



SMALL INDUSTRIES CORPORATION
AUDIT REPORT
ON THE
ACCOUNTS
FOR THE YEAR ENDED
31st DECEMBER, 1974

THOMAS, STOLL, DIAS & CO
Accountants

Tel: 72090
P.O. Box 336

5 America Street,
Georgetown, Guyana.

2nd June, 1975.

The General Manager,
Small Industries Corporation,
South Road,
Georgetown.

Dear Sir,

Audit Report on the Accounts for the Year
Ended 31st December, 1974.

We have recently concluded our audit of the Corporation for the year ended 31st December, 1974 and are pleased to submit our report thereon:-

1. (a) Assets

We checked schedules of the assets which were taken over by the Corporation from the now defunct Corporations, the Guyana Development Corporation and Guyana Credit Corporation.

There were a number of assets which were sold and receipts were issued for cash received. We checked the duplicate copies of the receipts and traced these to the Ledger Accounts. A list showing assets on loan was checked. A schedule of assets agreed with the control accounts. Depreciation for the year was checked and we were satisfied as to the correctness of the calculations.

(b) Government Loan Funds Account

For new loans issued during the year we checked to see that loans were approved by the Board and the same was done for new investments. The calculations of interest for the year due on the various loans were checked by us and we were satisfied as to their accuracy. We verified that all cash received from borrowers was first offset against the interest due and any excess was then credited against the actual loans.

Small Industries Corporation

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(c) Current Assets - Debtors

We were of the view that quite a substantial amount of the debts appeared doubtful. We were told that the extension services section are looking into the state of affairs of the Debtors and an official report has not been submitted as yet. Until this report has been submitted no decision can be made.

(d) Current Assets - Other

We test checked the initial records relating to the transactions under this sub-head. We were satisfied that the balances which comprise the above are correct and that all known accruals at 31st December, 1974 have been provided for in the accounts.

The bank account was reconciled with the bank statement. We verified all unrepresented cheques as at 31st December, 1974 with returned cheques as they were presented in 1974. We also obtained a certificate from the bank confirming the balances.

2. Capital Account

All funds received from the Guyana Government for the year 1974 were verified by us. The figure of \$2,117,049.27 consists of the opening balance plus funds received for the year less the excess of Expenditure over Income.

3. Government Loan Funds

No further funds under this head were granted during the year 1974, hence the balance of \$2,430,063.00 remains the same.

4. Current Liabilities

We test checked the original entries along with their supporting records and were satisfied as to the accuracy of the entries raised. As far as we were able to ascertain all known liabilities were brought into account.

5. Income

This consisted primarily of revenue from Interest on loans and rent receivable.

Small Industries Corporation

2nd June, 1975.

We verified that the correct rate percentage applicable to each loan was used and were satisfied as to the accuracy of the calculations. In the case of rent receivable we vouched that the rents receivable for each month were journalized and posted to the individual accounts in the Ledger. We also verified that adequate provisions were provided for all doubtful rents.

6. Expenditure

We test checked payment vouchers along with all supporting documents and were satisfied as to their approval and allocations. We recommend that the Accountant should check all mileage claims for correct mileage before vouchers are sent to the General Manager for approval.

7. General

The books were efficiently maintained and other records and documents systematically filed and well referenced.

We should like to take this opportunity to thank your Chief Accountant and his staff who so kindly assisted us during the course of the audit.

Sgd.

THOMAS, STOLL, DIAS & CO.

27th May, 1975.

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 those books.

We have examined the annexed Balance Sheet and Income and Expenditure Account which are in agreement with the books of account. In our opinion and to the best of our information and according to the explanations given us, the said Balance Sheet and Income and Expenditure Account respectively, give a true and fair view of the state of the Corporation's affairs at 31st December, 1974 and of the Deficit for the year ended on that date.

THOMAS, STOLL, DIAS & CO.

SMALL INDUSTRIES CORPORATION

BALANCE SHEET AS AT 31ST DECEMBER 1974

<u>CAPITAL</u>		<u>FIXED ASSETS</u>	<u>COST</u>	<u>DEPRECIATION TO DATE</u>	<u>NET VALUE</u>
Capital	\$2,117,049.27	Building - Head Office	135,807.65	4,557.67	131,249.98
Government Loan Fund Schedule 1	\$2,479,079.38	Motor Vehicles	14,737.10	2,947.42	11,789.68
		Furniture, Fixtures & Equipment	72,370.21	29,060.79	43,309.42
			<u>222,914.96</u>	<u>36,565.88</u>	<u>186,349.08</u>
		<u>Government Loan Funds Account</u>			
		Industrial Estate (Schedule 3)	1,598,077.92	62,879.50	1,535,198.42
		Industrial Investment (Schedule 4)		-	-
		Industrial Loans		1,707,528.30	-
		Less: Provision for Bad Debts (Schedule 5)		<u>224,733.12</u>	<u>1,482,795.18</u>
		Coverden Clay Brick Factory			143,788.38
		Victoria Radio Factory			181,583.73
		<u>Current Assets</u>			
<u>Current Liabilities</u>		Sundry Debtors (Schedule 6)			228,042.01
Sundry Creditors (Schedule 2)	22,187.22	Debtors for Rent (Schedule 7)		135,256.91	
		Less: Provision (Schedule 8)		<u>103,374.37</u>	31,882.54
		Cash in Hand and at Bank			402,766.84
		Debtors for Land (Schedule 9)			169,543.00
					<u>402,766.84</u>
					<u>169,543.00</u>
					<u>\$4,618,309.87</u>
					<u>\$4,618,309.87</u>

SMALL INDUSTRIES CORPORATION

SCHEDULES TO THE ACCOUNTS FOR THE YEAR
ENDED 31ST DECEMBER 1974

SCHEDULE 1

Government Loan Funds

Buxton and New Amsterdam	\$ 90,000.00
Ruimveldt Factory Building No. 1	150,000.00
Extension to Ruimveldt Estate	672,563.00
Hotel & Tourism Development	85,000.00
Industrial Loan Funds	1,432,500.00
Special Reserve (Farmers & Banana Project)	49,010.38

\$2,479,073.38

SCHEDULE 2

Sundry Creditors

P.A.Y.E.	\$ 831.11
National Insurance Scheme	17.05
Widows & Orphans Fund	20.00
Union Dues	2.50
Creditors (G.D.C.)	19,408.82
Net Salaries & Wages	10.49
Suspense Account	1,897.25

\$22,187.22

SCHEDULE 3

Industrial Estates

Ruimveldt Factory Building No. 1	\$ 89,801.54
Ruimveldt Factory Building No. 2	114,166.44
Ruimveldt Factory Building No. 3	130,451.34
Land - Ruimveldt Estate	398,685.09
Buxton Building No. 1	45,932.82
Buxton Building No. 2	67,082.54
Building at Town Savannah	67,881.08
Ruimveldt Watchman's Hut	572.30
Daily Chronicle Site	595,759.48
Ruimveldt Industrial Estate Bond	83,160.30
Beterverwagting Building	4,575.99

\$1,598,077.92

SMALL INDUSTRIES CORPORATION

SCHEDULE TO THE ACCOUNTS FOR THE YEAR
ENDED 31ST DECEMBER 1974

SCHEDULE 4

Industrial Investments

Stennette Electro-Chemical Ind. Ltd.	\$ 5,000.00
Daily Chronicle Ltd.	165,706.23
Guyana Gajraj Ltd.	83,054.46
Guyana Garment Manufacturing Co-Op. Society Ltd.	2,600.00
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	\$256,360.69
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SCHEDULE 5

Provision for Bad & Doubtful Debts

Industrial Loans

Guyana Garment Manufacturing Co-Op. Society Ltd.	\$ 10,976.00
Guyana Screen Process Co. Ltd.	10,527.97
Linden General Engineering Co.	23,849.33
H. Granum	3,085.66
Starlite Aluminium	9,066.64
Phillip Sampson	2,857.12
Supernaam Timber & Trading Co. Ltd.	20,000.00
Stennette Electro-Chemical Ind. Ltd.	5,566.60
10% on Outstanding Loans for 1974	137,139.55
	<hr/>
	\$223,068.93
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Hotel Development and Tourism

J. Young	\$458.58
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Small Loan

C. Bethune	\$200.00
D. Singh	500.00
E. Griffith	100.00
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\$800.00

Staff Loan

M. Devonish	\$ 29.15
W.F. Archer	376.46

\$405.61

\$224,733.12

SMALL INDUSTRIES CORPORATION

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1974

EXPENDITURE

Gross Salaries	\$219,713.73
Gross Board Members' Fees	1,800.00
Gross Wages (Head Office)	1,166.00
Gross Wages (Maintenance Staff)	26,247.90
Caretaker's Allowance (Buxton Estate)	600.00
Wales Clay Brick Project (Wages)	4,752.21
Travelling & Subsistence (Local)	17,000.14
General Manager Car Running Expenses	4,870.81
Overseas Travelling	3,107.62
Debtors Collecting Expenses (Travelling & Subsistence)	1,837.65
Head Office Electricity, Insurance, Rates & Taxes and Maintenance	6,942.12
Ruimveldt " " " " "	3,845.25
Buxton " " " " "	614.25
Chronicle Estate Electricity, Insurance, Rates & Taxes and Maintenance	12,042.72
Chronicle Estate	6,063.74
Queenstown Property (Peter Rose Street)	63.65
General Expenses - Office Expenses	7,534.18
Head Office Furniture, Fixtures and Equipment, Ins., Repairs & Maintenance	2,297.93
Bank Charges	237.71
Staff Training	3,692.19
Printing & Stationery	7,535.31
Staff Uniforms	2,773.66
Telephones & Postages	6,399.87
Telephone Allowances	850.00
Entertainment Allowances (General Manager)	1,117.84
Legal Expenses	2,880.00
Staff Pension Scheme Employee's Contribution	4,822.26
National Insurance Scheme (H/O & Estate) Employer's Contribution	5,835.75
Contribution to Security Services	15,453.00
Leave Entitlement Passage	12,109.07
Advertising & Publicity	9,996.71
Library Expenses	779.01

INCOME

Estate Rent	\$ 75,836.00
Interest on Sale of Land (Ruimveldt)	3,928.51
Interest on Loan Accounts	84,298.77
Cash on Sale - Furniture & Fittings	\$725.00
Less: Net Cost	<u>617.97</u>
	107.03
Profit on Insurance	877.50
Bad Debts Recovered	18.20
Profit on Sale of Vreed-en-Hoop Office	1,900.00
Deficit	494,073.83

EXPENDITURE (CONT'D)

INCOME (CONT'D)

Overseas Mission & Representation
Commission on Debtors Collection
Clay Brick Project Expenses
Textile Plant Project Expenses
Clay Brick Factory Expenses
Survey Fees (Industrial Estate - Victoria)
Cement Project Expenses
Bad Debts Provision
Depreciation Reserve - Provision on Buildings
 - Car
 - Furniture, Fixtures & Equipment

\$ 18,000.00
158.00
31,553.21
37,853.30
9,643.40
254.10
23.20
137,139.55
25,042.00
2,947.42
3,443.38

\$661,039.84

\$661,039.84

APPENDIX 'A'

STATEMENT OF GUARANTEES GIVEN BY THE MINISTER OF FINANCE UNDER
SECTION 3 OF THE GUARANTEE OF LOANS (PUBLIC CORPORATIONS AND
COMPANIES ACT, 1971 NO. 16 OF 1971) FOR QUARTER ENDED 30. 9. 75

Public Corporation/Company	Amount not Exceeding	Bank/Agency	Nature	Purpose
Guyana Gajraj Limited	3,100,000.00	Barclays Bank International Limited	Overdraft	To provide working Capital
Guyana National Trading Corporation	1,000,000.00	Royal Bank of Canada	-do-	-do-
Guyana Telecoms Corporation	1,000,000.00	-do-	-do-	To finance the expensive programme of the Corporation
-do-	1,000,000.00	-do-	-do-	-do-
-do-	65,922.00	-do-	Loan	-do-
-do-	209,382.00	-do-	-do-	-do-
-do-	188,949.00	-do-	-do-	-do-
-do-	68,485.00	-do-	-do-	-do-
Demerara Sugar Company Limited	3,500,000.00	Guyana National Co-operative Bank	Overdraft	To provide working Capital
Guyana Food Processers Limited	100,000.00	Hand-in-Hand Mutual Life Insurance Company Limited	Loan	-do-
-do-	50,000.00	Hand-in-Hand Mutual Fire Insurance Company Limited	-do-	-do-
-do-	150,000.00	Guyana Trinidad Mutual Fire Insurance Company Limited.	-do-	-do-
-do-	350,000.00	Guyana and Trinidad Mutual Life Insurance Company Limited	-do-	-do-
-do-	250,000.00	Demerara Mutual Life Assurance Society Limited	-do-	-do-
-do-	200,000.00	Colonial Life Insurance Company Limited	-do-	-do-