178,045
Disposals .. .. .	857,097
	<hr/>
	1,035,142
	<hr/>
	<u>£1,133,238</u>

The telecommunications installations are mainly additions to exchanges, line plant and subscribers apparatus.

The development was financed by the revenue surpluses and by credit facilities from suppliers, which the Authority makes the fullest possible use when the interest rates are beneficial.

The disposals of £857,097 include £630,850 sales of circuits on the Cyprus-Greece Sub-marine Cable System to Foreign Administrations.

## CASH POSITION

There has been during the year a substantial improvement of the cash position which made possible the repayment of the £1,000,000 bank loan. This improvement will also assist the Authority to meet its existing as well as its future commitments with regards to suppliers credit for the purchase of equipment and the Government loans repayment instalments.

## LONG-TERM LIABILITIES

These consist of :-

- (a) £3,905,103 due to suppliers for equipment and services and are repayable over a period between 2 and 12 years at rates of interest ranging between 6 and 8% per annum.
- (b) £1,677,100 representing the Authority's liability to the Staff Superannuation and Provident Funds. £92,733 of this amount will be repaid over a period of 4 years and the balance of £1,584,367, which is the balance of the deficiency in the Superannuation Fund, will be repaid over the next 32 years by equal annual instalments at 5% interest per annum.

## NET WORTH

The Authority's net worth as at 31st December, 1977 amounted to £7,111,894 as against £4,802,534 of 31st December, 1976.

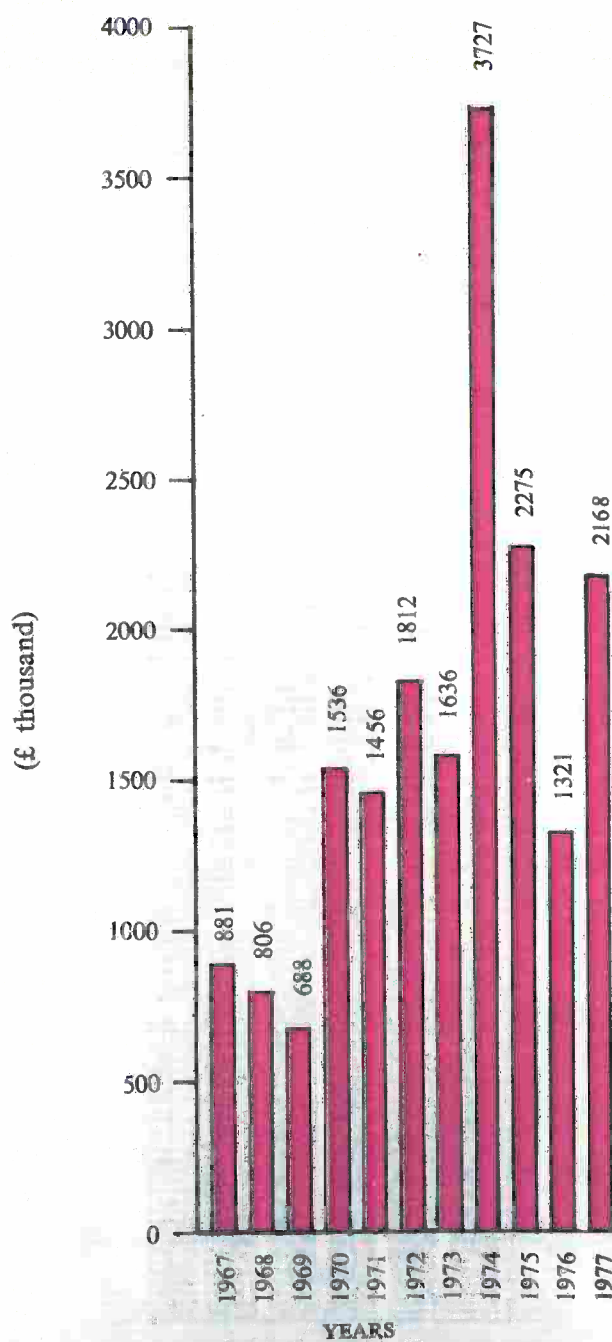
N.S. ROUSSOS  
Chairman

A.N. STYLIANIDES  
General Manager

S.A. KOKKINIDES  
Secretary



CYPRUS TELECOMMUNICATIONS AUTHORITY  
TABLE SHOWING CAPITAL EXPENDITURE 1967-1977



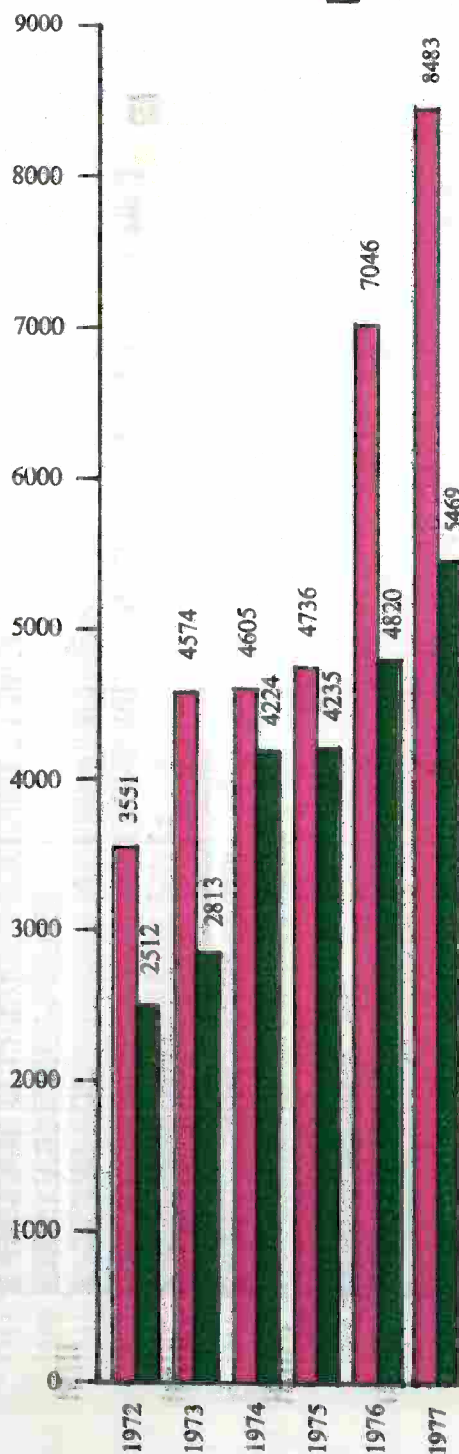
**CYPRUS TELECOMMUNICATIONS AUTHORITY**  
**TABLE SHOWING OPERATING REVENUE AND EXPENSES 1972-1977**

	I	II
1967	1585	1234
1968	1722	1525
1969	2065	1771
1970	2292	1877
1971	2713	2200

I OPERATING REVENUE  
 II OPERATING EXPENSES  
 (£ Thousand)

■ OPERATING REVENUE

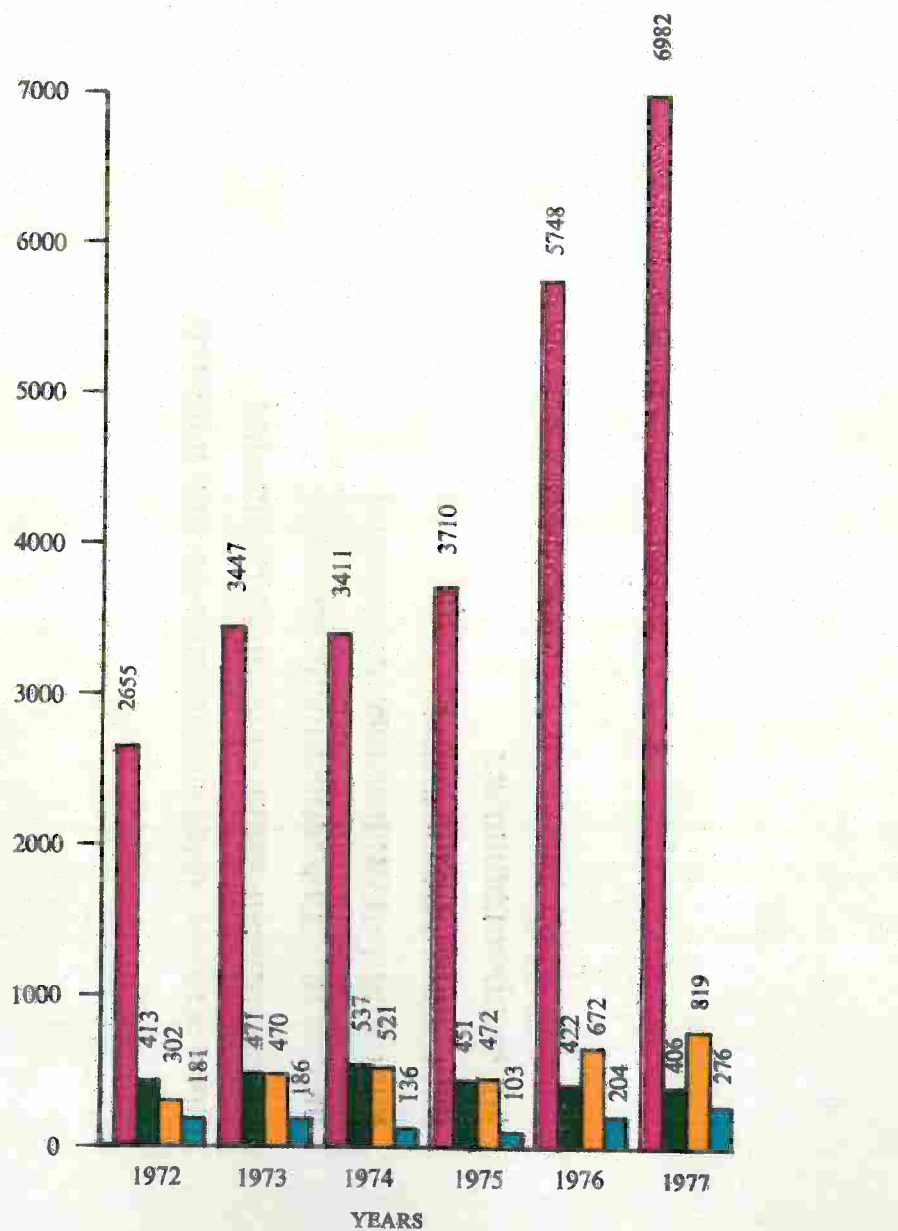
■ OPERATING EXPENSES



**CYPRUS TELECOMMUNICATIONS AUTHORITY**  
**TABLE SHOWING OPERATING REVENUE 1972-1977**

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

	I	II	III	IV	
1967	1130	384		71	TELEPHONE REVENUE
1968	1175	407		140	TELEGRAPH REVENUE
1969	1380	411	81	193	TELEX REVENUE
1970	1550	381	154	207	OTHER REVENUE
1971	1890	410	234	179	



# CYPRUS TELECOMMUNICATIONS AUTHORITY

## ANNUAL ACCOUNTS 1977

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Notes on the Accounts	62
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## REPORT OF THE AUDITORS

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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 18, in our opinion the said Accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Authority at 31st December, 1977 and of the surplus for the year ended on that date.

**Scottis & Polydorides**  
*Chartered Accountants*

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

24th June, 1978.



# CYPRUS TELECOMMUNICATIONS AUTHORITY

## BALANCE SHEET 31st DECEMBER, 1977

	1977	1976
	£	£
<b>Assets</b>		
Fixed assets (Notes 1 (b), 2,3)	11,164,579	11,436,529
Investments (Note 4)	577,579	424,951
Long term debtors (Note 5)	345,830	—
Current assets (Note 6)	5,580,031	4,214,370
Deferred debits (Note 7)	2,551,614	2,763,636
	<u>£20,219,633</u>	<u>£18,839,486</u>
<b>Liabilities and Reserve fund</b>		
<b>Loans and other long term liabilities</b>		
Government loans (Note 8)	3,161,351	3,185,567
Debenture stocks (secured) (Note 9)	1,250,000	1,250,000
Other long term liabilities (Note 10)	5,582,203	5,969,678
	9,993,554	10,405,245
Current liabilities (Note 11)	2,682,642	3,334,088
Deferred credits (Note 12)	431,543	297,619
<b>Total liabilities</b>	<u>13,107,739</u>	<u>14,036,952</u>
<b>Reserve fund (Note 13)</b>	<u>7,111,894</u>	<u>4,802,534</u>
	<u>£20,219,633</u>	<u>£18,839,486</u>

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

**N. S. Roussos**  
Chairman

**A. N. Stylianides**  
General Manager

**S. Modestou**  
Assistant  
Chief Accountant

**CYPRUS TELECOMMUNICATIONS AUTHORITY**  
**REVENUE ACCOUNT**  
**FOR THE YEAR ENDED 31st DECEMBER, 1977**

	1977 £	1976 £
Operating revenue (Note 14)	8,482,614	7,045,808
Deduct :		
Operating expenses (Note 15)	5,469,038	4,819,712
Net operating revenue	3,013,576	2,226,096
Add :		
Investment and other income	208,455	35,884
	3,222,031	2,261,980
Deduct :		
Financial and other expenses (Note 16)	898,441	810,599
Special contribution (Note 17)	83,584	69,774
	982,025	880,373
Revenue surplus for the year carried to reserve fund	£2,240,006	£1,381,607

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, 1977

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### 1. Accounting policies

#### *(a) Basis of accounting*

The accounts are prepared under the historical cost convention.

#### *(b) Fixed assets*

Amortisation of leasehold properties is provided so as to write off the cost of these properties by equal annual instalments over the period of the lease. 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. Freehold land is not depreciated.

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.

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.

#### *(c) Debtors*

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

#### *(d) 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.

#### *(e) Retirement benefits*

Liabilities for pension and other retirement benefits are provided by payments to the respective funds which operate independently from the finances of the Authority. Liabilities which relate to past service are being paid, with interest, over a period of years.



The normal contributions and an appropriate part of the deficiency in respect of past service are charged against current revenues. The balance of the deficiency which is carried forward for future write off is shown in the deferred debits.

*(f) Excavations*

Expenditure on excavations for the line plant is written off by equal instalments over a period of three years. The amount of expenditure remaining to be written off is included in the deferred debits.

*(g) Repairs and renewals*

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

*(h) 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 unrealized 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 situated 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 Balance Sheet are reflected at their respective book values.



### 3. Fixed assets

	Cost	Depreciation	Written down value-	
			1977	1976
	£	£	£	£
Freehold land and buildings	1,231,443	211,099	1,020,344	980,533
Leasehold buildings	61,648	25,764	35,884	37,738
Exchanges, telegraph and line plant and apparatus	14,225,380	7,123,285	7,102,095	6,772,087
Radio stations	1,078,002	716,626	361,376	422,460
Sub-marine cables	2,490,591	329,751	2,160,840	2,489,596
Vehicles, tools and equipment	332,369	297,801	34,568	36,807
Office furniture and equipment	194,558	129,095	65,463	68,028
	<u>19,613,991</u>	<u>8,833,421</u>	<u>16,780,570</u>	<u>10,807,249</u>
Assets under construction	306,877	—	306,877	553,725
Payments on account of equipment	77,132	—	77,132	75,555
	<u>£19,998,000</u>	<u>£8,833,421</u>	<u>£11,164,579</u>	<u>£11,436,529</u>
	<u>1976 : £18,864,762</u>	<u>£7,428,233</u>	<u>£11,436,529</u>	

The depreciation of fixed assets for the year ended 31st December, 1977, amounted to £1,544,739 (1976 : £1,438,891) and is reflected in the operating expenses.

### 4. Investments

At cost, unquoted :

Trade £87,110. 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 £490,469. Under the terms of issue of the 7½% 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. Long term debtors

These are repayable by equal annual instalments till 1982 with interest at 8% per annum.

## 6. Current assets

	1977	1976
	£	£
Stores (Notes 1(d), 2)	2,704,976	2,062,341
Debtors and other accounts less provisions (Note 1 (c) )	1,951,582	1,649,918
Bank balances and cash in hand..	923,473	502,111
	<u>£5,580,031</u>	<u>£4,214,370</u>

## 7. Deferred debits

	1977	1976
	£	£
Interest attributable to subsequent years	882,458	1,007,723
Net exchange differences on conversion of foreign currency balances (Note 1 (h) )	62,828	138,355
Deficiency in respect of past service retirement benefits less amounts written off (Note 1 (c) )	1,363,968	1,412,581
Expenditure on excavations for the line plant less amounts written off (Note 1 (f) )	122,213	50,126
Other expenses	120,147	154,851
	<u>£2,551,614</u>	<u>£2,763,636</u>

## 8. Government loans

	1977	1976
	£	£
5½% Government loan 1969/83	95,079	108,047
5½% Government loan 1970/84	90,272	100,520
5% Government loan 1973/87	2,976,000	2,977,000
	<u>£3,161,351</u>	<u>£3,185,567</u>



## 9. Debenture stocks

	1977	1976
	£	£
7½% Guaranteed debenture stock 1980/82	600,000	600,000
7½% Guaranteed debenture stock 1981/83	650,000	650,000
	<u>£1,250,000</u>	<u>£1,250,000</u>

The 7½% 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 30th November, 1982.

The 7½% 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.

## 10. Other long term liabilities

	1977	1976
	£	£
Suppliers and other credits	3,905,103	4,226,457
Liabilities in respect of past service retirement benefits (Note 1 (a))	1,677,100	1,743,191
	<u>£5,582,203</u>	<u>£5,969,678</u>

## 11. Current liabilities

	1977	1976
	£	£
Creditors and other accounts	2,682,642	2,334,088
Bank loan	—	1,000,000
	<u>£2,682,642</u>	<u>£3,334,088</u>

## 12. Deferred credits

	1977	1976
	£	£
Rentals and installation fees relating to subsequent years	166,241	142,045
Deposits for recoverable works	192,912	135,571
Interest receivable relating to subsequent years	72,390	—
	<u>£431,543</u>	<u>£297,619</u>



### 13. Reserve fund

	1977
	£
Balance 1st January, 1977—	
Transfer of balance of capital reserve	64,304
Transfer of balance of revenue reserve	4,738,220
	<hr/>
	4,802,524
Add :	
Profit on sale of fixed assets (after deducting £31,542 for special contribution relating thereto)	89,354
Revenue surplus for the year	2,240,006
	<hr/>
	£7,111,874

### 14. Operating revenue

	1977	1976
	£	£
Telephone services	6,982,808	5,748,147
Telegraph services	405,915	421,935
Telex services	819,158	671,790
Other services	275,533	203,934
	<hr/>	<hr/>
	£8,482,614	£7,045,806

### 15. Operating expenses

	1977	1976
	£	£
System operational :		
Telephone services	3,524,241	3,187,676
Telegraph services	532,431	433,234
Telex services	320,739	271,234
Other services	193,449	142,167
	<hr/>	<hr/>
	4,570,860	4,034,311
Establishment	175,154	154,692
Administrative	723,024	630,709
	<hr/>	<hr/>
	£5,469,038	£4,819,712

The staff costs for the year amounted to £3,477,343 (1976: £2,956,766) of which £268,969 (1976: £248,015) have been charged to capital expenditure and £36,016 (1976: £23,908) to recoverable works. The balance of £3,172,358 (1976: £2,684,843) is reflected in the operating expenses.



#### 16. Financial and other expenses

	1977	1976
	£	£
Interest on Government loans and debenture stocks	254,187	255,725
Interest on suppliers' credit	278,977	290,921
Interest on liabilities in respect of past service retirement benefits (Note 1 (e) )	92,236	10,059
Bank and other interest	40,709	159,992
Authority's Members emoluments and expenses	4,930	2,862
Amount written off the deficiency in respect of past service retirement benefits (Note 1 (e) )	44,000	44,143
Other	193,402	46,897
	<u>£878,441</u>	<u>£810,599</u>

#### 17. 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.

The charge for special contribution on the quarterly profits of the year has been materially reduced by reason of accelerated capital allowances.

#### 18. 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.

#### 19. Contractual commitments

Contractual commitments in respect of capital expenditure as at 31st December, 1977, not provided for in these Accounts, amounted to approximately £1,380,000 (1976: £1,519,000) of which £1,205,000 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, 1977.

## 20. Contingent liabilities

### (a) Claims

Contingent liabilities in respect of claims against the Authority amounted to approximately £700 at 31st December, 1977 (1976 : £1,000). No provisions have been made in these Accounts in respect thereof.

### (b) Staff superannuation fund

Under the regulations of the contributory staff superannuation fund, the Authority is liable to make good deficiencies which may be revealed on periodic actuarial valuations of the fund. The last actuarial valuation was made in 1976.



# CYPRUS TELECOMMUNICATIONS AUTHORITY

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1977	1976
	£	£
<b>SOURCE OF FUNDS</b>		
Revenue surplus	2,240,006	1,361,607
Depreciation	1,544,739	1,438,891
<b>Funds generated from operations</b>	<b>3,784,745</b>	<b>2,820,498</b>
(Increase)/decrease in deferred accounts	345,946	(976,975)
Proceeds from sale of fixed assets (net)	637,112	—
<b>Funds from other sources</b>	<b>983,058</b>	<b>(976,975)</b>
	<b>£4,767,803</b>	<b>£1,843,523</b>
 <b>APPLICATION OF FUNDS</b>		
Additions to fixed assets	2,168,380	1,321,055
Deduct :		
Residual value of fixed assets displaced	149,728	136,706
Installation fees recovered	178,045	163,896
	327,833	300,602
	1,840,547	1,020,453
Repayment of bank loan	1,000,000	1,187,209
Repayments towards Government loans	24,216	28,326
(Increase)/decrease in creditors	38,921	(764,647)
Increase in bank balances and cash in hand	421,362	482,156
Increase in investments	152,628	112,337
Increase in debtors	647,494	81,896
Increase/(decrease) in stores	642,635	(304,207)
	<b>£4,767,803</b>	<b>£1,843,523</b>

# CYPRUS TELECOMMUNICATIONS AUTHORITY

## RETURN ON CAPITAL EMPLOYED

	Financial years ended 31st December						
	1977	1976	1975	1974	1973	1972	1971
	£000	£000	£000	£000	£000	£000	£000
Capital employed:	18,548	17,377	15,930	13,159	10,753	9,343	8,133
Annual earnings/ (losses):	2,240	1,382	(158)	(215)	1,391	672	191
Percentage of annual earnings/ (losses) on capital employed:	12.1%	7.9%	(1.0%)	(1.6%)	12.9%	7.2%	2.3%

### Notes:

1. Capital employed represents the average of the opening and year-end reserve funds and liabilities. The liabilities have been adjusted to exclude interest attributable to subsequent years.

2. Annual earnings/(losses) are stated after the deduction of interest and, for the years 1977 and 1976, after the deduction of the special contribution.

