

GUYANA TELECOMMUNICATION CORPORATION

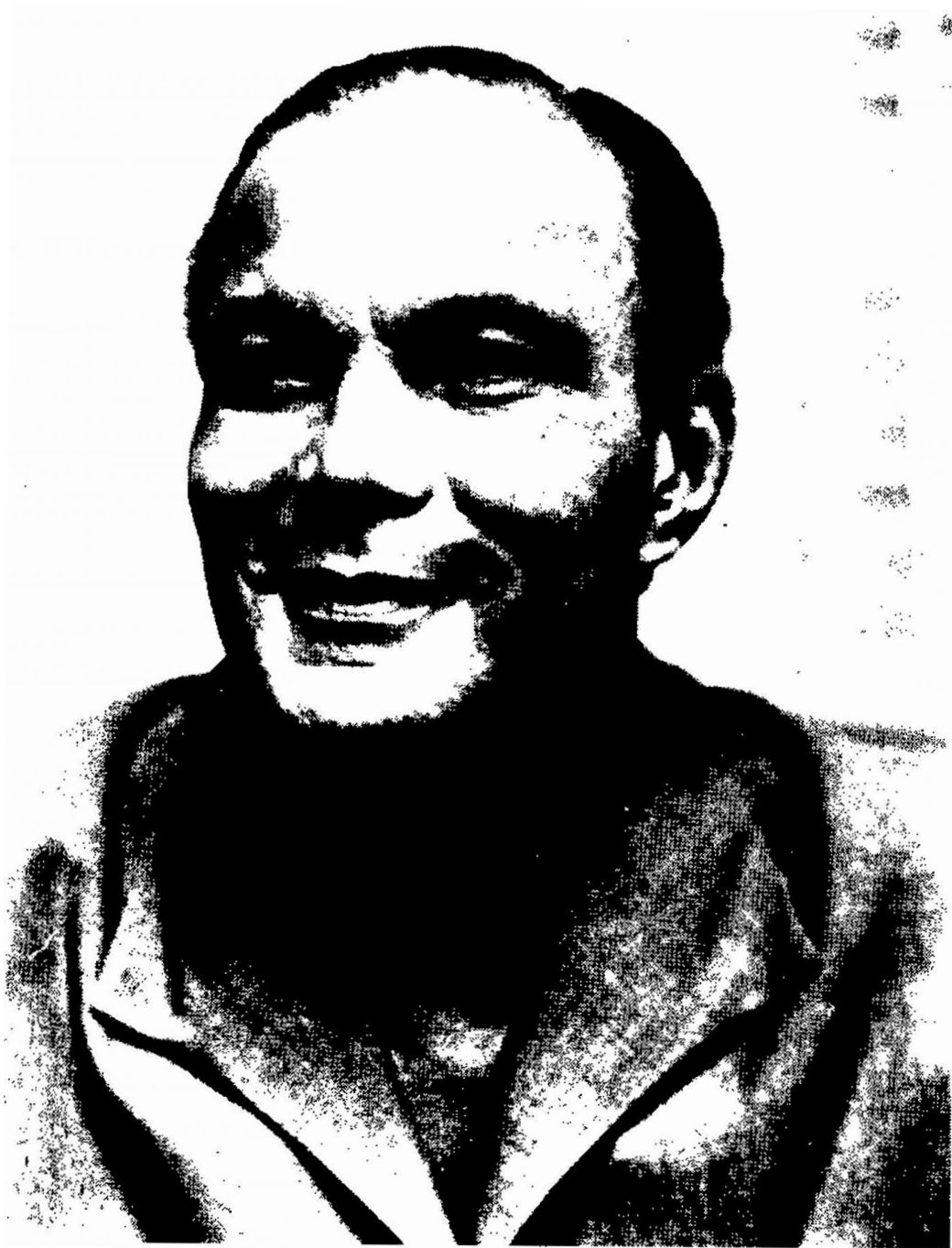
ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDING

31ST. DECEMBER, 1975



Cde. L. F. S. Burnham, O.E., S.C., – President, Guyana State Corporation



Cde. George King, Vice-President – Guyana State Corporation.



*Cde. S. S. Naraine, A.A. –
Minister of Works and Housing (Communications).*

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GUYANA TELECOMMUNICATION CORPORATION

Established 1st March, 1967,
by Order in Council No. 11 of 1967,
Under the
Public Corporation's Ordinance No. 23 of 1962.

REGISTERED OFFICE

55, Brickdam, Georgetown, Guyana.

MEMBERS OF THE BOARD

G. A. King	Chairman
J. L. Philadelphia	Deputy Chairman
D. I. Yankana	Member
G. E. Perry	Member
G. A. Pereira	Member
R. O. Telesford	Member
S. F. Lashley	Member
G. E. Hopkinson	Member
W. N. James	Secretary

SENIOR STAFF

General Manager	J. L. Philadelphia, Dip. Eng. (Hons.) C. Eng., F.I.E.E., M.I.E.R.E., M.B.I.M., M.G.A.P.E.
Deputy General Manager	G. E. Perry, Dip. Eng., C. Eng., M.I.E.E., M.B.I.M., M.G.A.P.E.
Secretary	W. N. James, A.C.I.S.
Chief Accountant	S. F. Lashley, A.C.C.A.
Senior Executive Engineers	G. A. Pereira, Dip. Eng., C. Eng., Associate Member I.E.E., Associate Member I.E.R.E.
	R. O. Telesford, Dip. Eng., Associate Member I.E.E. Associate Member I.E.R.E., M.G.A.P.E.
	G. E. Hopkinson, Dip. Eng., Associate Member I.E.E.

Executive Engineers

N. G. Daw

S. Evelyn-Moe

**W. Edinboro, Dip. Eng.,
Associate Member I.E.E.**

N. Marshall

R. C. Austin

K. Bishop

E. S. Lynch

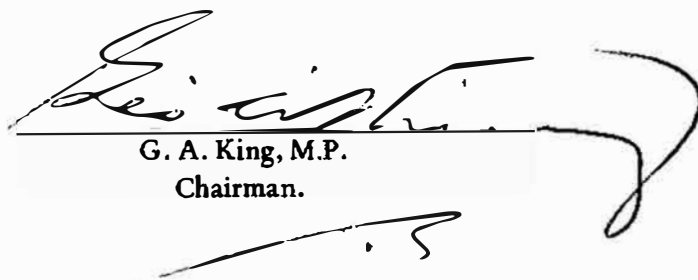
LETTER OF TRANSMITTAL

GUYANA TELECOMMUNICATION CORPORATION.
55 Brickdam,
Georgetown,
GUYANA.
June, 1977.

The Hon. Shiwsahai Naraine,
Minister of Works and Housing,
Kingston,
Georgetown.

Dear Minister,

On behalf of the Guyana Telecommunication Corporation, I have pleasure in presenting the Annual Report on the operations of the Corporation for the year ending 31st December, 1975, together with the Financial Statement for that year. The Report and the Financial Statement are furnished as required by Section 33(1) of the Public Corporation's Ordinance.



G. A. King, M.P.
Chairman.

HIGHLIGHTS OF THE YEAR 1975

	1975 \$	1974 \$
Revenue	10,969,625	9,097,297
Expenditure	6,778,061	5,727,249
Gross Surplus	4,191,564	3,370,048
Sources of Revenue:		
Telephone Rental	2,895,294	2,636,544
Metered Calls	6,528,768	5,088,631
Overseas Telephone & Telex	808,010	631,616
Inland Trunk	78,500	76,385
Other Charges	425,710	212,063
Non-Operating Revenue	233,343	452,058
	10,969,625	9,097,297
Main Expenditure Heads:		
Salaries, Wages & Allowances	3,371,381	2,866,324
Interest on Capital and Other Basic Charges	1,038,072	1,006,289
Maintenance Materials	<u>753,644</u>	411,761
	5,163,097	4,284,374
Other	1,614,964	1,442,875
	6,778,061	5,727,249
Fixed Assets	33,401,441	30,119,329
Less Depreciation	8,106,802	<u>6,336,918</u>
	25,294,639	<u>23,782,411</u>

FINANCE:

Operating Account

There was a Gross Surplus of more than \$4M. which was a 24% increase on the previous year 1974. Revenue increased by \$1.87M. or 20.5% over 1974, the only item that decreased being Non-Operating Revenue. The main Revenue items were Inland Metered Calls 65% and Rental 26% of the Total Revenue respectively. Metered Calls and Overseas Telephone and Telex increased by 28% over the previous year's charges.

Expenditure increased by 18% over the amount for 1974.

The main increases were on Salaries, Wages etc. $\$1\frac{1}{2}M$ and Maintenance Materials $\$342,000$. While Salaries increased at the same pace of 17.6% with the Total Expenditure, Maintenance Materials had an 83% increase. This was due to increased use of Materials and increased Costs.

Bank overdraft interest for the year was more than $\$277,000$, and Interest paid on borrowed Capital more than $\$705,000$.

Balance Sheet

Our current liabilities increased by almost $\$2.2M.$, which was matched by the decrease in the Loan from the Midland Bank.

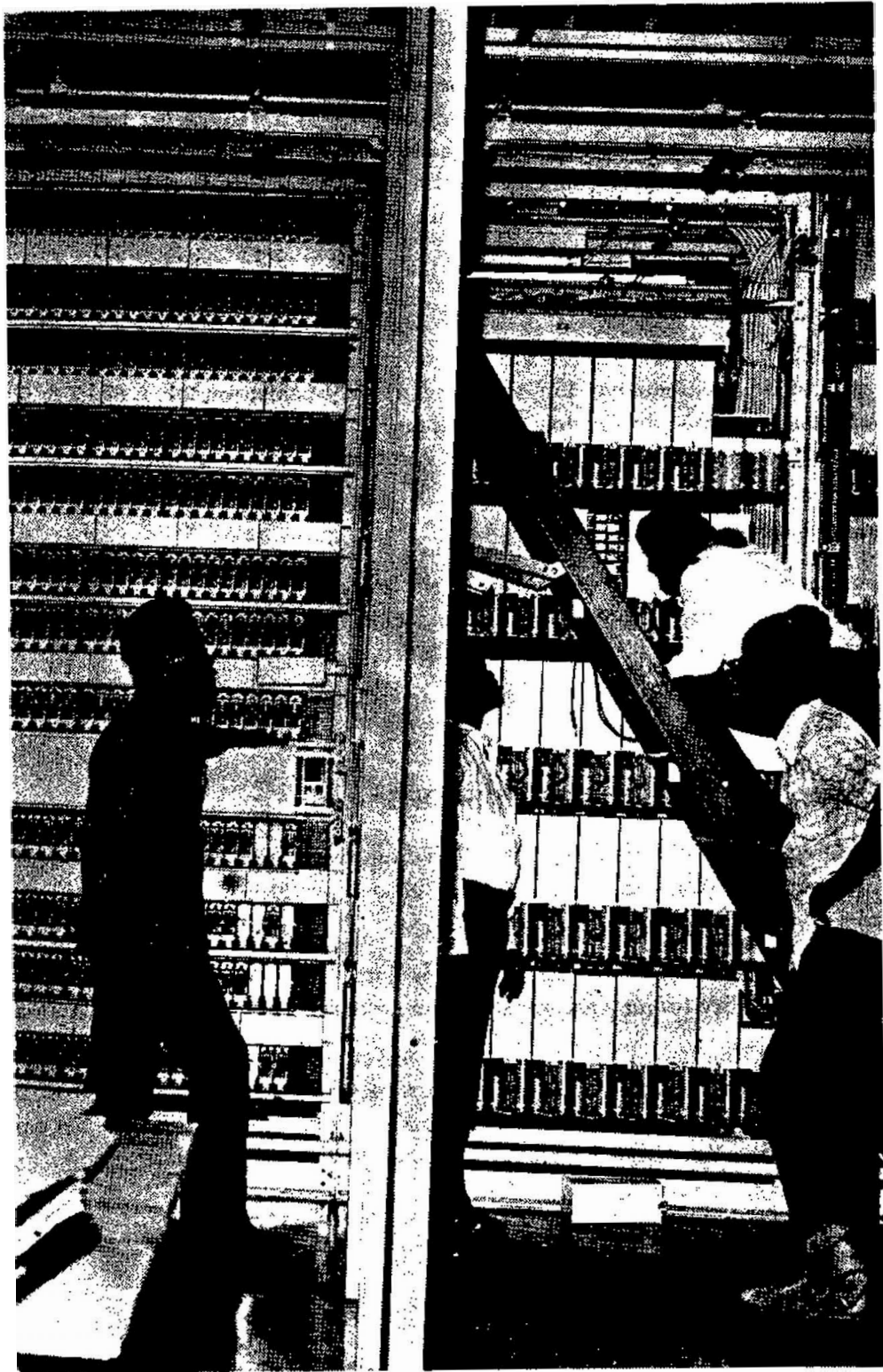
The Worth of the Corporation increased by $\$600,000$ after provision for Depreciation, bad and doubtful Debts and Taxation.

Preliminary Expenses in connection with the Expansion Programme of almost $\$1M.$ were also written off.

The cost of Assets was increased by more than $\$3M.$, but the net Value after depreciation is shown as $\$1\frac{1}{2}M.$ less than 1974.

Return on Assets before depreciation is 22%.

After Depreciation and bad and doubtful Debts 12.1%.



Testing equipment, New Amsterdam Exchange.

OPERATIONS AND MAINTENANCE

GEORGETOWN:

During the period under review, the maintenance personnel attached to the Georgetown Exchange were assisted greatly by the commissioning of an automatic traffic equipment, which proved its value in detecting faults which would have seriously lowered the grade of service, if allowed to remain undetected for any appreciable length of time. Periodic inspection of installation and lubrication routine on selector mechanisms was enforced, so as to reduce any seemingly high-fault incidents.

Electrical:

Throughout the year, the Electrical staff were kept busy in the maintenance and repairs of power systems in Georgetown and the rural areas. Installation of a 60 K.V.A. diesel alternator plant was done at the New Amsterdam Exchange. Although this section has been plagued with depletion of skilled personnel and transportation problems, it was able to maintain the efficiency of the section.

Radio and Multiplex:

At the commencement of the year, testing of the microwave systems was carried out due to the constant outages. Installation and maintenance of VHF Rural Radio sets and Morse H.F. Radio sets were carried out at the various locations.

TELEX AND TELEPHONE WORKSHOPS

A total of two hundred and forty-nine (249) faults were reported and rectified for the period under review. Apart from routine maintenance performed on most of the machines, fourteen (14) were completely overhauled.

There were only nine (9) new telex services installed. This was mainly due to the Corporation's inability to purchase telex equipment in reasonable time from overseas.

A constantly high number of telephones were overhauled in the telephone section. This was enhanced with the installation of additional test positions and the provision of adequate tools for all staff engaged on such maintenance. A total number of fifteen (15) employees were attached to the Telex and Telephone workshop for the period under review.

SALES AND SERVICES

SALES:

During the period under review, this section processed the following services:-

1.	New Services	1,507
2.	New Telex Services	9
3.	Internal Removals	360
4.	External Removals	853
5.	Conversions	624
6.	Cessations	469
7.	P.A.B.X.'s	11
8.	P.M.B.X.'s	23

The following represents the different services that existed at the end of 1975:-

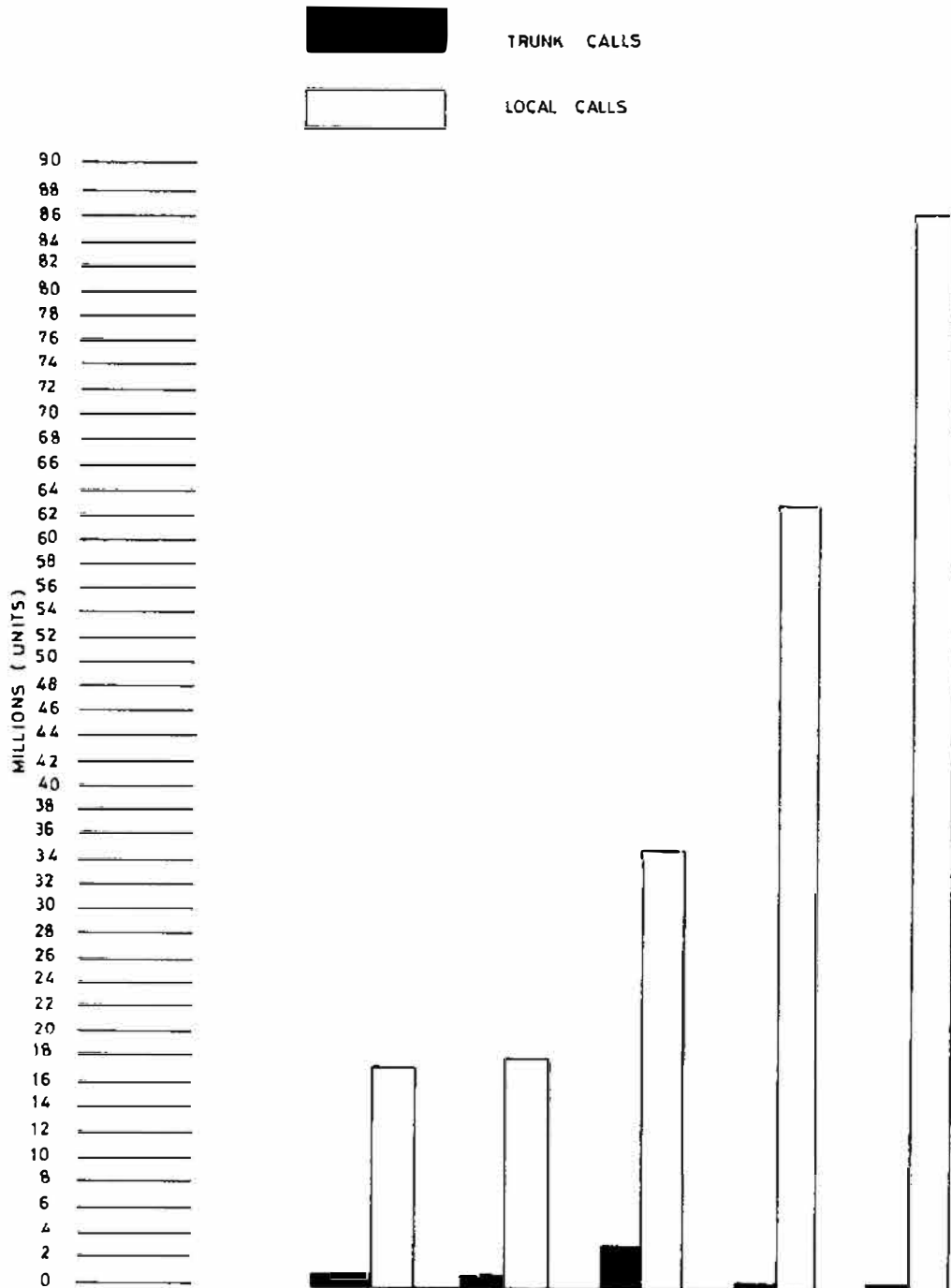
1.	Direct Exchange line connections	13,938
2.	Telephone stations	21,225
3.	Telex stations	68
4.	Telephone Exchanges	23
5.	Government Radio Stations	25
6.	Corporation Radio Stations	
7.	Private Radio Stations	57

A total of 1,723 telephone applications were received over this period.

SERVICE:

1.	Overseas Calls	130,795
2.	Outgoing Telex Calls	27,563
3.	Interior Calls	5,700
4.	Local Calls (Units)	86,000,000
5.	Trunk Calls	89,124

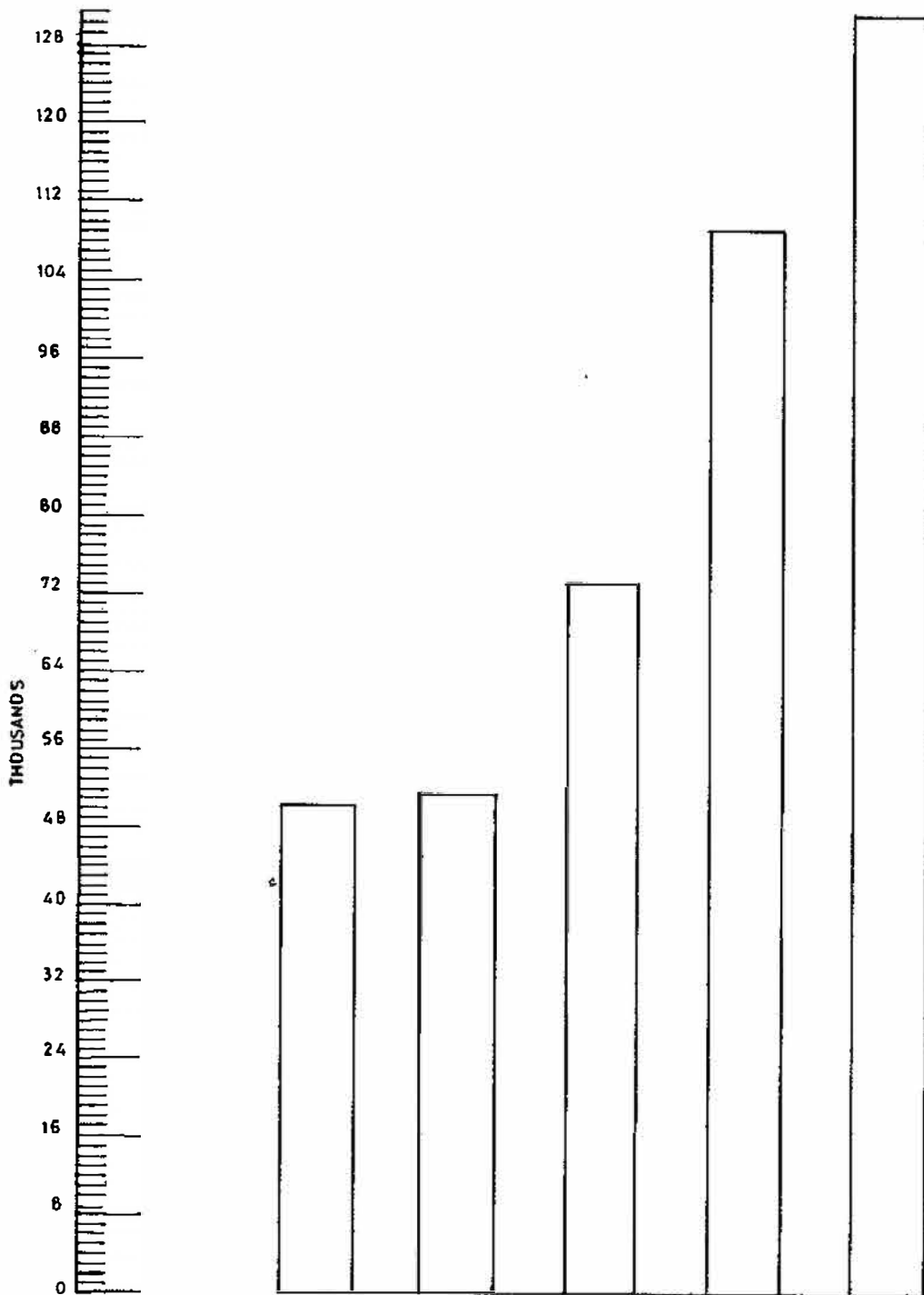
INLAND TELEPHONE CALLS



TRUNK
LOCAL

	1971	1972	1973	1974	1975
TRUNK	979,259	969,259	2,913,880	86,117	89,124
LOCAL	17,193,200	18,000,000	34,672,454	62,203,299	86,000,000

OVERSEAS TELEPHONE CALLS



1971	1972	1973	1974	1975
49,809	50,506	73,000	107,837	130,795

TRAINING

During the year under review four hundred and thirty (430) employees received training at the telecommunication training school. Thirteen (13) different members of the Corporation staff gained some experience in instructional work:

The courses offered ranged from:-

Basic auto two-motion selectors operation

Mechanical adjustments and lubrication

External Plant

Subscribers apparatus Del and Plan numbers, installation and maintenance

Test Desk Operations

Teleprinters (Creed 54)

P.M.B.X.'s equipment and circuitry

P.A.B.X.'s trunking, circuitry and maintenance

U.A.X. -12- Trunking equipment and circuitry

Basic Radar – elementary principles and operation in metereology

Basic Radar – Test instruments

The number of batches for which courses were conducted was thirty-four (34). However, the training programme suffered due to inadequate availability of instructional staff and other material inputs, but management was aware of these problems and had been exploring various ways and means to solve them.

DISTRICTS

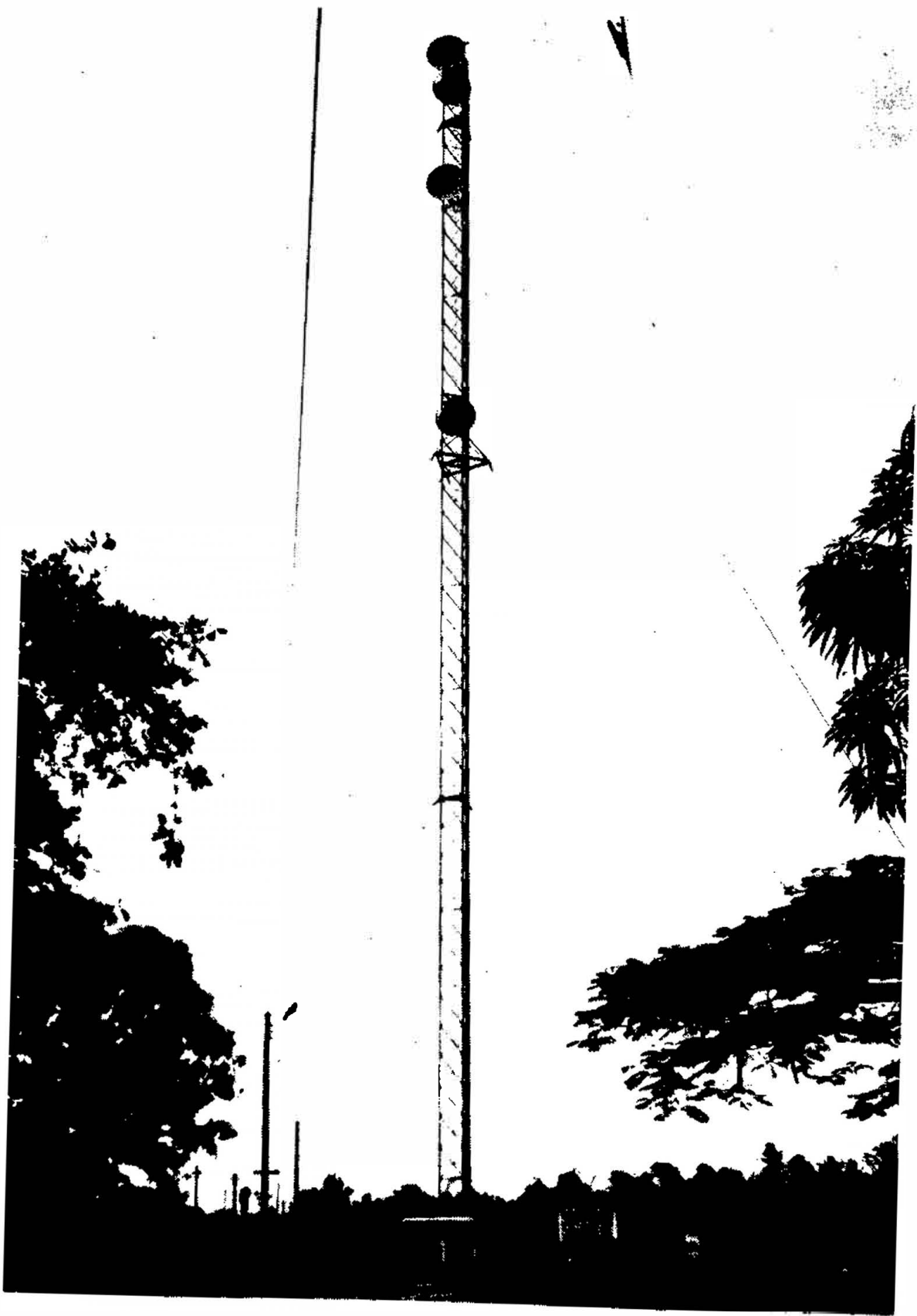
The Corporation has during this period, increased its connections in the various rural Exchanges as follows:-

New Amsterdam	from 776	to 912
Skeldon	from 77	to 94
Beterverwagting	from 337	to 366
Cove & John	from 74	to 98
Mahaica	from 29	to 36
Mahaicony	from 26	to 32
Linden	from 739	to 817
Leonora	from 98	to 112
Anna Regina	from 71	to 92
Suddie	from 67	to 71

Thereby enabling more subscribers in the areas to enjoy a better service.

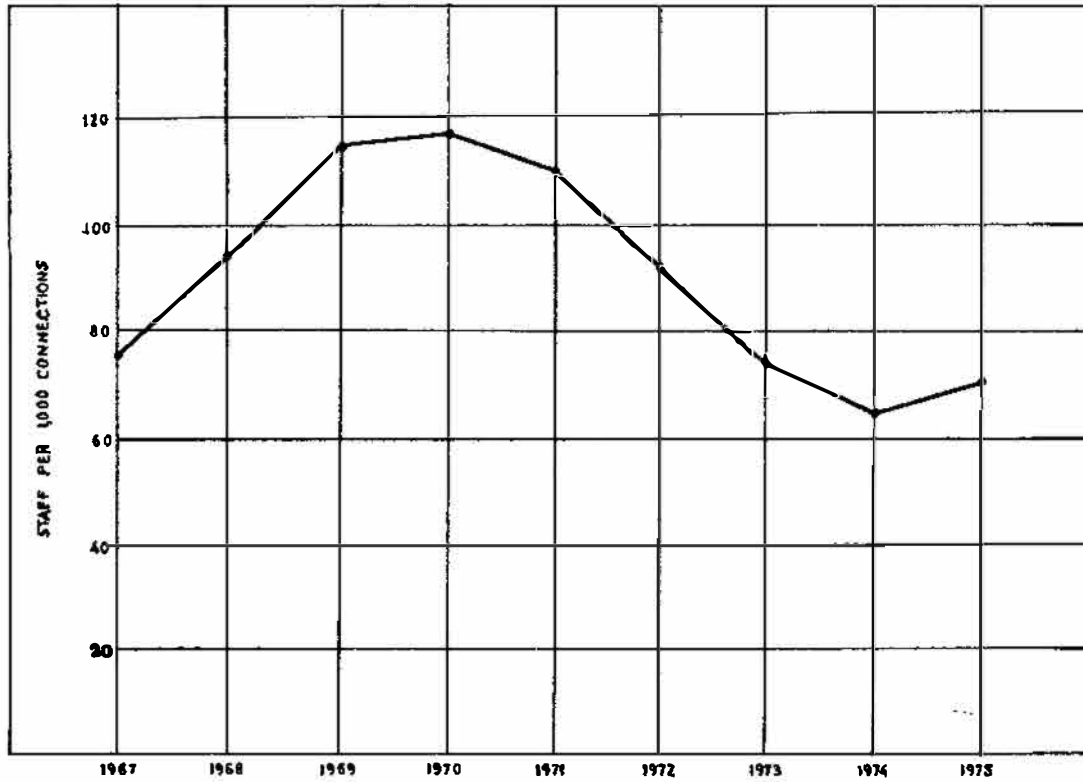
EXPANSION AND DEVELOPMENT PROGRAMME

- (a) Construction of line Plant and installation of telephones at Mabaruma, Matthews' Ridge and Port Kaituma.
- (b) Construction of Telephone Exchange building at Matthews' Ridge, Port Kaituma, Rosignol and Port Mourant.
- (c) Installation and testing of radio equipment at New Amsterdam, Whim and Benab.
- (d) Commissioning of rural automatic exchanges at New Hope and Whim.
- (e) Construction of technician's Quarters at Leonora.
- (f) Extension of Exchange Building at Timehri and Mabaruma.
- (g) Establishment of microwave link between Georgetown and Surinam.
- (h) The erection of a 170-ft. Guyed mast and installation of U.H.F. aerials and feeder cables at Mabaruma.
- (i) The erection of a 200-ft. self-supporting tower and the installation of U.H.F. aerials and feeder cables at Matthews' Ridge.
- (j) Establishment of telephone communication facilities on Direct Distance Dialling (DDD) at the Guyana National Service Centre, Papaya.
- (k) The erection of a 140-ft. self-supporting tower, installation of U.H.F. aerials and feeder cables, erection of a 50-ft. aerial support structure and mounting of a 30-ft. tropo aerial with associated feeder cables at Port Kaituma.
- (l) The fitting of a wedge on the existing 40-ft. self-supporting tower, and the assembly and installation of a 30-ft. diameter tropo aerial with associated feeder cables at Timehri.



350 ft. stayed most at Mahaica, East Coast, Demerara.

GRAPH SHOWING STAFF PER 1000 CONNECTIONS FROM 1967



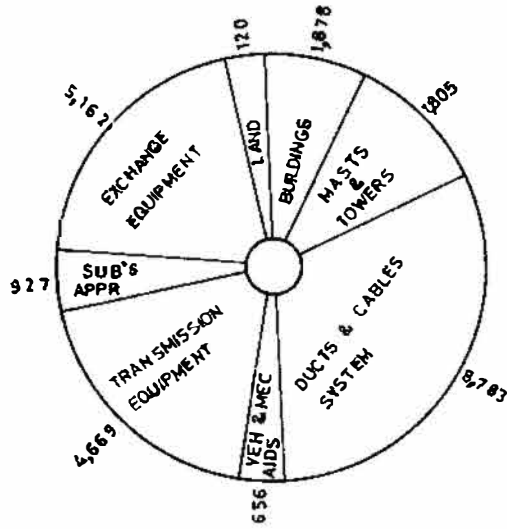
TOTAL STAFF STRENGTH

1967 - 1975

Year Ending 31.1	Telephone Connections			Total Staff	No. of Staff Per. 1,000 Con.
	Georgetown	Districts	Total		
1967	5512	1368	6880	531	77.2
1968	5610	1431	7101	642	90.4
1969	5781	1489	7270	834	114.7
1970	5800	1527	7327	871	118.9
1971	5800	1534	7334	825	112.4
1972	7684	1681	9365	865	92.3
1973	9604	1796	11400	876	76.8
1974	10278	2777	13055	863	66.1
1975	10777	3447	14224	995	70.0

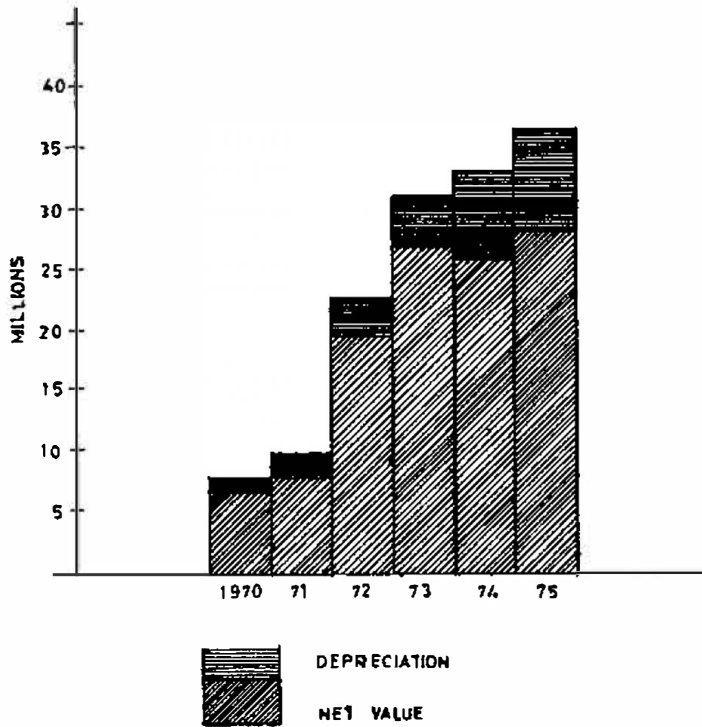
ASSETS ACQUIRED THRU (\$ 24 M) EXPANSION PROG.

(G \$ 000)

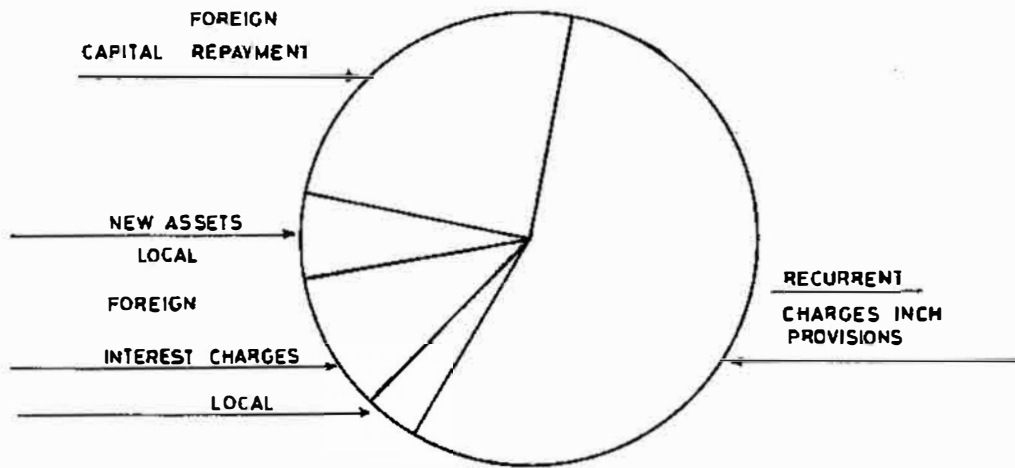


GROWTH OF FIXED ASSETS COST, 1975

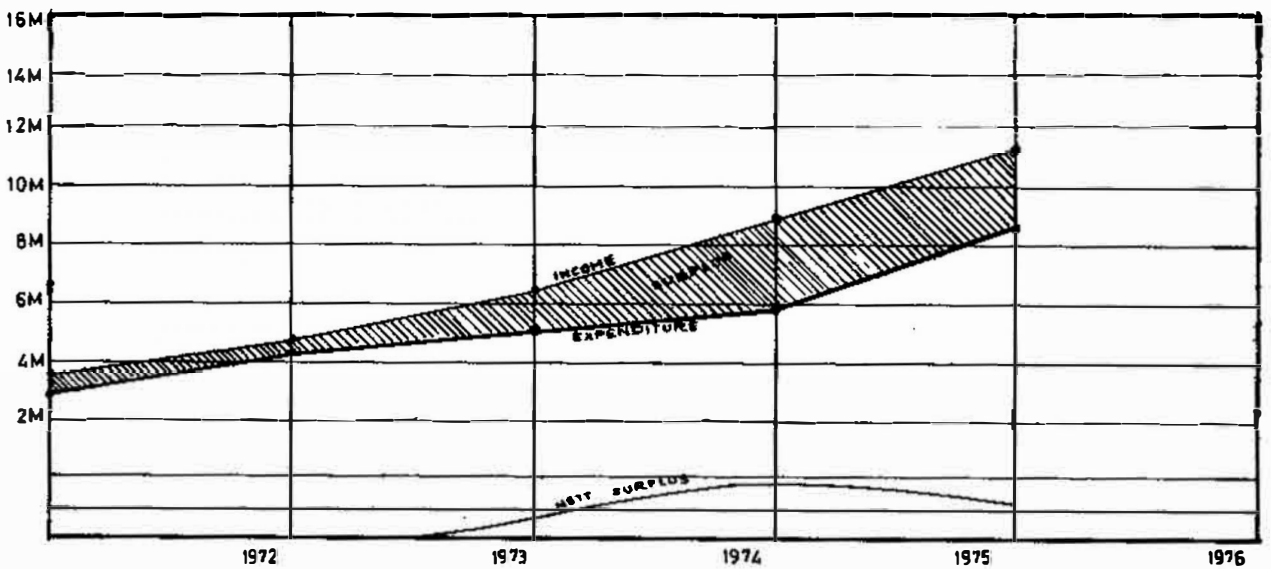
(G \$ 000.000)



DISPOSAL OF FUNDS

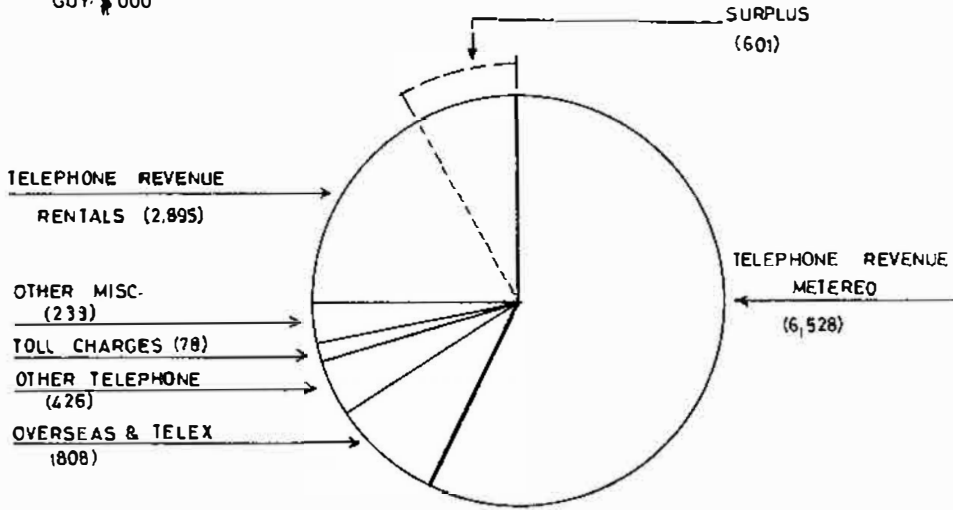


G.T.C. INCOME, EXPENDITURE & SURPLUS, 1975



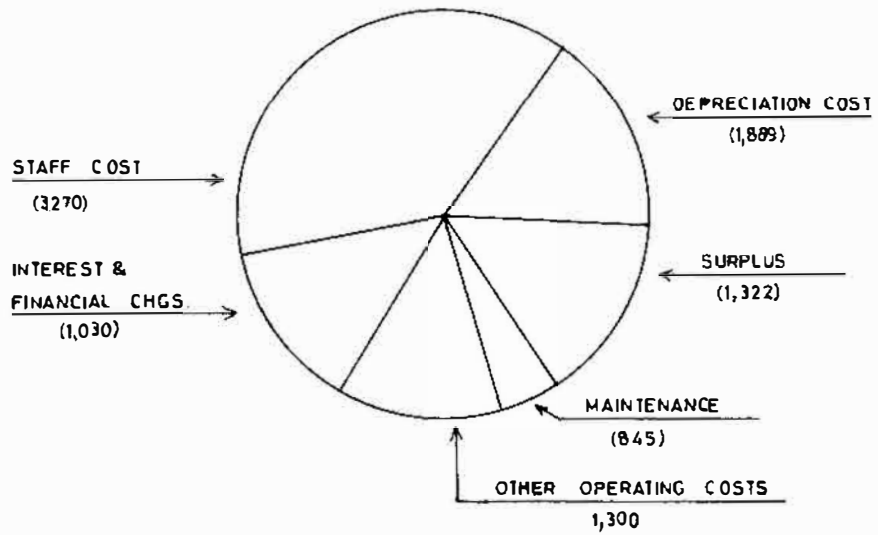
SOURCES OF REVENUE, 1975

GUY. \$ 000



APPLICATION, 1975

GUY. \$ 000



REPORT OF THE AUDITORS TO THE MEMBERS OF GUYANA
TELECOMMUNICATION CORPORATION

We have examined the accounts which are in agreement with the books of the Corporation and have obtained the information and explanations which we have required.

In our opinion, these accounts which have been prepared on the historical cost basis of accounting give, on this basis, a true and correct view of the state of affairs of the Corporation at 31st December, 1975 and of the results of its operations for the year ended on that date.

THOMAS, STOLL, DIAS & CO.

BALANCE SHEET
AS AT 31ST DECEMBER, 1975

	\$	\$	1975 \$	\$	1974 \$
Current assets					
Cash-in-hand		220			75
Fixed deposit		26,629			26,119
Stocks and stores		731,277			214,903
Accounts receivable – telephones	2,393,655			2,910,024	
Accounts receivable – others	<u>283,184</u>			<u>150,218</u>	
	2,676,839			3,060,242	
Less: Provision for bad and doubtful debts		<u>493,057</u>		<u>436,661</u>	
		2,183,782			2,623,581
Loans – advances to employees		352,463			144,228
Pension Scheme Fund		10,500			10,500
Advances – Government of Guyana (Superannuation Fund)		683,633			589,713
Prepaid insurance		24,766			24,540
Accruals and deposits		<u>225,943</u>			<u>—</u>
			4,239,213		3,633,659
Less:					
Current liabilities					
Accrued expenses		10,918			27,507
Accounts payable		3,945,165			4,281,047
Other liabilities		3,131,582			83,057
Bank overdraft		879,440			2,230,838
Subscribers		456,214			333,072
Provision for taxation		<u>2,626,599</u>			<u>1,905,118</u>
			11,049,918		8,860,639
Net current assets			<u>(6,810,705)</u>		<u>(5,226,980)</u>

GUYANA TELECOMMUNICATIONS CORPORATION

OPERATING ACCOUNT

FOR THE YEAR ENDING 31ST DECEMBER, 1975

	\$	1975 \$	\$	1974 \$
Revenue				
Operating:				
Telephone and telex	2,895,294		2,636,544	
Metered calls	6,528,768		5,088,631	
Ticketed calls	78,500		76,385	
Overseas and telex charges	808,010		631,616	
Other charges and coin boxes	<u>425,710</u>		<u>212,063</u>	
		10,736,282		8,645,239
Non-operating:				
Radio licence	13,311		29,474	
Services rendered	190,206		367,630	
Miscellaneous	<u>29,826</u>		<u>54,954</u>	
		<u>233,343</u>		<u>452,058</u>
		10,969,625		9,097,297
Expenditure				
Directors' fees and expenses	18,268		18,593	
Salaries and wages	2,852,749		2,435,208	
Pensions and gratuity	10,436		12,886	
Allowance	388,716		335,902	
Professional fees — audit and legal	23,694		7,500	
Transport and travelling	184,239		135,425	
Materials for maintenance	753,644		411,761	
Stationery and office supplies	91,045		68,117	
Rental of machines	78,548		50,128	
Rental — other	16,523		33,434	
Insurance — buildings and equipment	40,940		40,941	
Electricity	226,942		201,871	
I.T.U.	38,394		33,931	
N.I.S. employers' contribution	119,480		82,328	
Miscellaneous	896,371		852,935	
Financial and Bank charges	<u>1,038,072</u>		<u>1,006,289</u>	
		<u>6,778,061</u>		<u>5,727,249</u>
Operating surplus		4,191,564		3,370,048
Surplus/deficit on sale of assets		<u>11,611</u>		<u>4,097</u>
		4,203,175		3,374,145
Depreciation	1,839,155		1,542,860	
Preliminary expenses	988,253		—	
Provision for bad and doubtful debts	<u>53,537</u>		<u>53,858</u>	
		<u>2,880,945</u>		<u>1,596,718</u>
Surplus before taxation		1,322,230		1,777,427
Less: Provision for taxation		<u>721,481</u>		<u>783,618</u>
		\$ 600,749		\$ 993,809

BALANCE SHEET (CONT'D)
AS AT 31ST DECEMBER, 1975

	\$	\$	\$	\$	\$	\$
Fixed assets (note 1)	5,354,836			4,927,323		
Land and buildings	19,387,103			18,478,434		
Plant and machinery	356,023			208,922		
Motor vehicles	<u>-196,677</u>			<u>-167,732</u>		
Furniture and office equipment		25,294,639			23,782,411	
		<u>494,578</u>			<u>1,982,995</u>	
Work-in-progress			<u>25,789,217</u>			<u>25,765,406</u>
			<u>\$18,978,512</u>			<u>\$20,538,426</u>
Represented by:						
Government of Guyana Equity	6,400,000			6,400,000		
Surplus/deficit (note 2)	<u>1,345,477</u>	7,745,477		<u>744,728</u>	7,144,728	
		<u>11,233,035</u>			<u>13,393,698</u>	
Loan - Midland Bank			<u>\$18,978,512</u>			<u>\$20,538,426</u>