

753
REPORT

ON THE OPERATION OF THE

British Guiana Credit Corporation

FOR THE YEAR ENDED

30th JUNE, 1962

BRITISH GUIANA CREDIT CORPORATION

(Incorporated by Ordinance No. 13 of 1954.)

MEMBERS OF THE BOARD OF THE CORPORATION

AT 30TH JUNE, 1962.

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

Andrew H. James, Esq.,
Deputy Chairman

The Deputy Financial Secretary

Gobin Biragie, Esq.,

Peter Andersen, Esq.,

Joseph Jardim, Esq.,

Albert M. Man, Esq.,

Ivan Remington, Esq.,

Jacob Bowman, Esq.,

Mantaz Ali, Esq.,

A. C. Grieve, Esq., Regional Controller,
Colonial Development Corporation

GENERAL MANAGER

G. E. Luck, Esq.,

SECRETARY

R. H. Thompson, Esq.,

CHIEF ACCOUNTANT

R. C. Yerrakadu, Esq.

Mr. Peter Andersen resigned on 5th May, 1962.

257

REPORT

ON THE OPERATION OF THE BRITISH GUIANA CREDIT CORPORATION FOR THE YEAR ENDED 30TH JUNE, 1962.

1. **MEMBERS:** During the year under review Mr. Peter Andersen resigned in order to proceed to Europe on holiday.

2. **STAFF:** The permanent staff of the Corporation totalled 112 officers distributed between the Head Office and the 22 Branch Offices. There were no changes in senior staff.

Three members of the senior staff attended a thirteen week training course in Agricultural Credit in the United States arranged by the Agency for International Development. The Chief Accountant proceeded to the United Kingdom on study leave in order to enable him to take the Final Examination of the Association of Certified and Corporate Accountants. An in-service training course for machine operators was begun in February and concluded in April. Twenty-three members attended, of whom eighteen successfully completed the examination at the conclusion of the course.

3. **BRANCH OFFICES:** The Vergenoegen and Anna Regina Branches were completed and opened for business. Work on the Victoria and Beterverwagting Branches was begun. Negotiations with Government were being finalised for the purchase or lease of a number of other sites in the country districts. The Board approved a long term programme for the closing down of certain offices and the construction of new offices throughout the country.

4. **THE ACCOUNTS:** The Auditors' Report on the accounts of the Corporation for the year, together with statement of Income and Expenditure and Balance Sheet for the same period is hereto attached. Other tables giving an analysis of the business of the Corporation are also attached.

(i) **Income & Expenditure Account:**

(a) **Income:** The sum of \$878,212 has been included as interest accruing to the Corporation on its outstanding loans and advances. Although the practice of charging interest on debts known to be bad or on accounts in suit has been discontinued, the Board of the Corporation considered that some further realistic appraisal of the Corporation's income should be undertaken. The interest due on loans on which repayments were in arrears for one year and over on 30th June, 1962, was \$312,067. Further consideration is being given by the Board to the necessity of making some suitable provision to take this into account.

(b) **Salaries & Fees:** The increase of \$47,000 over the expenditure in the previous year was due to a general revision of salaries.

(c) **Bad debts written off:** The sum of \$19,258 has been written off in respect of bad debts and provision made for doubtful debts in the sum of \$38,500; the total provision for doubtful debts being \$588,500.

(ii) **Balance Sheet:**

Loans paid out in the normal course of business for the year were \$1,855,130. In addition \$3,544,171 was advanced by the Corporation on the construction of three rice mills in the Black Bush Polder, one at Cane Grove and on the purchase of a building for the Government's Industrial Estate at Ruimveldt. These advances were made at the request of the Government.

Loans Outstanding:

The loans outstanding at 30th June, 1962, were \$11,160,288 of which \$373,465 represented accrued interest.

Unsecured advances on behalf of B.G. Government:

Construction of the three rice mills in the Black Bush Polder was fully completed and the mills put into operation. The 24 rice harvesters purchased by the Corporation for the settlers were used to harvest the paddy crop, but the results were generally disappointing. No repayments from the settlers were received by the Corporation.

5. LOANS MADE AND LOAN REPAYMENTS:

Appendix A to this report shows the monthly payments made against loans authorised, while Appendix B shows the monthly repayments in respect of loans.

6. GENERAL:

The number of applications considered during the year was 1,374 of which 412 were approved for a total of \$1,552,061.

Mr. P. Courbois of the International Bank for Reconstruction and Development made two routine visits of inspection in October, 1961, and May, 1962, and as a result of the advice received from him, a number of improvements in the presentation of the accounts and in procedures was made.

At the request of the Corporation, the Government introduced legislation to exempt the Corporation from the Limitation Ordinance. This enables the Corporation to enforce its rights against delinquent borrowers who may otherwise have been able to raise successfully a plea that their long outstanding accounts have become statute barred.

JOSEPH JARDIM, Chairman (Ag.).
G..E. LUCK, General Manager.

Georgetown,
British Guiana.
24th September, 1962.

259

BRITISH GUIANA CREDIT CORPORATION

ACCOUNTS

30th JUNE, 1962.

**FITZPATRICK GRAHAM & CO.,
CHARTERED ACCOUNTANTS.
DEMERARA.**

FITZPATRICK, GRAHAM & CO.,
CHARTERED ACCOUNTANTS,

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

10th September, 1962.

**REPORT OF THE AUDITORS TO THE GOVERNOR IN COUNCIL ON THE
ACCOUNTS OF THE BRITISH GUIANA CREDIT CORPORATION
AS AT 30TH JUNE. 1962.**

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

1. So far as we have been able to ascertain the administration and transaction of the Corporation comply with the relative provisions of Ordinance 13 of 1954.

2. Subject to paragraph 4, in our opinion and to the best of our information and according to the explanations given to 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, 1962, 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. 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. In view of the fact that the total arrears on repayments at 30th June, 1962, amounted to \$2.8 million, and having regard to the condition of certain loans, the provision for Bad and Doubtful Debts totalling \$588,500 is in our opinion inadequate.

(SGD.) FITZPATRICK GRAHAM & CO.
CHARTERED ACCOUNTANTS,
AUDITORS,

BRITISH GUIANA CREDIT CORPORATION
BALANCE SHEET
AS AT 30TH JUNE 1962

LIABILITIES

30th June, 1961			
	I. ADVANCES		
\$11,808,988	Treasury	\$13,508,988	
<u>42,871</u>	British Guiana Rice Marketing Board	<u>40,316</u>	\$13,549,304
<u>\$11,851,859</u>			
	II. SUNDRY LIABILITIES		
\$ 201,919	Interest due to Treasury	\$ 613,990	
<u>76,917</u>	Sundry Creditors and Credit Balances	<u>284,803</u>	
<u>\$ 278,836</u>			898,793
	III. SURPLUS		
	Excess of Income over Expenditure for the year ended 30th June, 1962	\$ 62,805	
\$ 55,539 (Dr)	Less: Accumulated losses at 1st July, 1961	<u>55,539</u>	7,266

NOTES :

1. Under Agreement dated 23rd June, 1961, the International Bank for Reconstruction & Development (The World Bank) agreed to lend the Government of British Guiana (U.S.) \$1,250,000 to provide part of the lending resources required by the Corporation for specified purposes. At 30th June, 1962, an amount of (B.W.I.) \$321,162 had been received by Government under that agreement; the relevant loans made to sundry borrowers are included under Housing & Development Loans.

2. The Corporation holds no adequate security for certain of these crop loans made to Co-operative Societies on the advice of Government.

\$12,075,156

Carried Forward \$14,455,363

264

BRITISH GUIANA CREDIT

30. 6. 61

\$12,073,156

Brought Forward ...

\$14,455,363

\$12,075,156

\$14,455,363

Georgetown,
British Guiana.
24th September, 1962.

BRITISH GUIANA CREDIT CORPORATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED

30TH JUNE, 1962.

30.6.61.

I. INCOME

\$724,462	Interest on Loans and Advances	\$878,212
26,726	Other Income	31,177
<u>\$751,188</u>		<u>\$909,389</u>

II. EXPENDITURE

\$396,982	Interest on Treasury Advances	\$452,071
	Administrative Expenses	
\$194,480	Salaries & Fees	\$241,116
18,413	Travelling	24,923
16,938	Rents & Property Expenses	20,241
6,756	Printing & Stationery	9,968
2,477	Postages & Telephones	4,062
6,191	Legal Expenses	3,748
10,476	General Expenses	8,748
255,731		312,806
7,500	Audit Fee	6,000
12,821	Depreciation	17,949
66,784	Bad Debts written off, less recoveries	19,258
	Provision for Bad Debts	38,500
<u>\$739,818</u>		<u>\$846,584</u>

III. EXCESS OF INCOME OVER EXPENDITURE

\$ 11,370	for the year, carried to Balance Sheet	\$ 62,805
-----------	--	-----------

Georgetown,
British Guiana.
24th September, 1962.

JOSEPH JARDIM, (Ag. Chairman).
G. E. LUCK, (General Manager).
J. GIRDHAR, (Ag. Chief Accountant).

269

BRITISH GUIANA CREDIT CORPORATION
APPENDIX A
SUMMARY OF LOANS PAID

Month	Agriculture		Agriculture Machinery		Rural & Urban Housing		Public Officers		Industry		Fishing		Food Production		Logging		Local Authorities		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1961																				
July	11	10,996	1	589	43	79,200	10	40,325	8	33,867	—	—	13	58,118	—	15	—	—	86	223,110
Aug.	4	16,836	—	542	25	79,053	5	36,537	2	40,698	—	6	2	6,842	—	—	—	—	38	180,514
Sept.	10	11,218	—	133	30	90,704	7	35,358	—	32,082	—	3	1	26,542	—	22	—	—	48	196,062
Oct.	6	9,156	—	20,446	33	115,911	3	36,195	—	32,713	—	—	—	14,178	—	—	—	—	42	228,599
Nov.	14	9,990	—	26,525	17	61,753	5	22,626	4	36,869	—	750	—	—	—	—	—	—	40	158,513
Dec.	2	23,633	—	221	9	53,852	5	35,864	1	26,322	—	—	—	7	—	—	—	—	17	139,899
1962																				
Jan.	—	17,960	—	190	4	72,051	—	27,406	—	50,018	—	400	—	62	—	—	—	—	4	168,087
Feb.	—	6,816	—	23,634	2	56,997	1	23,840	—	118,359	—	—	—	458	—	—	—	—	3	230,104
Mar.	5	8,494	—	833	17	33,597	5	14,796	—	11,597	—	231	—	208	—	133	—	—	28	69,889
April	1	9,006	—	427	14	29,069	2	7,917	—	8,344	—	15	—	205	—	—	—	—	18	54,983
May	—	1,928	—	24,687	6	36,582	1	11,715	—	14,981	—	14	—	791	—	—	—	—	7	90,698
June	2	13,670	—	3,259	4	34,661	3	15,605	—	4,860	—	25	1	22,592	—	—	—	—	10	94,672
Total for Year	55	139,703	1	101,486	204	743,430	47	308,184	17	410,710	—	1,444	17	130,003	—	170	—	—	341	1,335,130
Total June 1954 to June 1962																				
No. Amount	4,044	3,693,814	16	360,907	8,231	8,055,608	715	3,811,087	639	3,532,912	64	144,672	2,737	3,006,514	16	146,969	16	96,000	16,478	22,848,483

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
1961										
July	18,179	1,859	80,102	19,046	77,405	60	9,921	30	—	206,602
August	10,467	24,147	60,400	28,045	24,221	220	8,515	125	—	156,140
September	10,793	839	48,730	36,100	13,412	1,249	2,970	—	—	114,093
October	22,682	5,362	58,130	34,148	24,800	300	4,015	125	—	149,562
November	47,953	22,908	108,245	31,697	14,726	865	18,886	90	—	245,370
December	73,027	28,210	152,977	42,088	22,067	320	44,954	—	—	363,643
1962										
January	61,992	8,162	111,005	42,940	18,711	916	28,849	250	—	272,825
February	31,256	10,098	82,040	14,182	22,345	550	30,655	—	—	191,126
March	17,998	5,258	79,773	46,593	22,404	34	17,512	—	—	189,572
April	36,570	12,068	75,113	32,909	19,330	125	9,180	—	—	185,295
May	34,609	6,537	93,932	49,343	14,737	590	25,890	55	—	225,693
June	23,621	12,154	89,028	77,663	26,241	105	14,753	113	—	243,678
Total for Year	389,147	137,602	1,039,475	454,754	300,399	5,334	216,100	788	—	2,127,781
Total June, 1954 to June, 1962	3,025,961	270,231	6,060,114	2,201,913	2,198,101	107,594	3,051,756	10,758	51,142	16,977,570

696