

BRITISH GUIANA CREDIT CORPORATION

(Incorporated by Ordinance No. 13 of 1954)

MEMBERS OF THE BOARD OF THE CORPORATION AS AT 30TH JUNE, 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,
A. C. Grieve, Esq.,
C. P. B. Melbourne, Esq., M.B.E.,
Hamid Rahaman, Esq.,

E. C. Rodrigues, Esq.,
Gobin Biragie, Esq.,
Vincent Roth, Esq., O.B.E.
V. J. Willems, Esq.

MEMBERS OF THE BOARD OF THE CORPORATION WITH EFFECT FROM 26TH SEPTEMBER, 1960.

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

Andrew H. James, Esq.,
Deputy Chairman.

The Deputy Financial Secretary,
Gobin Biragie, Esq.,
Peter Andersen, Esq.,
Joseph Jardim, Esq.,

Ivan Remington, Esq.,
Oswald H. Fisher, Esq.,
Jacob Bowman, Esq.,
Mantaz Ali, Esq.,

GENERAL MANAGER

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

SECRETARY

L. E. Kranenburg.

CHIEF ACCOUNTANT

P. C. Yansen, A.A.C.C.A.

* Mr. W. G. Carmichael held the post of General Manager until his resignation on 1st May, 1960.

Mr. Luck assumed duty on 16th December, 1960.

REPORT
ON THE OPERATIONS OF THE BRITISH GUIANA CREDIT
CORPORATION FOR THE YEAR ENDED 30TH JUNE, 1960.

1. **Members:** There was no change in the Membership of the Board of the Corporation during the year under review. The term of office of Mr. J. H. McB. Moore, as Chairman, expired on 25th June, 1960, but he was re-appointed Chairman for a further period of 2 years expiring 25th June, 1962. The term of office of Mr. W. M. Green as Deputy Chairman expired on 25th June, 1960, and it was extended to 25th September, 1960.

2. **Management:** Mr. W. G. Carmichael, whose engagement as General Manager had expired did not renew his Contract and left the service of the Corporation on 1st May, 1960.

3. **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 attached hereto.

INCOME & EXPENDITURE ACCOUNT

Interest charged to borrowers from the Corporation totalled \$660,572, but more than half of this amount was absorbed in interest payable to the Government of British Guiana on Treasury Advances to the Corporation. Net Income exceeded Expenditure by \$81,565, but this was not enough to offset bad debts written off.

Since the establishment of the Corporation in 1954, consideration has been given to the provision of a sum adequate to meet losses for bad and doubtful debts; but it was not until 1958/59 that a sum of \$225,000 was included for the first time in the accounts for this purpose. In the first Report on the operations of the Corporation made for the two years ended 30th June, 1956, attention was invited (paragraph 19) to the fact that the figures of losses did not take into account possible Bad Debts. The Report emphasised that it was inevitable that such losses would emerge and that it would be prudent to build up an adequate reserve to provide against them. Despite this, the Board of the Corporation at the time concluded that "no good purpose would be served by putting through a purely notional charge", thereby increasing the debit shown on Income and Expenditure Account. No amounts were written off for the first three years.

The accounting system in operation until 1960 made it difficult to know the nature and the extent of the arrears in repayments. The introduction of a new machine system disclosed for the first time that the arrears of repayment at 30.6.60 were \$3,751,674 and this represented one-third of the Corporation's capital. Although the Board's Report for the two years ended June, 1956, expressed the view that one of the most heartening features of the two years had been the satisfactory way in which repayments had been made against the loans granted, analysis of the existing arrears of \$3¼M disclosed that these arrears were mostly in respect of loans made in 1954, 1955 and 1956.

In these circumstances, the Board of the Corporation has increased in this year's accounts the amount of \$225,000 referred to above to \$550,000 to meet Bad and Doubtful Debts. The debit on Income and Expenditure is therefore \$366,909.

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The position could be summarised as follows:—

Income	\$689,050
Expenditure	226,319
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Excess of Income over				
Expenditure	462,731
Treasury Interest	381,166
<hr/>				
				\$ 81,565
Bad Debts	\$120,646	
Loss on Govt. Bonds	2,828	123,474
<hr/>				
				\$ 41,909
Provision for Bad Debts	\$325,000
<hr/>				
Net Loss	\$366,909
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British Guiana Government Bonds were taken over from the Loan Banks in 1954 at book value \$14,068 and were finally sold to the Government at market value of \$11,240.

BALANCE SHEET

Loans outstanding reached the peak figure of \$10.8 million and lending had therefore to be restricted to amounts collected. The Nominal Assets as at 30th June, 1959, disappeared as the Government agreed to bear the initial cost \$137,248 of setting up the Corporation in 1954, as well as the accumulated loss of \$191,983 at 30th June, 1959.

This transaction reflected the reduction in the Corporation's working capital to the extent of \$329,231 which had accumulated since the beginning of operations.

As regards liabilities, the Government of British Guiana has assumed responsibility for the outstanding amount of \$78,858 due the defunct Loan Banks Shareholders in respect of unredeemed shares, plus undistributed profits and dividends. Since 1954 the Corporation has paid out \$181,874 in claims, and demand had by June, 1960, dwindled to a negligible figure.

4. Loans Made And Loan Repayments : Appendix A to this report shows the monthly payments made against loans authorised, while Appendix B shows the monthly collections in respect of loan repayments. From these statements it will be observed that for the year ended 30th June, 1960, a sum of \$2,274,700 was paid out in loans, and that collections for the same period amounted to \$2,492,431.

The actual number of applications dealt with during the 12 months period covered by this report was 1,374. Of these 833 were granted, 446 were rejected and decisions on 95 were deferred, pending further investigations.

5. Housing : As has been the case from the time the Corporation was established in 1954, Housing continues to be the most important part of the Corporation's activities, both as regards the number and value of applications made and granted, and in the amount collected annually. Housing loans accounted for no less than 43.5% of the total amount of the loans made during the year, and for 50% of the total collections. For 1959/60 433 housing loans

were made to the value of \$963,685 with repayments totalling \$1,249,418; in comparison with 355 loans totalling \$822,231, and repayments \$1,115,146 in the 1958/59 period.

6. **Agriculture** : Agricultural loans for the year numbered 118, involving expenditure of \$496,682, as compared with 114 loans to the value of \$252,863 in the previous year. The increase in the value of these loans has been due principally to the increased acreage put under rice cultivation during the year, necessitating expenditure on clearing, empoldering and drainage works.

7. **Industry** : Applications for loans for the establishment or development of industries, minor or otherwise, showed some increase—24 for sums totalling \$237,900, as against 18 for an aggregate of \$165,600 in 1958/59.

8. **Machinery** : The amount paid out in loans for the purchase of machinery was \$517,433, and included the following items :—

Agriculture	Industry
32 Tractors & Ploughs	4 Bulldozers
1 Bulldozer	3 Tractor/Winches
3 Self Propelled Combines	1 Rice Mill
1 Dragline	2 Marine Engines
1 Truck	1 Generating Plant

J. H. McB. MOORE, Chairman,
ANDREW H. JAMES, Deputy Chairman,
G. E. LUCK, General Manager.

Georgetown,
British Guiana,
10th February, 1961

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BRITISH GUIANA CREDIT CORPORATION

ACCOUNTS

30th JUNE, 1960.

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

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FITZPATRICK GRAHAM & CO.,
CHARTERED ACCOUNTANTS.

P.O. Box 37,
THE DEMERARA LIFE BUILDINGS
GEORGETOWN,
DEMERARA,
10th December, 1960.

REPORT OF THE AUDITORS TO THE GOVERNOR IN COUNCIL ON THE
ACCOUNTS OF THE BRITISH GUIANA CREDIT CORPORATION
AS AT 30TH JUNE, 1960.

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, 1960, 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. We cannot express an opinion about the adequacy of the Provisions for Bad and Doubtful Debts as the Corporation had not been able to give us an accurate valuation of securities held by them in respect of such debts.

Sgd. FITZPATRICK GRAHAM & CO. } AUDITORS.
CHARTERED ACCOUNTANTS }

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BRITISH GUIANA

BALANCE

AS AT

30.6.59

TREASURY

\$ 9,093,417	(a) Advances for General Purposes of Corporation	\$9,008,693	
	(b) Food Production Loans made by Corporation:		
581,583	Balances at 30th June, 1960, per Contra ..	669,694	
\$ 9,675,000			\$9,678,387
	(c) Co-Operative Credit Banks: Advances for General Purposes taken over by Corporation at 21st June, 1954. ..	\$1,020,602	
50,000	Less: Reduction of liability in respect of provision for Bad & Doubtful Debts, as per Contra ..	50,000	
\$ 970,602			970,602
10,656	(d) Collection by the Corporation on behalf of the Treasury of Food Production Loans at 21st June, 1954, less payments to Treasury and Interest Adjustments (See Note 1) ..		6,877
181,717	(e) Interest accrued on (a) to (d)		189,663
\$10,837,975			\$10,845,529

\$10,837,975

Carried Forward :-

\$10,845,529

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CREDIT CORPORATION

SHEET

30TH JUNE, 1960

30.6.59

CURRENT ASSETS
Cash and Bank Balances

\$ 39,327	Barclays Bank D.C.O.	\$ 16,841
5,208	Royal Bank of Canada	15,830
51,043	Post Office Savings Bank	42,169
4,246	Cash in Hand—Head Office	14,379
1,218	Cash in Hand—Branch Office	1,751

\$ 101,042

\$ 90,970

Loans Outstanding

\$ 9,712,463	Loans made by Corporation for Development Purposes, less repayments	\$10,175,011
	Less: Provision for Bad and Doubtful Debts	500,000
		\$9,675,011

97,045	Loans, other than Food Production Loans taken over from Co-Operative Credit Banks, less repayments	\$ 126,108
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	Less: Provision for Bad and Doubtful Debts	50,000	76,108
--	--	--------	--------

Food Production Loans:—

514,277	(i) Co-Operative Societies: Advances made on behalf of the Co-operative Development Department	605,057	
67,306	(ii) Farmers: Made on Treasury Account	64,637	
		\$ 669,694	
89,930	(iii) Co-Operative Societies: Advances made on behalf of the Rice Marketing Board	47,896	717,590

\$ 10,481,021

\$10,468,709

Sundry Debtors and Debit Balances

\$ 18,607	Charges prepaid and debts due to the Corporation	13,474
-----------	--	--------

Investment

Taken over from Co-Operative Credit Banks

14,068	\$13,900 British Guiana Government 3% Bonds
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\$ 10,614,738

Carried Forward:—

\$10,573,153

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BRITISH GUIANA

30.6.59		
<u>\$10,837,975</u>	Brought Forward:—	\$10,845,529
	BRITISH GUIANA RICE MARKETING BOARD	
95,116	Advances for Food Production	
3,116	Loans	\$ 95,116
	Interest thereon	5,769
<u>\$ 98,232</u>		<u>100,885</u>
	SUNDRY CREDITORS AND CREDIT BALANCES	
55,226	Charges accrued and debts due by Corporation	115,051
	CO-OPERATIVE CREDIT BANKS SHAREHOLDERS	
	Amounts Outstanding:—	
238,320	(a) Share Capital, Reserves, Undistributed Profits, etc., as at 21st June, 1954.	\$238,320
181,614	Less: Redeemed to 30th June, 1960.	181,874
<u>\$,56,706</u>		<u>\$ 56,446</u>
22,412	(b) Dividends Unclaimed by Shareholders at 30th June, 1960. ..	22,412
<u>\$ 79,118</u>		<u>\$ 78,858</u>
	Less: Transferred to Treasury	78,858
	CO-OPERATIVE CREDIT BANKS SUSPENSE	
	Surplus arising from take-over, less adjustments	—
<u>\$11,070,551</u>		<u>\$11,061,465</u>

NOTE:
 1. An amount in the region of \$300,000 is payable to the Treasury when collected by the Corporation in respect of Food Production Loans made prior to 21st June, 1954, through the Co-operative Credit Banks. —

Georgetown,
 10th February, 1961.

CREDIT CORPORATION

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30.6.59

\$10,614,738	Brought Forward:—		\$10,573,153
	FIXED ASSETS		
	House: 274 Peter Rose Street, Georgetown, at cost, plus expenditure thereon	\$38,631	
38,631	Less: Depreciation to date	—	
—			
\$ 38,631			\$ 38,631
	Office Premises		
\$ 3,555	at Cost—Vreed-en-Hoop	\$ 3,555	
8,057	Grove	8,057	
—	Onderneeming	102	
\$ 11,612		\$11,714	
806	Less: Depreciation to date	1,611	
—			
\$ 10,806			\$ 10,103
	Properties acquired to secure loans by Corporation	\$27,993	
\$ 21,586	Less: Depreciation to date	—	
—			
\$ 21,586			\$ 27,993
\$ 71,023			\$ 76,727
	Furniture & Fittings: Head Office	\$72,746	
\$ 72,745	Branches	7,729	
7,577	274 Peter Rose St.	5,599	
5,445			
\$ 85,767		\$86,074	
33,389	Less:—Depreciation to date	\$41,996	
—			
\$ 52,378			44,078
	Motor Car at Cost	\$ —	
\$ 3,400	Less: Depreciation to date	—	
1,020			
—			
\$ 2,380			—
	Craft at cost, plus expenditure thereon	\$ 1,207	
\$ 1,207	Less: Depreciation to date	609	
406			
—			
\$ 801			598
\$ 126,582			121,403
	NOMINAL ASSETS		
	Organisation Expenses:		
	Provided for in development estimates in 1954 to the extent of \$200,000	\$137,248	
\$ 137,248			
	Income & Expenditure Account		
\$ 191,983	as at 30th June, 1959.	191,983	
—			
\$ 329,231		\$329,231	
—	Less: Transferred to Treasury	329,231	
—			
	Excess of Expenditure over Income for the year to date		366,909
\$11,070,551			\$11,061,465

J. H. McB. MOORE (Chairman)
P. C. YANSEN (Chief Accountant)

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BRITISH GUIANA
STATEMENT OF INCOME AND EXPENDITURE

30.6.59		
\$ 92,794	SALARIES AND FEES	
66,192	Head Office	\$95,357
5,843	Areas and Branches	67,359
	Members Fees	5,760
\$164,829		\$168,476
	TRAVELLING EXPENSES	
\$ 1,543	Head Office	\$ 5,116
9,065	Areas and Branches	10,162
366	Members	396
\$ 10,974		15,674
	RENTS, ETC.	
\$ 8,134	Head Office—Rent & Lighting	\$ 8,279
2,614	Areas and Branches—Rents	2,737
2,224	274 Peter Rose Street, Georgetown— Repairs, etc.	1,773
\$ 12,972		12,789
	PRINTING & STATIONERY	5,492
\$ 2,302	POSTAGES, TELEPHONES, ETC.	2,264
1,950	LEGAL EXPENSES	197
2,194	GENERAL EXPENSES	5,228
4,951	AUDIT FEES	6,003
6,000	BAD DEBTS WRITTEN OFF	120,646
11,113	PROVISION FOR BAD AND DOUBTFUL DEBTS	325,000
—	DEPRECIATION	
—	274 Peter Rose Street, Georgetown	\$ —
806	Office Premises—Grove	806
8,577	Furniture & Fittings	8,607
340	Motor Car	580
231	Craft	203
\$ 9,954		10,196
\$ —	LOSS ON REALISATION OF BRITISH GUIANA GOVERNMENT BONDS	2,828
\$ 12,471	LOSS ON SALE OF QUEENSTOWN PROPERTY	—
\$ 23,043	EXCESS OF INCOME OVER EXPENDITURE TRANSFERRED TO INCOME AND EX- PENDITURE ACCOUNT	—
\$262,753		\$674,793

Georgetown,
10th February, 1961.

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CREDIT CORPORATION

FOR THE YEAR ENDED 30TH JUNE, 1960.

30.6.59			
\$588,415	INTEREST ON LOANS TO BORROWERS ..	\$660,572	
345,545	Less: Interest on Treasury Advances ..	381,166	
\$242,870			\$279,406
	OTHER INTEREST		
\$ 4,155	Post Office Savings Bank	\$ 2,252	
417	Government 3% Bonds	417	
\$ 4,572			2,669
	COMMISSIONS, DISCOUNTS, ETC.		
\$ 1,517	Proportion of Interest collected on Food Production Loans made by Co-Operative Credit Banks	\$ 1,080	
4,755	Insurance and other Commissions	5,418	
7,838	General Discounts, etc.	17,887	
1,201	Valuation Fees Received	1,424	
\$ 15,311			25,809
	EXCESS OF EXPENDITURE OVER INCOME		
—	As per Balance Sheet		366,909
\$262,752			\$674,793

J. H. McB. MOORE (Chairman)
P. C. YANSEN (Chief Accountant)

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APPENDIX A

Summary of Loans Paid

MONTH	Sundry Disbursements	Agriculture		Rural & Urban Housing		Public	Officers	Industry		Fishing		Local Authorities		Food Production		Ranching & Logging		TOTAL		
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	
1959																				
July	..	5,177	10	61,111	27	42,549	8	40,969	2	8,968	—	—	—	—	9	22,782	—	—	56	181,556
Aug.	..	5,817	13	30,990	26	50,196	6	43,863	4	61,212	—	—	—	—	4	—	—	—	49	192,082
Sept.	..	7,547	24	78,339	21	24,656	6	28,040	3	10,966	—	—	—	—	6	19,600	—	—	60	169,148
Oct.	..	5,135	14	92,733	29	50,173	7	33,497	2	42,322	1	400	—	—	8	46,357	—	—	61	270,617
Nov.	..	8,213	6	25,133	16	24,959	9	48,058	2	20,916	—	114	—	—	8	26,227	—	—	41	153,620
Dec.	..	4,338	2	11,203	9	17,713	7	55,883	—	7,148	—	—	—	—	1	10,082	—	—	19	106,367
1960																				
Jan.	..	7,455	7	7,441	30	44,501	6	28,853	1	24,174	—	—	—	—	1	4,513	—	—	45	116,937
Feb.	..	3,838	7	27,133	41	48,799	10	67,354	3	28,591	—	25	—	—	3	4,070	—	—	64	179,810
March	..	4,192	7	22,859	13	22,715	14	40,646	1	12,179	—	147	—	—	12	81,917	—	—	47	184,655
April	..	3,712	1	25,143	20	29,176	5	20,967	1	11,190	—	610	—	—	7	36,183	—	—	34	126,981
May	..	7,706	10	16,006	53	58,970	10	39,521	1	2,262	—	—	—	—	28	143,876	—	—	102	268,341
June	..	3,911	17	98,591	53	56,709	7	44,918	4	7,983	—	—	—	—	20	112,475	—	—	101	324,587
Total for Year	..	67,041	118	496,682	338	471,116	95	492,569	24	237,911	1	1,296	—	—	103	508,086	—	—	679	2,274,701
Total June 1954 to June 1960		67,041	3,886	3,272,451	7,612	6,454,052	605	3,094,928	587	2,679,895	62	130,630	16	96,000	2,698	2,489,979	16	146,706	15,482	18,431,713

APPENDIX B

Summary of Repayments

Month	Disbursements Recoup	Agriculture	Rural & Urban Housing	Public Officers Housing	Industry	Fishing	Food Production	Ranching and Logging	Local Authorities	Total
1959										
July ..	5,706	12,117	47,387	35,360	15,358	1,032	6,531	100	3,852	127,443
August ..	5,283	12,545	50,422	21,639	28,157	612	3,096	860	—	122,114
September .	2,047	14,873	59,828	32,888	14,407	1,203	4,356	—	—	129,602
October ..	4,575	61,257	61,934	33,218	15,088	3,167	20,911	—	510	200,610
November .	4,269	71,486	101,681	27,747	13,087	933	62,413	—	2,733	284,399
December .	2,832	66,050	89,233	50,886	11,952	620	95,923	—	5,794	323,290
1960										
January ..	3,299	43,999	74,180	25,549	9,040	267	68,702	—	—	225,036
February ..	4,369	47,841	88,749	27,158	21,404	269	90,585	125	—	280,500
March ..	2,485	30,746	57,376	25,521	18,427	1,572	52,500	—	—	188,627
April ..	3,245	45,878	64,224	45,773	11,081	4,073	45,097	—	—	219,371
May ..	2,875	33,643	71,929	25,934	17,870	12	37,250	—	108	189,621
June ..	2,443	25,546	71,568	59,234	23,479	1,120	17,054	—	1,374	201,818
Total for Year ..	43,428	465,981	838,511	410,907	199,300	14,880	504,418	585	14,421	2,492,431
Total June 1954 to June 1960..	43,428	2,133,702	4,050,507	1,280,369	1,571,119	83,319	2,364,678	9,355	37,983	11,574,460

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