

**AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA CIVIL AVIATION AUTHORITY**

**FOR THE YEAR ENDED  
31 DECEMBER 2017**

**CONTRACTED AUDITORS: TSD LAL & CO.  
77 BRICKDAM,  
GEORGETOWN  
GUYANA**

**AUDITORS: AUDIT OFFICE OF GUYANA  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA**

AUDITED FINANCIAL STATEMENTS OF THE  
GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

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## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana*

*Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

119/SL: 64/2/2021

14 July 2021

Lieutenant Colonel Ret'd - Egbert Fields  
Director General  
Guyana Civil Aviation Authority  
73 High Street Kingston  
Georgetown.

Dear Colonel Fields,

AUDIT OF THE FINANCIAL STATEMENTS OF THE  
GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

Please find attached four (4) copies of the audited financial statements, together with the report of the Auditor General, thereon.

Should you need any further explanation, please do not hesitate to contact us.

With best regards.

Yours sincerely,

  
Nichette Harcourt  
Audit Manager (ag.)  
for Auditor General





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AG: 73/2021

14 July 2021

REPORT OF THE AUDITOR GENERAL  
TO THE MEMBERS OF THE BOARD OF DIRECTORS OF  
THE GUYANA CIVIL AVIATION AUTHORITY  
ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

### *Disclaimer of Opinion*

Chartered Accountants TSD Lal & Co have audited on my behalf the financial statements of the Guyana Civil Aviation Authority, which comprise the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 2 to 16.

I do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### *Basis for Disclaimer Opinion*

#### Accounts Receivables and Prepayments

Accounts receivables and prepayments of \$485,762,635 included balances totalling \$31,127,435 which were coming forward from previous years and were not settled subsequently. In addition, balances totalling \$436,547,524 were outstanding for over 365 days.

An impairment review of the balances was not done nor was any provision for impairment made.

I am therefore uncertain whether the accounts receivables balance of \$485,762,635 was fairly stated as at 31 December 2017.

## Property, Plant and Equipment

Included in property, plant and equipment is a carrying amount of \$1,447,459,276 which was not audited at 31 December 2016 due to lack of supporting documentation.

No impairment review was done on property, plant and equipment.

Included in the assets register, were items valuing \$13,449,417 which should have been expensed rather than capitalized.

I am therefore uncertain whether property, plant and equipment of \$1,550,313,716 was fairly stated as at 31 December 2017.

## Expenses

Supporting Documents totalling \$6,846,165 were outstanding.

Included in property, plant and equipment are balances totalling \$13,449,417 for items which should have been expensed rather than capitalized. As such, expenses was understated.

I am therefore uncertain whether expenses of \$1,318,956,238 was fairly stated as at 31 December 2017.

I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Guyana Civil Aviation Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

## *Other Matter*

The prior year financial statements were audited by another firm of accountants who expressed a disclaimer of opinion.

## *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

My Responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards of Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

*Reports on Other Legal and Regulatory Requirements*

The financial statements did not comply with the requirements of Section 14 of the Guyana Civil Aviation Act 2000 which states that the Authority shall keep accounts of its transactions to the satisfaction of the Minister and the accounts should be audited annually by the Auditor General. This was not done as the audit was not completed within the stipulated time.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

INDEPENDENT AUDITOR'S REPORT  
TO THE AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS  
OF THE GUYANA CIVIL AVIATION AUTHORITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

*Report on the Audit of the Financial Statements*

*Disclaimer of Opinion*

We were engaged to audit the financial statements of the Guyana Civil Aviation Authority, which comprise the statement of financial position as at 31 December, 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 2 to 16.

We do not express an opinion on the accompanying financial statements of the Authority. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

*Basis for Disclaimer of Opinion*

1. Accounts Receivable and Prepayments

Accounts receivable and prepayments of \$485,762,635 included balances totaling \$31,127,435 which were coming forward from previous years and were not settled subsequently. In addition, balances totaling \$436,547,524 were outstanding for over 365 days.

An impairment review of the balances was not done nor was any provision for impairment made.

We are therefore uncertain whether the accounts receivable balance of \$485,762,635 was fairly stated as at 31 December 2017.

2. Property, Plant and Equipment

Included in property, plant and equipment is a carrying amount of \$1,447,459,276 which was not audited at 31<sup>st</sup> December, 2016 due to lack of supporting documentation.

No impairment review was done on property, plant and equipment.

Included in the asset register, were items valuing \$13,449,417 which should have been expensed rather than capitalized.

We are therefore uncertain whether property, plant and equipment of \$1,550,313,716 was fairly stated as at 31 December 2017.

3. Expenses

Supporting documents totaling \$6,846,165 were outstanding.

Included in property, plant and equipment are balances totaling \$13,449,417 for items which should have been expensed rather than capitalized. As such, expenses was understated.

We are therefore uncertain whether expenses of \$1,318,956,238 was fairly stated as at 31 December 2017.

*Other Matter*

The prior year financial statements were audited by another firm of accountants who expressed a disclaimer of opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our responsibility is to conduct an audit of the Authority's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guyana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

*Report on Other Legal and Regulatory Requirements*

The financial statements did not comply with the requirements of Section 14 of the Guyana Civil Aviation Act 2000 which states that the Authority shall keep accounts of its transactions to the satisfaction of the Minister and the accounts should be audited annually by the Auditor General. This was not done as the audit was not completed within the stipulated time.

*TSD Lal & Co.*

TSD LAL & CO.  
CHARTERED ACCOUNTANTS

Date: June 15, 2021

77 Brickdam,  
Stabroek, Georgetown,  
Guyana.



GUYANA CIVIL AVIATION AUTHORITY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Notes</u>	<u>2017</u> G\$	<u>2016</u> G\$
<b>Income</b>			
Revenue	5	927,151,455	905,335,477
Other income		6,992,940	-
		<hr/>	<hr/>
		934,144,395	905,335,477
<b>Less expense:</b>			
Administrative expenses	6	(1,124,682,396)	(833,717,299)
Operating expenses	7	(194,273,842)	(183,560,607)
		<hr/>	<hr/>
<b>Net deficit for the year</b>		<u>(384,811,843)</u>	<u>(111,942,429)</u>

*"The accompanying notes form an integral part of these financial statements"*

GUYANA CIVIL AVIATION AUTHORITY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Capital</u>	<u>Accumulated</u>	<u>Total</u>
	G\$	surplus G\$	G\$
<b>Balance as at 01 January 2016</b>	1,656,635,669	1,132,942,491	2,789,578,160
Government capital funds	532,100,800	-	532,100,800
Net deficit for the year	-	<u>(111,942,429)</u>	<u>(111,942,429)</u>
<b>Balance as at 31 December 2016</b>	2,188,736,469	1,021,000,062	3,209,736,531
Government capital funds	24,000,000	-	24,000,000
Net deficit for the year	-	<u>(384,811,843)</u>	<u>(384,811,843)</u>
<b>Balance as at 31 December 2017</b>	<u>2,212,736,469</u>	<u>636,188,219</u>	<u>2,848,924,688</u>

*"The accompanying notes form an integral part of these financial statements"*

GUYANA CIVIL AVIATION AUTHORITY

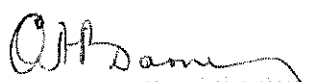
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	<u>Notes</u>	<u>2017</u> G\$	<u>2016</u> G\$
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	8(a)	1,550,313,716	1,396,604,256
Intangible assets	8(b)	<u>61,069,195</u>	<u>50,855,020</u>
		<u>1,611,382,911</u>	<u>1,447,459,276</u>
<b>Current assets</b>			
Inventories		6,382,039	-
Accounts receivable and prepayments	9	485,762,635	641,220,168
Cash on hand and at bank	10	<u>817,838,362</u>	<u>1,177,459,501</u>
		<u>1,309,983,036</u>	<u>1,818,679,669</u>
<b>TOTAL ASSETS</b>		<u>2,921,365,947</u>	<u>3,266,138,945</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital reserve		2,212,736,469	2,188,736,469
Accumulated surplus		<u>636,188,219</u>	<u>1,021,000,062</u>
		<u>2,848,924,688</u>	<u>3,209,736,531</u>
<b>Current liabilities</b>			
Accounts payable	11	35,040,485	25,478,289
Accruals	12	<u>37,400,774</u>	<u>30,924,125</u>
		<u>72,441,259</u>	<u>56,402,414</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,921,365,947</u>	<u>3,266,138,945</u>

On behalf of the Board of Directors:

.....  
  
 Director General

.....  
  
 Director Finance and Administration

*"The accompanying notes form an integral part of these financial statements"*

GUYANA CIVIL AVIATION AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>2017</u> G\$	<u>2016</u> G\$
<b>Cash flow from operating activities</b>		
Deficit for the year	(384,811,843)	(111,942,429)
<b>Adjustment for:</b>		
Depreciation/amortization	111,014,971	90,656,256
Loss on disposal of asset	<u>500,000</u>	<u>-</u>
<b>Operating loss before working capital changes</b>	(273,296,872)	(21,286,173)
Increase in inventory	(6,382,039)	-
(Increase)/decrease in accounts receivable and prepayments	155,457,533	(63,870,398)
Increase in accounts payable	9,562,196	4,603,000
Increase in accruals	<u>6,476,649</u>	<u>-</u>
<b>Net cash used in operating activities</b>	<u>(108,182,533)</u>	<u>(80,553,571)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(255,146,772)	(435,401,313)
Acquisition of intangible assets	<u>(20,291,834)</u>	<u>(22,107,844)</u>
<b>Net cash used in investing activities</b>	<u>(275,438,606)</u>	<u>(457,509,157)</u>
<b>Cash flows from financing activities</b>		
Government capital fund	24,000,000	532,101,000
<b>Net cash flows from financing activities</b>	<u>24,000,000</u>	<u>532,101,000</u>
<b>Net decrease in cash and cash equivalents</b>	(359,621,139)	(5,961,728)
Cash and cash equivalents at the beginning of the year	<u>1,177,459,501</u>	<u>1,183,421,229</u>
Cash and cash equivalents at the end of the year	<u>817,838,362</u>	<u>1,177,459,501</u>
<b>Cash and cash equivalent comprise of:</b>		
Cash at bank	2,457,364	300,000
Cash on hand	<u>815,380,998</u>	<u>1,177,159,501</u>
	<u>817,838,362</u>	<u>1,177,459,501</u>

*"The accompanying notes form an integral part of these financial statements"*

GUYANA CIVIL AVIATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

1 Incorporation and activities

The Guyana Civil Aviation Authority was established in March 2002 by Act No. 10 of 2000. The accounting functions were transferred from the Ministry of Public Works in August, 2002. The Authority is divided into five Directorates namely;

- Air Navigation Services
- Aviation Safety Regulations
- Air Transport Management
- Finance & Administration
- Corporate Development

The primary functions of the Civil Aviation Authority include, the provision of air navigation and safety services. This involves ensuring that Guyana's aviation safety and security standards are established through regulations and in compliance with the International Civil Aviation Organization (ICAO).

2 New and revised standards and interpretations

New standards, interpretations and amendments to standards are not expected to have a significant impact on the Authority's accounting policies when adopted.

3 Summary of significant accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and the accounting policies conform to International Financial Reporting Standards.

(b) Items of assets are measured at cost less accumulated depreciation and any impairment losses.

Tangible fixed assets are stated at historical cost. Depreciation is provided on the reducing balance method at rates sufficient to write off the assets over their estimated useful lives. A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

Building	-	2.5 %
Plant & machinery	-	4%
Fixtures & fittings	-	5%
Computer equipment	-	6.5%
Electrical equipment	-	5%
Motor vehicle	-	5.5%
Office furniture	-	5%
General equipment	-	10%
Computer software	-	10%

GUYANA CIVIL AVIATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies- cont'd

(c) Foreign currency transactions

Transactions in currencies other than Guyana dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognized directly in equity.

(d) Revenue and expense recognition

Revenue and expenses are recognized on an accruals basis.

(e) Impairment of tangible assets

At each reporting date, the Authority reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

(f) Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

GUYANA CIVIL AVIATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

3 Summary of significant accounting policies- cont'd

(g) Financial instruments

Financial assets and liabilities are recognized on the Authority's statement of financial position when the Authority becomes a party to the contractual provisions of the instruments.

Accounts receivable and prepayments

Accounts receivable and prepayments are measured at amortised cost.

Accounts payable

Accounts payable are recognized at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investments or other purposes. These are readily convertible to a known amount of cash, with maturity dates of three (3) months or less.

(h) Taxation

The Guyana Civil Aviation Authority is exempt from Corporation and Property Taxes.

(i) Capital

Capital reserves represent subventions for capital items received from the Government of Guyana. This is not repayable.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Authority's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

i) Accounts receivable and prepayments

On a regular basis, management reviews accounts receivable and prepayments to assess impairment. Based on information available as to the likely impairment in cash flows, decisions are taken in determining appropriate provisions to be made for impairment.

ii) Useful lives of property, plant and equipment

Management reviews the estimated useful lives of property, plant and equipment at the end of each year to determine whether the useful lives of property, plant and equipment should remain the same.

iii) Impairment of financial assets

Management makes judgement at each reporting date to determine whether financial assets are impaired. Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.



GUYANA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

	<u>2017</u>	<u>2016</u>
	G\$	G\$
5 Income		
Licenses	5,487,936	3,619,272
Airworthiness certificates	25,625,000	25,657,859
Training	-	625,320
ATM charter	9,815,000	3,100,000
Aircraft maintenance organizations	3,375,000	500,000
AOC's	675,000	-
International overflights	610,693,250	619,651,188
International arrivals and departures	149,462,559	148,654,432
Itinerants	30,674,709	46,219,021
Domestic flights	31,773,250	44,499,070
Fees and fines	8,660,075	9,108,815
AIP	296,010	207,000
Other	50,613,666	3,493,500
	<u>927,151,455</u>	<u>905,335,477</u>
6 Administrative expenses		
Employment cost	879,001,282	613,293,908
Transport, travel and postage	41,185,931	24,160,222
Utility charges	28,600,189	26,552,191
Training	58,922,207	76,954,722
Professional fees	2,000,000	2,100,000
Depreciation	111,014,971	90,656,256
Exchange loss	3,957,816	-
	<u>1,124,682,396</u>	<u>833,717,299</u>
7 Operating expenses		
Materials, equipment and supplies	20,034,796	23,641,221
Fuel & lubricants	3,590,057	3,136,377
Rental & maintenance of building	48,057,277	36,972,246
Maintenance of infrastructure	7,164	2,000
Other goods and services purchased	93,823,864	99,285,151
Other operating expenses	26,585,834	20,523,612
Refund of revenue	2,174,850	-
	<u>194,273,842</u>	<u>183,560,607</u>



GUYANA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

9	Accounts receivable and prepayments	<u>2017</u> G\$	<u>2016</u> G\$
	Accounts receivable	484,602,043	638,422,193
	Suspense account	103,233	378,245
	Prepayments	952,323	936,894
	Staff loan/advances	105,036	1,482,836
		<u>485,762,635</u>	<u>641,220,168</u>
10	Cash on hand and at bank	<u>2017</u> G\$	<u>2016</u> G\$
	Republic Bank (Guyana)Limited	-	217,036,466
	Bank of Guyana	793,997,194	938,739,231
	Scotiabank	21,383,804	21,383,804
	Cash on hand	2,457,364	300,000
		<u>817,838,362</u>	<u>1,177,459,501</u>
11	Accounts payable	<u>2017</u> G\$	<u>2016</u> G\$
	Employment costs	26,755,804	18,984,739
	Material equipment	-	366,634
	Fuel & lubricant	-	290,970
	Rental & maintenance of buildings	1,018,804	-
	Transport, travel & postage	978,350	-
	Utility charges	275,015	9,884
	Other goods & services	920,979	1,667,496
	Other operating expenses	109,324	539,248
	Capital expenses	4,982,209	3,619,318
		<u>35,040,485</u>	<u>25,478,289</u>

GUYANA CIVIL AVIATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

	2017 G\$	2016 G\$
<b>12 Accruals</b>		
Employment cost	13,641,734	8,152,072
Materials, equipment & supplies	2,077,782	70,880
Fuel & lubricant	259,162	-551,952
Transport, travel & postage	94,400	6,000
Utility charges	2,131,758	4,567,328
Other goods & services	6,130,372	6,878,070
Other operating expenses	565,566	197,823
Professional fees	12,500,000	10,500,000
	<u>37,400,774</u>	<u>30,924,125</u>

**13 Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

The Authority considers directors, board members and key management personnel as related parties.

Emoluments paid to directors, board members and key management personnel are as follows:

	2017 G\$	2016 G\$
Directors (a)	50,337,171	58,209,565
Key management personnel (b)	71,718,634	12,969,593
Stipend for board members (c)	1,021,000	1,416,000
<b>(a) Director's allowance includes:</b>		
C. Heeralall	12,726,454	17,932,737
R. Samaroo	18,402,335	18,806,257
S. Sulaman	13,050,022	12,059,065
E. Field	-	9,411,506
J. Persaud	6,158,360	-
	<u>50,337,171</u>	<u>58,209,565</u>
<b>(b) Key management personnel salary and allowance includes:</b>		
A. Doobay	-	12,969,593
A. Dorris	10,056,007	-
C. Frank	12,879,758	-
R. Sookheo	11,626,362	-
C. Primus	5,769,795	-
M. Simon	8,712,248	-
D. Jodhan	12,511,638	-
C. Fowler	10,162,826	-
	<u>71,718,634</u>	<u>12,969,593</u>
<b>(c) Board members stipend and allowances includes:</b>		
L. London	119,000	228,000
H. Denbow	-	204,000
B. Balram	35,000	84,000
R. Ghir	77,000	84,000
R. Paul	187,000	204,000
D. Pollard	187,000	204,000
S. Amin	187,000	204,000
C. Byrne	187,000	102,000
K. Jordan	42,000	-
C. Kyle	-	102,000
	<u>1,021,000</u>	<u>1,416,000</u>

**Ministry of Public Infrastructure**

- Capital subvention	<u>24,000,000</u>	<u>532,100,800</u>
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**14 Financial risk management**

**Financial risk management objectives**

The Authority's management monitor and manage the financial risks relating to the operations of the Authority through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (currency risk, interest rate risk and price risk), liquidity risk and credit risk.

The Authority seeks to minimize the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk, interest rate risk and credit risk which are approved by the board of directors.

The Authority's management reports at statutory meetings to the Board of Directors on matters relating to risk and management of risk.

**(a) Market risk**

The Authority's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Authority uses interest rate sensitivity to financial instruments to manage its exposure to foreign currency risk. There has been no change in the Authority's exposure to market risks or the manner in which it manages these risks.

**(i) Interest rate risk**

The Authority is not exposed to various risks that are associated with the effects of variations in interest rates.

GUYANA CIVIL AVIATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS

14 Financial risk management - cont'd  
(b) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in raising funds to meet its commitments associated with financial instruments.

The Authority manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

The following table shows the distribution of assets and liabilities by maturity:

	Maturing		
	2017		
	On demand	Within 1 year	Total
	G\$	G\$	G\$
<b>Assets</b>			
Accounts receivable and prepayments	-	485,762,635	485,762,635
Cash on hand and at bank	817,838,362	-	817,838,362
	<u>817,838,362</u>	<u>485,762,635</u>	<u>1,303,600,997</u>
<b>Liabilities</b>			
Accounts payable	-	35,040,485	35,040,485
Accruals	-	37,400,774	37,400,774
	<u>-</u>	<u>72,441,259</u>	<u>72,441,259</u>
<b>Net assets</b>	<u>817,838,362</u>	<u>413,321,376</u>	<u>1,231,159,738</u>
	Maturing		
	2016		
	On demand	Within 1 year	Total
	G\$	G\$	G\$
<b>Assets</b>			
Accounts receivable and prepayments	-	641,220,168	641,220,168
Cash on hand and at bank	1,177,459,501	-	1,177,459,501
	<u>1,177,459,501</u>	<u>641,220,168</u>	<u>1,818,679,669</u>
<b>Liabilities</b>			
Accounts payable	-	25,478,289	25,478,289
Accruals	-	30,924,125	30,924,125
	<u>-</u>	<u>56,402,414</u>	<u>56,402,414</u>
<b>Net assets</b>	<u>1,177,459,501</u>	<u>584,817,754</u>	<u>1,762,277,255</u>

(c) Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Authority.

The Authority faces credit risk in respect of its cash and cash equivalents and its accounts receivables. However, this risk is controlled by close monitoring of these balances by the Authority. The maximum credit risk faced by the Authority is the balance reflected in the financial statements.

GUYANA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

14 Financial risk management - cont'd

(c) Credit risk cont'd

Cash and cash equivalent are held by Central and Commercial banks. These banks have been assessed by the Directors as being credit worthy, with very strong capacity to meet their obligations as they fall due.

The related risk is therefore considered very low.

Accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable on a regular basis

The table below shows the company's maximum exposure to credit risk:

	<u>2017</u> G\$	<u>2016</u> G\$
Cash at bank	815,380,998	1,177,159,501
Accounts receivable	484,602,043	638,422,193
Total credit risk exposure	<u>1,299,983,041</u>	<u>1,815,581,694</u>

The accounts receivable balances are classified as follows:

Current	48,054,519	70,775,432
Past due but not impaired	436,547,524	567,646,761
	<u>484,602,043</u>	<u>638,422,193</u>

Ageing of accounts receivable which was past due but not impaired

365+ days	<u>436,547,524</u>	<u>439,167,979</u>
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15 Analysis of financial assets and financial liabilities by measurement basis

	<u>Loans and receivables</u> G\$	<u>Assets and liabilities at amortized cost</u> G\$	<u>Total</u> G\$
<b>2017</b>			
<b>Assets</b>			
Accounts receivable and prepayments	485,762,635	-	485,762,635
Cash on hand and at bank	-	817,838,362	817,838,362
	<u>485,762,635</u>	<u>817,838,362</u>	<u>1,303,600,997</u>
<b>Liabilities</b>			
Accounts payable	-	35,040,485	35,040,485
Accruals	-	37,400,774	37,400,774
	<u>-</u>	<u>72,441,259</u>	<u>72,441,259</u>
<b>2016</b>			
<b>Assets</b>			
Accounts receivable and prepayments	641,220,168	-	641,220,168
Cash on hand and at bank	-	1,177,459,501	1,177,459,501
	<u>641,220,168</u>	<u>1,177,459,501</u>	<u>1,818,679,669</u>
<b>Liabilities</b>			
Accounts payable	-	25,478,289	25,478,289
Accruals	-	30,924,125	30,924,125
	<u>-</u>	<u>56,402,414</u>	<u>56,402,414</u>

GUYANA CIVIL AVIATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

16 Fair value of financial instruments

The fair values of assets and liabilities were determined as follows:

- (i) Financial instruments where the carrying amounts are equal to fair values:- Due to their short-term maturity, the carrying amounts of certain financial instruments are assumed to approximate their fair values. These include accounts receivable and prepayments, cash on hand and at bank, accounts payable.
- (ii) Property, plant and equipment are stated at cost less accumulated depreciation.
- (iii) Intangible assets are stated at cost less amortisation.

17 Pending legal matters

There are no pending litigation.