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REPORT

ON THE OPERATION OF THE

British Guiana Credit Corporation

FOR THE YEAR ENDED

30th JUNE, 1961

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BRITISH GUIANA CREDIT CORPORATION

(Incorporated by Ordinance No. 13 of 1954.)

MEMBERS OF THE BOARD OF THE CORPORATION

AT 1ST JULY, 1960.

J. H. McB. Moore, Esq., O.B.E., F.C.I.S., A.C.I.I.
Chairman.

W. M. Green, Esq.,
Deputy Chairman.

The Deputy Financial Secretary,	E. C. Rodrigues, Esq.,
A. C. Greive, Esq.,	Gobin Biragie, Esq.,
C. P. B. Melbourne, Esq., M.B.E.	Vincent Roth, Esq., O.B.E.
Hamid Rahaman, Esq.,	V. J. Willems, Esq.

MEMBERS OF THE BOARD OF THE CORPORATION

WITH EFFECT FROM 26TH SEPTEMBER, 1960

John Durey, Esq., M.B.E., F.C.I.S.
Chairman.

Andrew H. James, Esq.,
Deputy Chairman.

The Deputy Financial Secretary,	Ivan Remington, Esq.,
Gobin Biragie, Esq.,	Oswald H. Fisher, Esq.,
Peter Andersen, Esq.,	Jacob Bowman, Esq.,
Joseph Jardim, Esq.,	Mantaz Ali, Esq.
Albert Man, Esq.,	

GENERAL MANAGER

G. E. Luck, Esq., B.A., B.Sc. Econ. (Hons.), LL.B. (Hons.) Lond.
Barrister-at-Law

SECRETARY

R. H. Thompson, Esq.,

CHIEF ACCOUNTANT

R. C. Yerrakadu, Esq., A.C.C.S.

Mr. J. Durey assumed duty as Chairman on 20th May, 1961.

Mr. J. H. McB. Moore resigned on 18th March, 1961.

Mr. O. H. Fisher resigned on 24th March, 1961.

Mr. A. Man assumed duty on 13th February, 1961.

REPORT

ON THE OPERATION OF THE BRITISH GUIANA CREDIT CORPORATION FOR THE YEAR ENDED 30TH JUNE, 1961.

1. **MEMBERS:** There were a number of changes in the membership of the Corporation during the year under review. Mr. J. H. McB. Moore, O.B.E., who had been Chairman of the Board since 1957, resigned on 18th March, 1961. He was succeeded by Mr. John Durey, M.B.E., who assumed duty on the 20th May, 1961.

With effect from 26th September, 1960, Mr. Andrew H. James was appointed Deputy Chairman and Mr. Peter Andersen, Mr. Joseph Jardim, Mr. Ivan Remington, Mr. Oswald H. Fisher, Mr. Jacob Bowman and Mr. Mantaz Ali were appointed members. Mr. Gobin Biragie and the Regional Controller, Colonial Development Corporation, were re-appointed. Mr. Fisher resigned from the Board on 24th March, 1961. The reconstituted Board held its first meeting on 27th October, 1960.

Mr. Albert Man was appointed and assumed duty in February, 1961.

2. **STAFF:** Mr. G. E. Luck assumed duty as General Manager, on secondment from the Government of British Guiana, in December, 1960.

The permanent staff of the Corporation remained at approximately 100 officers, divided equally between the Head Office in Georgetown and the 26 Branch Offices.

3. **THE ACCOUNTS:** The Report dated 18th January, 1962, of the Auditors, Messrs. Fitzpatrick, Graham & Co., to the Governor-in-Council on the accounts of the Corporation for the year, together with a statement of Income and Expenditure and Balance Sheet for the same period, are attached hereto.

The usual tables (giving an analysis of the Corporation's business) are also attached.

Income & Expenditure Account

(a) Salaries & Fees:—

The increase of \$26,000 over the expenditure in the previous year has been due, in the main, to a revision of staff salaries, following a general reorganisation, which became effective on 1st January, 1961.

(b) Bad Debts Written-Off:—

The sum of \$66,784 has been written-off in respect of bad debts. From year to year, the Auditors have invited attention to the large number of very small debit balances carried forward each year without hope of recovery. These small balances, totalling \$3,225, representing some 425 accounts have now been written-off.

It has also been the practice of the Corporation in the case of delinquent borrowers whose assets has been sold at execution and purchased by the Corporation to continue to include the borrower's total outstanding balance in the amount shown in the Balance Sheet as "Loans Outstanding". It was not until the asset was finally realised that any unpaid balance was written-off. During the year under review, the Board approved the adoption of a new practice whereby the outstanding balance, after the deduction of the proceeds on sale at execution, is immediately charged against bad debts. For the year \$62,040 was therefore written-off in respect of 27 accounts.

This amount is included in the sum of \$66,784 referred to previously.

Balance Sheet

(a) Treasury Advances:—

By 1958, the Corporation had fully lent out its capital so that subsequent lendings were restricted to the amount of the net repayments by borrowers. Loans paid out were as follows:—

1955	\$ 4,582,179
1956	\$ 4,675,470
1957	\$ 3,215,487
1958	\$ 2,027,313
1959	\$ 1,656,562
1960	\$ 2,274,701
1961	\$ 2,581,641

In February, 1961, a Mission from the International Bank for Reconstruction and Development visited British Guiana to re-appraise a project for a loan to the Government of British Guiana, with the British Guiana Credit Corporation as the beneficiary of the loan. In view of the report of the Mission to the Bank and in the light of negotiations between the Bank, the Government and the Corporation, a loan of \$1.25 million (U.S.) was approved in June, 1961.

(b) Loans Outstanding:—

The loans outstanding at the 30th June, 1961, were \$11,387,598, of which \$330,102 represented accrued interest in arrears. The provision of \$550,000 made in the previous year for bad and doubtful debts has been maintained.

4. LOANS MADE Appendix "A" to this Report shows the amount of loans paid each month. A total of 655 loans was made for the sum of \$2,581,641. Of these, 478 were housing loans to a value of \$1,236,837. The number of loans made by the Corporation since 1954, is 16,137, for a total of \$21,013,353. In consultation with the Department of Agriculture, the Board approved a scheme for supervised agricultural credit on two land settlements. Consideration would be given to the extension of the scheme in the light of experience on the two settlements. At the request of the Government, the Corporation agreed in March to undertake the financing and the construction of three rice mills in the Black Bush and one at Cane Grove. The cost of the mills was estimated at approximately \$3 million. The design and specifications were completed by Sir William Halcrow and Partners, Consulting Engineers to the Corporation, in June and work on the construction of the three mills in the Black Bush Polder was begun in August, 1961. In May, the Board of the Corporation approved the purchase of twenty-four self-propelled rice harvesters at an approximate cost of \$528,000 for use in the Black Bush Polder.

The Government also requested the Corporation to undertake the construction and management of approximately 30,000 square feet of buildings at the Industrial Estate, Ruimveldt. The cost of the work was estimated at \$250,000. The design and specifications for this project were completed but it was not possible to begin construction work during the year.

The number of applications considered during the year was 1,269.

5. LOAN REPAYMENTS: Appendix "B" shows the monthly loan repayments. A total of \$2,859,511 was repaid during the year; the total repayments since 1954, being \$14,433,971.

JOHN DUREY—Chairman.

ANDREW JAMES—Deputy Chairman.

G. E. LUCK—General Manager.

Georgetown,
British Guiana,
24th January, 1962.

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THE BRITISH GUIANA CREDIT CORPORATION ACT, 1961

Section 10. Accounts and Audits.

(1) The Corporation shall cause to be prepared and audited in accordance with the provisions of this section accounts for each financial year.

(2) The accounts shall be prepared in accordance with the provisions of the Companies Act, 1947, as if the Corporation were a company registered in Great Britain.

(3) The accounts shall be audited by an auditor appointed by the Minister.

(4) The auditor shall submit a report to the Minister on the accounts and on the conduct of the affairs of the Corporation.

(5) The Minister may cause to be published such part of the report of the auditor as he thinks fit.

BRITISH GUIANA CREDIT CORPORATION

ACCOUNTS

30th JUNE, 1961

FITZPATRICK GRAHAM & CO.,
CHARTERED ACCOUNTANTS.
DEMERARA.

FITZPATRICK, GRAHAM & CO,
CHARTERED ACCOUNTANTS,

P.O. Box 37,
THE DEMERARA LIFE BUILDINGS,
GEORGETOWN

18th January, 1962.

**REPORT OF THE AUDITORS TO THE GOVERNOR IN COUNCIL ON THE
ACCOUNTS OF THE BRITISH GUIANA CREDIT CORPORATION
AS AT 30TH JUNE, 1961.**

We have examined the annexed Balance Sheet and Income and Expenditure Account which are in agreement with the Books of Account and we report that:—

1. So far as we have been able to ascertain the administration and transactions of the Corporation comply with the relative provisions of Ordinance 13 of 1954.
2. In our opinion and to the best of our information and according to the explanations given us the Balance Sheet is properly drawn up so as to give a true and fair view of the state of the Corporation's affairs at 30th June, 1961, and the Statement of Income and Expenditure gives a true and fair view of the excess of income over expenditure for the year ended on that date.
3. Subject to paragraph 4, 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.
4. It would appear that the Provisions for Bad and Doubtful Debts are inadequate. The Corporation is now carrying out procedures to recover overdue debts and the position should be clearer when the results of these operations are known.

(Signed) FITZPATRICK GRAHAM & CO.
Chartered Accountants, Auditors.

**BRITISH GUIANA CREDIT
BALANCE SHEET
AS AT 30TH JUNE 1960**

**30th June,
1960**

LIABILITIES

		\$
	I. ADVANCES	
\$	Treasury	11,808,988
10,648,989	British Guiana Rice	
	Marketing Board	42,871
<u>100,885</u>		
<u>10,749,874</u>		<u>11,851,859</u>

	II. SUNDRY LIABILITIES	
189,663	Interest due to Treasury	201,919
<u>121,928</u>	Sundry Creditors and Credit Balances	<u>76,917</u>
<u>311,591</u>		<u>278,836</u>

\$11,061,465

\$12,130,695

Georgetown,
British Guiana,
18th January, 1962.

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30th June,
1960

ASSETS

I. CURRENT ASSETS

CASH & BANK BALANCES

\$			\$
16,841	Barclays Bank D.C.O.	146,573	
15,830	Royal Bank of Canada	137,208	
42,169	Post Office Savings Bank	291,058	
14,379	Cash in hand — Head Office	5,732	
1,751	Cash in hand — Branches	462	

90,970	Sundry Debtors & Debit Balances	581,033	
24,393		522,953	

1,103,986

II. LOANS PORTFOLIO

LOANS MADE BY CORPORATION.

Housing and development loans :

Principal	10,603,184
Interest	306,210

10,909,394

Less: Provision 500,000

10,409,394

CROP LOANS

Principal	346,488
Interest	9,206

355,694

LOANS TAKEN OVER FROM CO-OPERATIVE CREDIT BANKS

Principal	107,824
Interest	14,686

122,510

Less: Provision 50,000

72,510

10,837,598

III. FIXED ASSETS

Land & Building
Moveable Properties
Properties acquired by Corporation to secure loans, pending resale

	At Cost	Less Aggregate Depreciation	Net
Land & Building	54,175	2,773	51,402
Moveable Properties	117,697	54,264	63,433
Properties acquired by Corporation to secure loans, pending resale	18,737	—	18,737
	190,609	57,037	

133,572

IV. ACCUMULATED LOSSES

55,539

\$12,130,695

\$
16,841
15,830
42,169
14,379
1,751

90,970
24,393

115,363

10,300,044
(500,000)

581,638

126,108
(50,000)

10,457,790

48,734
44,676

27,993

121,403,

366,909

\$11,061,465

JOHN DUREY, (Chairman).

ROY C. YERRAKADU, (Chief Accountant).

BRITISH GUIANA CREDIT CORPORATION
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED
30TH JUNE, 1961.

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\$	I. INCOME	\$
660,572	Interest on Loans	724,462
28,478	Other Income	26,726
689,050		751,188
	II. EXPENDITURE	
381,166	Interest on Treasury Advances	396,982
	Administrative Expenses	
\$168,476	Salaries & Fees	194,480
15,674	Travelling	18,413
12,789	Rents & Property Expenses	16,938
5,492	Printing & Stationery	6,756
2,264	Postages & Telephones	2,477
197	Legal Expenses	6,191
5,228	General Expenses	10,476
210,120		255,731
6,003	Audit Fees	7,500
10,196	Depreciation	12,821
120,646	Bad Debts written off,	66,784
325,000	Provision for Doubtful Debts	—
2,828	Loss on Realisation of B.G. Govern- ment Bonds	—
1,055,959		739,818
(Loss) \$ 366,909	111. EXCESS OF INCOME OVER EXPENDITURE	\$ 11,370

Georgetown,
British Guiana.
18th January, 1962.

JOHN DUREY, (Chairman).
ROY C. YERRAKADU, (Chief Accountant)

BRITISH GUIANA CREDIT CORPORATION

APPENDIX A

SUMMARY OF LOANS PAID

Month	Agriculture		Agriculture Machinery		Rural & Urban Housing		Public Officers		Industry		Fishing		Local Authorities		Food Production		Logging		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1960																				
July	21	39,304	1	3,257	58	70,336	8	37,637	4	7,839	—	420	—	—	5	24,700	—	—	97	183,493
Aug.	17	33,551	5	15,262	40	76,359	8	59,142	4	20,284	—	6	—	—	2	6,875	—	15	76	271,494
Sept.	10	19,234	3	11,829	52	80,959	5	68,592	11	95,650	—	736	—	—	9	122,228	—	—	90	399,228
Oct.	15	24,242	—	8,081	58	110,901	8	23,217	2	37,901	—	—	—	—	1	43,887	—	—	84	248,229
Nov.	10	33,791	—	743	51	92,553	5	47,990	2	26,164	1	3,045	—	—	—	6,300	—	28	69	210,614
Dec.	5	49,168	—	16,737	28	88,172	11	45,523	4	62,106	1	4,744	—	—	—	51,376	—	—	49	317,826
1961																				
Jan.	1	2,662	2	4,631	29	85,626	3	37,997	2	23,387	—	536	—	—	1	1,408	—	—	38	156,247
Feb.	2	6,714	1	4,771	11	45,144	2	19,641	3	15,471	—	—	—	—	1	41,231	—	—	20	132,972
Mar.	2	9,955	1	6,497	16	70,525	1	5,632	—	10,741	—	13	—	—	1	5,619	—	22	21	109,004
April	2	8,695	—	328	14	35,378	3	9,309	—	436	—	2,955	—	—	1	3,533	—	—	20	60,634
May	6	18,064	2	16,771	26	36,947	4	13,678	—	9,244	—	103	—	—	—	14,127	—	28	38	108,962
June	12	21,167	—	110,514	32	50,920	5	24,659	—	125,859	—	—	—	—	1	49,819	—	—	53	382,938
Total for Year	103	266,547	15	259,421	415	843,820	63	393,017	32	435,082	2	12,558	—	—	22	371,103	—	93	665	2,581,641
TOTAL June 1954 to June 1961	3,989	3,554,111	15	259,421*	8027	7,312,178	668	3,502,903	604	3,122,202	64	143,228	16	96,000	2720	146,799	16	2,876,511	16,137	21,013,353

*Previously included in "Agriculture".

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BRITISH GUIANA CREDIT CORPORATION
APPENDIX B
SUMMARY OF REPAYMENTS

Month	Agriculture	Agriculture Machinery	Rural and Urban Housing	Public Officers Housing	Industry	Fishing	Food Production	Logging	Local Authorities	Total
1960										
July	34,546	4,624	49,989	26,490	24,578	1,500	10,915	—	—	152,642
August	30,050	4,720	57,458	37,871	10,589	519	12,443	215	—	153,865
September	11,311	490	55,469	50,313	16,905	1,120	22,591	—	6,603	164,802
October	27,296	5,036	70,872	53,228	19,553	905	10,845	—	—	187,735
November	66,122	37,884	120,441	20,441	36,706	2,450	80,428	50	893	365,415
December	60,757	16,622	95,488	38,776	31,467	2,170	107,467	—	1,708	354,455
1961										
January	25,446	13,128	98,802	46,019	30,723	868	71,134	165	3,699	289,984
February	35,449	3,355	69,316	16,805	16,879	985	50,513	—	—	193,302
March	32,491	5,334	79,068	39,672	21,965	272	29,240	—	—	208,042
April	36,653	6,514	93,434	33,282	11,776	530	25,010	5	—	207,204
May	41,867	11,802	86,281	39,653	25,923	1,118	30,355	150	—	237,149
June	92,861	23,120	78,645	56,953	75,985	6,240	11,092	20	—	344,916
Total for Year	494,849	132,629	955,263	459,503	323,049	18,677	462,033	605	12,903	2,859,511
Total June, 1954 to June, 1961	2,636,814	132,629*	5,020,639	1,747,159	1,897,702	102,260	2,835,656	9,970	51,142	14,433,971

* Previously included in Agriculture.