

G U Y A N A
A I R W A Y S
C O R P O R A T I O N

ANNUAL REPORT
AND
AUDIT OF ACCOUNTS
1970

ANNUAL REPORT FOR GAC FOR YEAR 1970

Submitted herewith is the Annual Report of Guyana Airways Corporation for the year 1970.

OPERATIONS:

The fleet comprised of the following aircraft -

DC'3s	4
Twin Otter	2
Grumman	1
Cessna 310G	1
Caribous	2

In mid 1970 two Caribous were added to the Corporation's fleet resulting in a significant increase in capacity of approximately 28%. In addition, seven Captains were recruited to provide the basis for meeting requirements which had been growing at a steady rate over the past year and also to meet anticipated traffic increases. However, there was no evidence of any increase in load factors and if anything, this dropped due mainly to the intrusion of private operators, the tapering off of the Jaguar movements and mining operations in the Interior generally and the decrease in the meat traffic from the Rupununi. Added to this, the Ogle project which it was anticipated would enable expansion of coastal passenger operations with the Twin Otter and likely to prove an economic success, never got underway and in addition, the new fares and rates structure proposed for this year was not approved and so could not be implemented.

2. Total flying time amounted to 9,998 hours, which represented an increase of 481 hours or 5% over 1969.

3. Our Carifta operations proved a disappointment, attributable in great measure to our inability to obtain high load factors, the uneconomic rate structure and the non-allocation to G.A.C. of high rate cargo by BWIA. This resulted in a loss to the Corporation during the year of \$57,813. Statistics for 1970 are attached.

FINANCE & ACCOUNTS

4. The Corporation showed a loss during the year from aircraft operations of \$788,050.48. On total operations which comprise all other revenue and expenditure which would include overheads with such items as provision for depreciation and obsolescence, interest on capital and departmental overhead costs, a loss of \$1,129,489.02 for the year resulted.

5. Aircraft allocated costs increased in 1970 to \$1,191,370, that is, 46.6% over the previous year due to some extent to the introduction of the Caribou aircraft. Expenditure increased considerably for aircraft insurance from \$79,000 to \$155,355.45 and there were substantial increases in departmental costs of \$660,631, the significant items being Salaries & Wages \$282,666 or 23.5% transport \$59,680 or 26% over 1969.

6. Aircraft revenue in 1970 was \$2,437,124 an increase of over 10.5% or \$233,465 over 1969. Aircraft expenditure in 1970 was \$3,225.175, an increase of 48.7% or \$1,056,680 over 1969. Total revenue increase was 11% and total expenditure increase just over 39.4%.

7. In September, a general salary revision was made amounting to \$102,856 or an average overall increase for all categories of 8.3%.

AGENCIES ; DEPARTMENT.

8. Agency sales in 1970 increased by approximately 12 $\frac{1}{2}$ % over 1969. In 1969 the figure was 2.08 million while in 1970 it rose to 2.4 million. Commission earned increased by just over 16 per cent from \$322,354 to \$373,481.

9. The Corporation's share of the total BWIA, BOAC and Cruzeiro do Sul sales was equivalent to 42 per cent of the total, but obviously this could have been improved with a sound advertising programme and an even more effective sales force.

10. Though sales in the Mackenzie area increased appreciably the Corporation was unable to get into the Demba business and this restricted to a large measure the further development of Agencies business in the area. An examination of the extension of Agencies business in Berbice was made and a decision as to the location of the office was to be made.

MAINTENANCE

11. The productivity within the Engineering Department in 1970 continued to show some improvement over 1969 despite the fact that hangars, effective workshops and equipment and other facilities were still not available. The improvement has been due to improved maintenance techniques.

12. The significant factors of the year were that the Engineering department had just substantially completed tooling up for Twin Otter maintenance, only to start all over again preparing for the introduction of new and more complicated DeHavilland DHC4 Caribou aircraft. These aircraft presented many highly technological problems for besides being more complicated than the other types within the fleet, particularly in such areas as avionics, electrics and airframe, the programming of equipment and spares holding, training and organising the introduction of yet another type of aircraft demanded extremely high engineering efforts.

13. The following are some productivity figures for this year -

Dakota C47)	
Twin Otter DHC6)	
Caribou DHC4	)	- Total flying hours - 10,148.09
Crumman Goose G21A)	
Cessna 310G)	

Inspections completed were -

25 hr.	- -	39
50 hr.	- -	182
100 hr.	- -	99
300 hr.	- -	30
600 hr.	- -	13
1200 hr.	- -	7

There were 13 engine changes and 10 propeller changes. Aircraft owned by the GDF and the Civil Aviation Department were also maintained.

PERSONNEL.

14. At the end of 1970 there were 437 employees compared with 365 in 1969.

15. Negotiations were still being finalised for signing of Union Agreements with BALPA and CCWU.

GUYANA AIRWAYS CORPORATION.

1970

Mileage Flown

DC3	....	816,930
Grumman	....	35,000
Twin Otter	----	406,420
Cessna	....	12,540
Caribou	....	<u>160,225</u>
		<u>1,431,115</u>

Hours Flown

DC3	....	5.634
Grumman	....	280
Twin Otter	....	2,903
Cessna	....	76
Caribou		<u>1,105</u>
		<u>9,998</u>

Passengers carried	...	58,602
Passenger miles flown	...	6,622.025
Seat miles available	...	22,073.416
Passenger Load Factor	...	30%
Total weight carried	...	(a) Passenger & Baggage ...9,687.400 lbs.
		(b) Excess Baggage ... 87,300 "
		(c) Cargo ... 13,710.700 "
		(d) Mail ... 65.005 "
		Total <u>23,550.405 "</u>
Available Ten Miles	...	3,153,900
Weight Load Factor	...	63%

29th September, 1971

GUYANA AIRWAYS CORPORATION

AUDITOR'S REPORT

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Corporation so far as appears from our examination of these books.

We have examined the annexed Balance Sheet and Profit and Loss Account which are in agreement with the books and accounts. In our opinion, and to the best of our information and according to the explanations given to us the Balance Sheet gives a true and fair view of the state of the Corporation's affairs as at 31st December, 1970 and the Profit and Loss Account gives a true and fair view of the deficit for the year ended 31st December 1970.

THOMAS STOLL & CO.

ACCOUNTANTS - AUDITORS.

GUYANA AIRWAYS
BALANCE SHEET AS AT

CORPORATION
31st DECEMBER, 1970

<u>1969</u>	<u>LIABILITIES</u>			
	<u>CAPITAL</u>			
\$				
930,000	7% Perpetual Debentures Issued to the Government of Guyana	930,000.00		
	Accrued Interest on Capital	<u>477,400.00</u>		
			<u>1,407,400.00</u>	
<u>412,300</u>				
\$ 1,342,300				
	<u>CAPITAL RESERVE</u>			
525,360	1st Twin Otter Aircraft	525,360.00		
75,000	Atkinson Devlopment	<u>75,000.00</u>		
\$ 600,360			<u>600,360.00</u>	
1,942,660			2,007,760.00	
(312,985)	Less - Deficit		<u>(1,367,473.51)</u>	
1,629,675	<u>NET CAPITAL</u>		640,286.49	
	<u>LONG TERM LIABILITY</u>			
	<u>CANADIAN GOVT LOANS</u>			
817,244	2nd Twin Otter Aircraft & Spares	817,243.98		
	Caribou Aircraft & Spares	4,516,006.12		
	Radio Equipment	<u>226,218.46</u>		
817,244			<u>5,559,468.56</u>	
280,532	<u>CURRENT LIABILITIES</u>			
227,558	Sundry Creditors & Credit Balances	306,545.35		
503,589	British West Indian Airways Ltd.	697,568.29		
43,741	British Overseas Airways Corporation	358,301.09		
	Accrued Expenses	<u>215,156.36</u>		
\$ 1,055,420			<u>1,577,571.09</u>	
<u>3,502,339</u>			<u>7,777,326.14</u>	

<u>1969</u>	<u>ASSETS</u>	<u>Cost</u>	<u>Obsolescence</u>	<u>BALANCE</u>
	<u>FIXED ASSETS</u>			
172,500	Land & Building	262,734.46	91,449.04	171,285.42
1,253,918	Aircraft	5,587,174.25	865,949.42	4,721,224.83
109,847	Airframe, Engine & Radio Spares	1,483,389.49	458,433.71	1,024,955.78
38,121	Engineering & Radio Plant & Equipment	375,278.94	125,173.57	250,105.37
76,588	Furniture & Office Equipment	<u>154,493.09</u>	88,091.00	<u>71,402.09</u>
1,650,974		<u>7,868,070.23</u>	<u>1,629,096.74</u>	6,238,973.49
	<u>CAPITAL WORKS IN-PROGRESS</u>			
-	Freight Bond - Ramp		300.00	
-	Timahri Hangars		400.00	
900	Ogle Airstrip		900.00	
1,471	Main Office Building		1,470.56	
-	Cessna 310G Aircraft		<u>1,172.76</u>	
\$ 2,371				4,243.32
	<u>CURRENT ASSETS</u>			
65,645	Stocks & Stores		88,390.83	
1,116,634	Sundry Debtors & Debit Balances		1,089,421.99	
407,560	Cash at Banks		242,017.30	
3,708	Cash in Hand		<u>3,268.87</u>	
1,593,547				1,423,098.99
	<u>PREPAID EXPENSES</u>			
36,872	Insurance		91,709.93	
40,691	Other		<u>3,257.09</u>	
77,563				94,967.02
	<u>DEFERRED REVENUE EXPENDITURE</u>			
19,793	Kaieteur Airstrip			16,043.32
	<u>ACCRUED REVENUE</u>			
158,091	Carifta Revenue & Overriding Commission			<u>158,091.00</u>
				\$ 7,777,326.14

GUYANA AIRWAYS CORPORATION.

PROFIT & LOSS APPROPRIATION ACCOUNT.

FOR THE YEAR ENDED 31ST DECEMBER, 1970

⊘		⊘	⊘		⊘
186,959	Deficit Brought Forward	312,984.49	150,000	Subvention by Government of Guyana	75,000.00
276,025	Deficit for the year	1,129,489.02	312,984	Deficit Carried Forward	1,367,473.51
<hr/>		<hr/>	<hr/>		<hr/>
⊘ 462,984		⊘ 1,442,473.51	⊘ 462,984		1,442,473.51
<hr/>		<hr/>	<hr/>		<hr/>

GUYANA AIRWAYS CORPORATION.

SUMMARY OF DEPARTMENTAL COSTS FOR THE YEAR ENDED

31ST DECEMBER, 1970

<u>Operations</u>	\$767,055.89	
Less Depreciation of Buildings & Contents	<u>1,365.77</u>	\$ 765,690.12
<u>Engineering</u>	660,252.77	
Less Depreciation of Buildings & Contents	<u>10,008.96</u>	650,243.81
<u>Radio & Electrical</u>	168,849.47	
Less Depreciation of Buildings & Contents	<u>13,651.61</u>	155,197.86
<u>Ground Services</u>	597,370.18	
Less Depreciation of Buildings & Contents	<u>10,714.33</u>	586,655.85
<u>Commercial</u>	254,070.44	
Less Depreciation of Buildings & Contents	<u>8,100.16</u>	245,970.28
<u>Finance & Accounts</u>	213,392.37	
Less Depreciation of Buildings & Contents	<u>9,169.58</u>	
Loss Interest on Capital	<u>65,100.00</u>	139,122.79
<u>Management - Administration</u>	193,980.93	
Less Depreciation of Buildings & Contents	<u>5,029.94</u>	188,950.99
<u>Management - Board</u>	30,954.91	
Less Depreciation of Buildings & Contents	<u>1,971.61</u>	<u>28,983.30</u>
		<u>\$ 2,760,735.00</u>