

1960

THE BRITISH GUIANA RICE DEVELOPMENT COMPANY, LIMITED

REPORT OF THE DIRECTORS

and

STATEMENT OF ACCOUNTS

for the year ended 31st August, 1960

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held at the Office of the Company, 142 Regent Street, Georgetown, on Tuesday 27th June, 1961 at 2.00 p.m.

By Order of the Board.

K.H.Kun

Secretary (acting).

A G E N D A

1. Directors' Report and Balance Sheet at 31st August, 1960.
2. Election of Auditors.
3. Remuneration of Auditors.

142, Regent Street,
Lacytown,
Georgetown, British Guiana.

7th June, 1961.

THE BRITISH GUIANA RICE DEVELOPMENT COMPANY, LIMITED

(Incorporated the 27th day of December, 1952)

Note: The Company has been established in accord with the special provisions of the Rice Marketing Ordinance, Chapter 249, Section 22 and functions in terms of the Agreement approved by Resolution of The Legislative Council dated 19th December, 1952 entered into between the Government and the Company on 2nd January, 1953.

CHAIRMAN

Rahman B. Gajraj, J.P., M.L.C.

DIRECTORS

Ronald Everett Mahadeo, General Manager.
John Buchanan
John Durey, M.B.E.
Gavin Bonston Kennard
Deonandan Oodit
Dhanockdharry Ramlakhan
Roopnarayan Singh
McBoo! Shah

SECRETARY

Kenneth Howard Kum

AUDITORS

Fitzpatrick, Graham & Co., Chartered Accountants
The Demerara Life Buildings, Georgetown, British Guiana.

REGISTERED OFFICE

142, Regent Street, Lacytown, Georgetown, British Guiana.

THE BRITISH GUIANA RICE DEVELOPMENT COMPANY, LIMITED

Address by the Chairman, Mr. Rahman B. Gajraj, J.P., M.L.C.

at the Eight Annual General Meeting held on

27th June, 1961.

Gentlemen,

In presenting today the Directors' Report and the Financial Statements for the Company's fiscal year ended 31st August, 1960, I must, first of all, explain the delay in submitting the Report laid before you. There are two main reasons - the first being that the Company's new management has been, and in fact still is, engaged in a thorough examination of both operational and accounting procedures used in the past and concurrently has been re-organising the structures in both sections. In addition, plans were being laid for the future and proposals for rehabilitation of the Company's assets and property implemented. I shall deal with these in some further detail at a later stage. Secondly, the audit of the final accounts was interrupted on account of heavy commitments by our Auditors to others of their clients.

I was appointed a Director and Chairman of the Company on the 10th February, 1961 succeeding the Director of Agriculture whose onerous duties in his substantive field of activity made it most difficult for him continuously to devote the necessary time and energy to the grave and urgent problems facing the Company. However, it is fitting that I should pay tribute to him for the energetic and dedicated manner in which he pursued the Company's programme of rehabilitation despite the heavy tax of his duties as Director of Agriculture on his time. Although he has relinquished the office of Chairman, we are very pleased to know that Mr. Kennard remains with the Company as a Director.

And now, Gentlemen, to turn to the Report. It is my unfortunate duty to present to you the Report for a period during which I was not associated with the Company. You will note that the deficit on operations for the year amounted to \$358,115, and as if by some diabolical design we have further been faced with two substantial write offs - one for \$64,772 being obsolete spares in stock which should have been provided for in a previous period since the Auditors had previously drawn attention to this, but no action was taken. These spares have become obsolete largely on account of the change-over in the industry to the use of self propelled rice harvesters and to smaller powered units for tillage. The other write off - \$74,998 relates to the Company's claim against the B.G. Rice Marketing Board for paddy supplied to that organisation for sale to Venezuela in the

year 1959. It was found that in the unfortunate absence of any firm agreement having been arrived at regarding price and compensation, the Rice Marketing Board was in a position to argue its way out of the understanding which the Company had formed of the basis of pricing. The Company's computations having been made on a fairly vague understanding, which the Rice Marketing Board declined to honour, led to a reduction in the figure listed as outstanding in its Balance Sheet for the previous year as due by the Rice Board on this transaction. I wish to assure you at this stage that every effort was made to re-establish the validity of the Company's claim but without success. The total deficit therefore amounts to \$497,886 which when added to the accumulated losses up to 1959 brings the staggering total of \$1,938,791 in accumulated losses to the 31st August, 1960. Whilst it may appear superfluous comment at this stage, it is but fair to state now that I do not assume any responsibility for these losses. At the same time, I am not prepared to go into details as to whether the present catastrophic state of the Company's affairs was due to inefficiency or incompetence, (both of which have been alleged by those engaged in the industry), whether in policy making or in management, on the part of the past administration. Suffice it to say that as one with some experience in commerce, the Company's position could not have been worse than that disclosed on the Statements before you. The accumulated losses to the 31st August, 1960 exceed by some 1/2 million Dollars all of the Company's reserves including its depreciation reserve, and I am certain that had it not been for the fact that these losses might be regarded in a way as a contingent liability on the Shareholders' resources, the Company would have entered bankruptcy liquidation at least 2 years ago.

When, therefore, I was approached to accept appointment as Chairman, I had, if only as self protection for my reputation in the commercial community of this country, to enquire whether I was being invited to preside over the Company's interment with the dinosaurs of prehistoric times. I was assured now that many obstacles of the past regime had been removed or had removed themselves, every effort was being made in the new atmosphere to establish the Company's operations on a viable basis, and that initial progress in the preliminary reorganisation programme appeared to indicate that this objective was not unattainable. At this point I wish to commend Mr. Mahadeo, the Company's new General Manager, firstly on his courage in accepting his post; on the tremendous drive and energy which he has so far put into his work, and on his unflinching faith in the Company's future. Few men, having regard to the state of the Company's affairs at the time when he was appointed in June 1960, would have accepted such a post of their own volition. You are already aware of the programme of rehabilitation and reorganisation put forward by Mr. Mahadeo. Both of these are well under way so much so that a programme of expansion has now been produced and approved by the Directors.

As I mentioned earlier, I must crave your indulgence to deal in some detail with these programmes. But to do so effectively, I must describe to you the stage of deterioration and indeed in some instances, dereliction, in which the Company was left in mid 1960. On the physical side, the Company's properties at Mahaicony could best have been described in modern parlance as a "heap of junk". Indeed, the Manager of the Rice Marketing Board described its appearance as that of "a derelict factory". Buildings had not been painted for years let alone kept in good repair. Much of the machinery was worn out and only continued to perform by the skill of the engineering staff. Morale amongst the employees was at the lowest possible ebb, with the competent ones, frustrated by unimaginative leadership and the exasperating problem and difficulty of keeping almost un-serviceable equipment going, looking for new jobs outside, while the rest agonisingly awaited the final moment of retrenchment. Even at Anna Regina where the establishment was relatively new, the first signs of decay from neglect started to become evident. On the score of the quality of operations, the decline was as pronounced as it was in the condition of the assets. There appeared to be a lack of consciousness on the part of operating personnel as to the economics of the operations they controlled, with the result that the efforts of many were directed solely to keeping equipment running to the neglect of economic results. Thus both at Anna Regina and at Mahaicony, but particularly at the former, lack of organisation moreso than the condition of the factories' equipment, resulted in huge losses on purchasing, storage and milling results. However, the personnel are not wholly to be held responsible, since it is clearly evident that the required consciousness of all that was involved should have been instilled and inspired from other quarters. These are not criticisms, but impressions gained from close observation of the Company's position as a whole.

Now, what has been done since the advent of the new administration. I will tell you. Practically, all repair work to the assets in the form of property, has been completed. Mahaicony at least has a new look physically and with this the whole atmosphere has changed bringing with it a new outlook and indeed a sense of well being on the part of employees. Such manageable problems as the improvements in the methods of preserving paddy in storage have been tackled with a large measure of success which is being reflected in the quality of rice being produced and the enhancement of the margin of financial return. The hard work, effort and initiative which have been put into the programme of rehabilitation and reorganisation have generated not only a promising financial position but equally important, have inspired renewed faith and confidence in almost everyone - Shareholders, Directorate and Staff. This attitude of mind has further projected itself into the future, and on this aspect I would like to announce that plans, specifications and estimates have been formulated to provide for the Company's operations keeping pace with developments in the industry arising

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out of Government's policies for rice and initiative in implementing these. The expansion plans for the future include -

- (a) The installation of two new dryer/cleaner units at Mahaicony and Anna Regina each with a capacity of 2,500 bags per day including all necessary working bins, conveyors, etc.
- (b) Initial consolidation of storage at Mahaicony by removing the 2nd point and Hyde Park bonds to the Centre.
- (c) Expansion of storage at Anna Regina by removing the 66 paddy bond to that factory.
- (d) The establishment of self accounting divisions at Mahaicony and Anna Regina as recommended by the Auditors since 1959, and not acted upon.
- (e) Conversion of existing in-sack storage to bulk handling and storage as a means of minimising storage losses from lack of aeration and insect infestation.
- (f) Expanding the capacities in cleaning, drying, storage and milling at both factories to cope with projected expansion of rice cultivation in the Tapacooma and Mahaica-Mahaicony-Abary Schemes, and to convert the factories into fully integrated economic units.
- (g) Examination of the economic feasibilities of the production of bran oil and rice flour, as well as utilisation of other rice products and by-products, with the object of creating a complex of industries, the Company being established as the fulcrum.

I feel that I should not close my address without some reference to the Company's activities and contributions to the industry during the current year. I will mention these briefly since I will have to deal with them more fully when the Company's history for the current year is written. The Company is playing an active and frequently vital role in the following -

- (a) Assisting in the establishment of cooperatively operated milling facilities at Black Bush Polder.
- (b) Assisting in bringing the new lands at Black Bush Polder under crop for 1961.

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- (c) Assisting the Government in its exploration of suitable types of Rice, and negotiating and securing a substantial contract for the Rice Marketing Board for deliveries over a period of six years to Cuba.
- (d) Pioneering in the production of a Special Parboiled Rice which has received unqualified acceptance in the Cuban market.
- (e) Relieving an economic crisis which faced farmers in Wakenaam and Leguan in the disposal of their 1960 Autumn and 1961 Spring Crops.
- (f) Participating in discussions on future planning and coordinating for the industry as a whole.
- (g) Collaborating in full with the Rice Marketing Board in resolving problems of production and marketing.

In addition to the above, the Company's administration, conscious of the part it can play in making the lot of the rural dweller more congenial and more profitable, has initiated discussions with the Chairman of the B.G. Electricity Corporation, and his technical advisers, as to the economic feasibility of using the facilities presently available at the Company's factories, and supplementing them with additional equipment, so as to make a beginning in carrying the benefits of electricity to some parts of the country districts. Visits have already been paid to both factories, and superficial observations indicate that Anna Regina offers, for the present, a more feasible economic proposition. Further surveys of a more detailed nature must take place before a firm promise can be made, but for the present, I can only say that should the proposals be accepted by the Board of the Electricity Corporation, this Company can fairly claim some credit in its achievement.

This Company has always endeavoured to co-operate with the Rice Marketing Board in the interest of the country's export commitments. Whenever the smaller mills have been unable, for one cause or another to meet the Rice Marketing Board's need for adequate supplies, they have turned to us to help them out. Invariably, we have done so at increased costs to our operations, e.g. the working overtime at enhanced rates of pay. Then when the sale of paddy to Venezuela was made, this Company provided nearly all of the stocks and we have had to write off roughly \$75,000: because of the Rice Marketing Board's attitude.

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It can be seen, therefore, that the Rice Development Company is as important to the Rice Marketing Board as it is of value to the rice farmers, but I am afraid that while the Rice Marketing Board keeps calling for your Company's "co-operation" its own attitude to the Company is far from being reciprocal. In spite of your Company, through its General Manager, bringing off the Rice Agreement with Cuba, when the Board's members and the general public scoffed at the idea, yet we have not been able to get the Board to agree to our reasonable and legitimate claims for fair compensation for the rice we have supplied. Your Directors are resolved to lose no legitimate opportunity to press and justify its claims, and hope that the Rice Marketing Board will not force them to carry out other measures, equally legitimate, which might place the Marketing Organisation in an embarrassing position. It is my fervent hope that the Board of the Rice Marketing Board will realise that although theirs is a monopoly in certain fields, they must, nevertheless, satisfy all parties without whose efforts, there will be nothing for the Board to sell. And this Company has proved itself to be a most necessary and reliable support for the Rice Marketing Board to depend upon.

I paid a visit to our Anna Regina factory last Friday. As you know, at the request of the Rice Marketing Board we have stepped up production of White Rice at Anna Regina, to enable the Board to guarantee regular supplies to Cuba, but we have there approximately 14,500 bags of Parboiled Rice milled between December 1960 to March 1961. I am informed that repeated requests to the Rice Marketing Board to take this rice, have failed to evoke any response. In the meantime, our storage bonds are congested, there is the problem of weevil-infestation although we are "dusting" the stocks regularly, and most important, we have over a quarter of a million dollars tied up, with the risks of loss through long storage. I am writing a personal letter to the Chairman of the Rice Marketing Board on this matter, and hope that he will convince his Board and management of the seriousness of the situation. At the time of my visit we also had 10,000 bags of White Rice on hand.

And now - Gentlemen, in inviting you to consider the matters on the Agenda, I wish to say that as far as I am concerned, I feel confident that, contrary to predictions from some quarters, the industry faces a bright future. I would like to give the firm assurance, that your Company will play a full and vital part.

I now have much pleasure in moving the adoption of the Directors' Report and Balance Sheet at 31st August, 1960.

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THE BRITISH GUIANA RICE DEVELOPMENT CO. LTD.

- REPORT OF THE DIRECTORS -

The Directors submit their report for the year ended 31st August, 1960.

Balance Sheet as at 31st August, 1960

The issued share capital remained at \$2,000,000 and the Capital Debentures issued in favour of the Colonial Development Corporation at \$5,001,600:- (£1,042,000).

Capital expenditure incurred during the year amounted to \$65,046 and the cost of assets retired amounted to \$43,724 making a net capital expenditure for the year under review of \$21,322.

\$179,777 was credited to depreciation reserve during the year, and after deducting \$28,982 in respect of depreciation on assets retired, the net increase was \$150,795, bringing the total reserve to \$1,410,788.

The book value of fixed assets now stands at \$3,985,228, details of which showing depreciation reserve are given in Appendix D.

Operating Results for Year

Mahaicony Rice Factory

The factory accounts showed a gross operating profit of \$168,245 for the year. After providing \$78,375 for depreciation, allocating \$177,102 for interest charges and \$2,944 for remittance costs and Directors' fees, a net loss of \$90,176 resulted.

Anna Regina Rice Factory

The factory operated at a loss of \$81,100 for the year. After charging \$69,545 for depreciation, allocating \$134,659 for interest charges and \$2,580 for remittance costs and Directors' fees, a net loss of \$287,884 resulted.

Mahaicony/Abary Rice Cultivation

The excess of Income over Expenditure in respect of the Rice Cultivation was \$122,065, and after crediting \$3,444 resulting from profit on sale of assets sold, a gross income of \$125,509 was realised; but after providing \$31,857 for depreciation, allocating \$71,669 for interest charges and \$2,039 for remittance costs and Directors' fees, a net profit of \$19,944 remained.

Profit and Loss Account for year

The General Profit & Loss account for the year under review showed a net deficiency as follows:-

Net Loss - Mahaicony Rice Factory	\$ 90,176	
Anna Regina Rice "	<u>287,884</u>	\$ 378,060
<u>Less:</u> Net Profit - Mahaicony/Abary Rice Cultivation		<u>19,944</u>
		\$ 358,116
<u>Add :</u> Reserve for obsolete Mechanical spares		64,772
Balance due by Rice Marketing Board for paddy delivered for sale to Venezuela written off		<u>74,998</u>
Net deficiency for the year		<u>\$ 497,886</u>

The accumulated deficit at 31st August 1959 shown on the Balance Sheet is made up as follows:-

Net Loss (1953-1959)

Loss - Old Anna Regina Rice Mill	\$391,110	
New " " " " factory	<u>97,017</u>	
	\$488,127	
Profit - Mahaicony Rice Factory	<u>170,679</u>	\$ 317,448
Loss - " /Abary Rice cultivation		<u>228,740</u> \$546,188
<u>Add:</u>		
Preliminary expenses		8,627
Colonial Development Corporation:		
Interest on Debentures	\$1,007,399	
" " Working Capital Advances	<u>125,038</u>	\$1,132,437
Remittance costs		31,896
Directors' fees		23,530
Income tax		<u>13,872</u>
Carried fwd	\$1,210,362	\$546,188

Brought forward \$1,210,362 546,188

Less:

Other interest - Received \$ 27,049
Paid 14,453
\$ 12,596

Over-provision for Depreciation 9,973 22,569 \$1,187,793

\$1,733,981

Deduct:

Operational loss & interest cost on Mahaicony/Abary
Rice Cultivation as at 31.8.56 charged to Government

293,076

\$1,440,905

The accumulated loss at 31st August, 1960 shown on the Balance Sheet is \$1,938,791 and is made up as follows:-

Accumulated deficit at 31st August, 1959 - \$ 1,440,905
Deficit for the year ended 31st August, 1960 497,886
\$ 1,938,791

A statement (Appendix E) is attached showing an analysis of the net results from the inception of the Company's operations (1st January 1953) to the date of Balance Sheet.

A statement (Appendix F) is attached showing an analysis of the net results after allocating Interest charges to the three operations of the Company, from the inception of the company's operations (1st January 1953) to the date of Balance Sheet.

Mahaicony Rice Factory

28,070 tons (449,116 bags of 140 lb. net) of paddy were milled during the year under review, producing 18,174 tons (226,166 bags of 180 lbs. gross) of rice and 2,635 tons of by-products, compared with 13,993 tons (223,890 bags of 140 lb. net) of paddy milled during the previous year, producing 9,048 tons (112,594 bags of 180 lb. gross) of rice and 1,412 tons of by-products. Of the paddy milled during the year under review 418,237 bags were purchased from farmers and 30,879 bags were produced by the company's rice cultivation.

The paddy milled during the year under review was approximately 100.59% more than the quantity milled during the previous year. This increase resulted in a decrease of milling costs (excluding depreciation and interest charges) from \$4.07 to \$2.74 per bag rice. The gross return per bag rice produced, including by-products, in relation to the cost of paddy milled fell from \$4.43 to \$3.48 in the year under review. This was due primarily to the low recovery in grades of rice produced by virtue of insect infested and water damaged paddy. In addition, cleaning and drying facilities for field paddy were inadequate and therefore unable to cope efficiently with moisture and debris laden paddy with the result that there was considerable deterioration in quality over the storage period. Due to the low milling costs of \$2.74 per bag rice, the operating profit was \$0.74¢ per bag rice as compared with an operating profit of \$0.36¢ per bag in the previous year.

The total quantity of paddy purchased and available for milling was 484,834 bags of 140 lb. net; but 19,331 bags were transferred to Anna Regina for milling during the year, 2,227 bags used for seeding and other purposes, leaving a carry over stock of 14,160 bags at the 31st August, 1960.

The following table shows the comparative operating results for the previous year and the year under review:-

Mahaicony Rice Factory

	<u>Year to</u> <u>31.8.59</u>	<u>Year to</u> <u>31.8.60</u>
Value of rice produced	\$17.93	\$16.99
Value of by-products produced	<u>.74</u>	<u>.68</u>
	\$18.67	\$17.67
Cost of paddy milled	<u>14.24</u>	<u>14.19</u>
Gross return	\$ 4.43	\$ 3.48
Operating costs	<u>4.07</u>	<u>2.74</u>
Operating Profit before providing for depreciation and interest	\$.36¢ =====	\$.74¢ =====

Anna Regina Rice Factory

15,543 tons (248,689 bags of 140 lbs. net) of paddy were milled during the year under review, producing 9,827 tons (122,298 bags of 180 lb. gross) of rice and 1,331 tons of by-products, as compared with 9,580 tons (153,282 bags of 140 lbs. net) of paddy milled during the previous year, producing 6,016 tons (74,866 bags of 180 lb. gross) of rice and 918 tons of by-products.

The factory operated 240 days as compared with 171 days during the previous year. The paddy milled during the year under review was approximately 62.24% more than the quantity milled during the previous year. The increase of milling resulted in a decrease of milling costs (excluding depreciation and interest charges) from \$2.92 to \$2.80 per bag rice. The gross return per bag of rice produced including by-products, in relation to the cost of paddy milled fell from \$3.49 to \$2.14 in the year under review. This decrease was also primarily due to the low recovery in grades of rice produced by virtue of insect infested and water damaged paddy, and here again, as in the case of the Mahaicony Factory, a considerable loss was sustained on account of the inadequacy of cleaning, drying and storage facilities.

Purchasing through agents for the 1960 Autumn Crop was discontinued, but in spite of this change, over 195,000 bags of paddy were purchased on the Essequibo Coast and 4,000 bags from the Essequibo Islands. In addition to this high moisture content, there was pronounced evidence of the paddy being severely damaged by insects.

The following table shows the comparative operating results for the previous year and the year under review:-

Anna Regina Rice Factory

Operating Results per bag rice of 180 lb. gross

	<u>Year to</u> <u>31.8.59</u>	<u>Year to</u> <u>31.8.60</u>
Value of rice produced	\$17.92	\$16.02
Value of by-products produced	<u>.69</u>	<u>.62</u>
	\$18.61	\$16.64
Cost of paddy milled	<u>15.12</u>	<u>14.50</u>
Gross return	\$ 3.49	\$ 2.14
Operating costs	<u>2.92</u>	<u>2.80</u>
Operating profit or loss before providing for depreciation & interest	Profit \$.57¢	Loss \$.66¢
	=====	=====

Projected Corentyne Rice Factory

As mentioned in the last report, there have been no further developments leading to the provision of a rice Factory for the Corentyne. However, the Black Bush Polder area having been declared open on Friday, 7th April, 1961 plans are afoot by the Co-operative Department to set up three multi-stage mills in the area. As a result the Company's Corentyne Factory project must

be regarded as having been abandoned.

Mahaicony/Abary Rice Cultivation

2,378.3 acres were under cultivation during 1960 which were reaped under good harvesting conditions. The yield of 32,098 bags of paddy was equivalent to 13.5 bags per acre, as compared with 11.21 bags per acre in 1959. The average price paid for this paddy by the factory was \$6.76 per bag of 140 lb. net.

Capital reorganisation

The preliminary agreement entered into between the shareholders and the Company for the reduction of the Company's Share Capital expired on the 31st August, 1960.

The new General Manager, shortly after his appointment to the Company prepared a complete Memorandum covering the operational reorganisation of the Company's Factories and cultivation. Subsequently, the General Manager advised the Board not to pursue the original proposal regarding the re-organisation of the Company's Capital Structure, but to accept and implement recommendations which he had put forward in his Report as means whereby the Company's viability might be established commercially. The Board and the Shareholders in Extraordinary Meeting have adopted the General Manager's recommendations which are being implemented as quickly as time and finances permit.

Finance

As stated in the Directors' Report for 1959, the Colonial Development Corporation has declined to accede to the request by the Government and the Company to refinance the existing short term Government guaranteed Capital Debenture loans. The Corporation has, however, granted subject to certain specified conditions, a moratorium of repayment of all the instalments until 31st December, 1962, when the Corporation would be willing to review the situation. The amount required to refinance the purchases of farmers' paddy from the 1960 Autumn crop was approximately \$4,500,000:-; \$1,200,000:- was obtained from the Colonial Development Corporation as Working Capital and \$2,400,000:- obtained through overdraft facilities by the two local Banks, with a Government guarantee to the extent of \$2,000,000:-. The difference was financed from Revenue earned through milling operations.

Operational Policy and Prospects

Cultivation

As mentioned in the previous report, it was decided that the Company should discontinue experiments and research on rice cultivation practices

and operate the Mahaicony/Abary Rice Cultivation on a commercial basis. Experiments and research formerly carried out by the Company have been taken over by the Department of Agriculture, and an area of 100 acres has been handed over by the Company for this purpose. The profit and loss account for the year under review showed a net profit of \$19,944 after providing for depreciation, and allocating interest charges.

Prospects

Factories

The Company has been able to secure from the 1960 Autumn Crop over 466,000 bags of paddy of 140 lb. net (including the company's cultivation) for the Mahaicony Factory, equivalent to a decrease of over 24,000 bags against the intake of the previous year. Harvesting of the crop commenced earlier than the previous year, and was carried out under favourable weather conditions. In accordance with the new General Manager's recommendations, daily intake of the crop at the Factory was limited to the capacity of drying facilities. This measure, whilst partially insulating the Company from storage losses on account of excessive moisture and debris, will not prevent the paddy from being heat-damaged whilst in the farmers' hands pending receipt by the factory.

As regards Anna Regina Factory, over 199,000 bags of farmers' paddy were purchased from the 1960 Autumn crop, an increase over purchases at the previous Autumn Crop by 8,000 bags. To the date of preparing this Report, approximately 46,000 bags have been purchased from the 1961 Spring Crop on the Coast, and 2,800 bags in the Islands of Leguan and Tiger Island, thereby assuring this factory of its highest throughput since it was completed in 1956.

STAFF

Mr. R.E. Mahadeo, Assistant Manager of the B.G. Rice Marketing Board was appointed a Director and General Manager of the Company on secondment from the Rice Marketing Board, with effect from 24th May, 1960, vice Mr. W. Roberts retired. With the authority of the Shareholders and the Board of Directors, Mr. Mahadeo has undertaken the task of investigating and reorganising where necessary, all of the Company's operations.

Board of Directors

Mr. G.B. Kennard, D.I.C.T.A., A.I.C.T.A., Dip. Agric. Econ., Director of Agriculture, was appointed Chairman of the Company on the 1st May, 1960 vice Sir Frank Mc David, C.M.G. resigned.

Mr. Rahman B. Gajraj, J.P., M.L.C. was appointed Chairman and Director of the Company on the 10th February, 1961 in the place of Mr. G.D. Kennard.

Mr. Kennard, however, continues to be a Director of the Company.

The following Directors are due to retire at this Annual General Meeting under the provisions of Article 93 of the Company's Articles of Association:-

- Mr. John Buchanan
- Mr. Dhanockdharry Ramlakhan

Auditors

The Auditors, Messrs. Fitzpatrick Graham & Co. have signified their willingness to accept reappointment.

By order of the Board

K. H. KUM,
Secretary (acting)

142 Regent Street,
Lacytown,
Georgetown,
British Guiana.

7th June, 1961.

31.8.59

LIABILITIES

SHARE CAPITAL

Authorised

<u>\$10,000,000</u>	100,000 Shares of \$100 each	<u>\$10,000,000.00</u>
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Issued

\$ 2,000,000	20,000 Shares of \$100 each fully paid	\$2,000,000.00
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DEBENTURES

Issued in favour of Colonial Development Corporation (Note 2)

	6 $\frac{1}{2}$ % Debentures due 30th September, 1959	\$1,200,000.00
	6 $\frac{1}{2}$ % do. do. do.	950,400.00
	6 $\frac{1}{2}$ % do. 1st April, 1960	950,400.00
	5 $\frac{3}{4}$ % do. 1st April, 1961	950,400.00
	5 $\frac{3}{4}$ % do. 1st May, 1962	<u>950,400.00</u>
5,001,600		5,001,600.00

NOTE: The notes attached hereto form an integral part of this Balance Sheet.

SIGNED: R.B. GAJRAJ Chairman
R.E. MAHADEO Director/Manager
K.H. KUM Secretary (acting)

\$7,001,600

\$7,001,600.00

AT 31st AUGUST, 1960

<u>31.8.59</u>	<u>ASSETS</u>	<u>Cost</u>	<u>Depreciation</u>	
	<u>FIXED ASSETS</u>			
	Freehold & Leasehold Lands,			
	Buildings & Structures (Note 3)	\$2,433,879.13	\$ 247,721.12	\$2,186,158.01
	Plant and Machinery	2,223,888.10	692,506.77	1,531,381.33
	Agricultural Equipment	463,209.03	319,028.96	144,180.07
	Sea Punts and other Vessels	42,120.79	22,600.57	19,520.22
	Motor Lorries & Other Transport			
	Equipment	154,442.66	105,290.36	49,152.30
	Furniture and Equipment	70,193.80	23,640.17	46,553.63
4,014,578		<u>\$5,387,733.51</u>	<u>\$1,410,787.95</u>	<u>\$3,976,945.56</u>
100,123	Work-in-progress	8,281.94	-	8,281.94
<u>\$4,114,701</u>		<u>\$5,396,015.45</u>	<u>\$1,410,787.95</u>	<u>\$3,985,227.50</u>
	<u>DUE BY GOVERNMENT OF BRITISH GULANA</u>			
	<u>Mahaicony/Abary Cultivation</u>			
\$ 293,076	Deficit as at 31st August, 1956		\$ 293,076.19	
	<u>Onverwagt Property - Agreed value</u>			
	of Buildings, Equipment & Improve-			
	ment to Land transferred to Main			
	Drainage & Irrigation and Land			
	Settlement Departments (since paid)		<u>100,391.21</u>	
100,391				
<u>\$ 393,467</u>				<u>393,467.40</u>
	<u>ADVANCE EXPENDITURE</u>			
\$ 72,117	1960 Mahaicony Autumn Crop			87,923.55
	<u>CURRENT ASSETS</u>			
\$ 44,413	Rice & By-products expected to			
	realise	\$127,301.03		
483,874	Stocks, Stores & Livestock (Note 4)	547,711.15		
10,692	Prepaid Expenses	10,594.50		
	Sundry Debtors, less provision for			
129,377	Doubtful Debts	79,495.08		
	B.G. Rice Marketing Board:			
	Proceeds of Rice sold & unapid	186,401.07		
74,998	Paddy Claim	-		
351,294	Cash Deposited at Treasury	-		
65,318	Cash in Hand and at Banks	<u>35,048.82</u>		
<u>\$1,159,966</u>				<u>986,551.65</u>
	<u>LESS:</u>			
	<u>CURRENT LIABILITIES</u>			
\$ 130,916	Sundry Creditors	\$166,166.75		
48,640	Accrued Interest	51,808.00		
-	Bank Overdraft	<u>172,386.81</u>		
<u>\$ 179,556</u>				<u>390,361.56</u>
<u>\$ 980,410</u>	<u>NET CURRENT ASSETS</u>			<u>596,190.09</u>
	<u>PROFIT AND LOSS ACCOUNT</u>			
\$1,440,905	Accumulated Losses as per statement			1,938,791.46
	attached			
<u>\$7,001,600</u>				<u>\$7,001,600.00</u>

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THE BRITISH GULIANA RICE

STATEMENT OF PROFIT AND LOSS

To: Depreciation of Fixed Assets applicable to:-

Mahaicony Rice Cultivation	\$ 31,856.62	
" " Factory	78,375.26	
Anna Regina Rice Factory	<u>69,545.43</u>	\$ 179,777.31

" Interest and Finance Charges:

Interest Payable to Colonial Development Corporation:		
On Debenture Loans	\$299,760.00	
On Working Capital Advances	<u>25,500.00</u>	
	325,260.00	
Other Interest (Net)	<u>58,170.01</u>	\$ 383,430.01
Finance Charges, viz:		
Remittance Costs on Repayments and Interest		<u>3,294.00</u>
		386,724.01

" Directors' Fees

	4,269.33
	<u>\$ 570,770.65</u>

To: Accumulated loss at 31st August, 1959

\$1,440,904.91

" Net Loss for the year, brought down

358,115.88

" Amounts written off, applicable to operations
of previous years, viz:

Obsolete Stores	\$ 64,772.40	
Paddy Claim against B.G.Rice Marketing Board	<u>74,998.27</u>	139,770.67

\$1,938,791.46

DEVELOPMENT COMPANY, LIMITED

APPENDIX "B"

FOR YEAR ENDED 31st AUGUST, 1960

By: Trading Profits and Loss before charging
Depreciation of Fixed Assets:

Profits

Mahalcony Rice Cultivation
" " Factory

\$122,064.93

158,245.26

\$290,310.19

Less:

Losses

Anna Regina Rice Factory

81,099.66

\$ 209,210.53

" Profit on Sale of Fixed Assets

3,444.24

" Net Loss for the year, carried down

358,115.88

\$ 570,770.65

By: Accumulated Loss at 31st August, 1960
carried to Balance Sheet

\$1,938,791.46

\$1,938,791.46

THE BRITISH GUIANA RICE DEVELOPMENT COMPANY, LIMITED.NOTES TO THE BALANCE SHEET AS AT 31st AUGUST, 1960

1. The proposed Capital Reduction referred to by Note in the Balance Sheet at 31st August, 1959, has not been carried out.
2. In consideration of moratoriums to 31st December, 1962, granted by the Colonial Development Corporation on all debentures the interest rate on debentures falling due on 30th September, 1959, and 1st April, 1960, have been increased by 2% and $2\frac{1}{4}\%$ to $6\frac{1}{2}\%$. Furthermore, the Corporation reserves the right to vary the interest rate on the debentures falling due on 1st April, 1961, and 1st May, 1962, if they remain unpaid on those dates.
3. Fixed Assets - Freehold Land & Buildings - includes:-
 - (a) \$150,000. cost of the original property at Onverwagt acquired under Transport No.968 to which the Company still holds title although the greater part of such property is occupied by the Land Settlement Department or its nominees.
 - (b) \$45,662.71 for Pumphouse and Sluices at Onverwagt, against which no Depreciation has been provided.
4. Current Assets - Stocks, Stores and Livestock - comprise:-

Sundry Stores and Spares	\$ 332,910.19
Bags and Twine	<u>79,462.31</u>
At the lower of cost and net realisable value	\$ 412,372.50
Paddy at Cost	101,503.65
Livestock, at net realisable value	<u>33,835.00</u>
	<u><u>\$ 547,711.15</u></u>

THE BRITISH GUIANA RICE

PARTICULARS OF FIXED ASSETS

		Original Cost as at 31. 8. 59	Additions during year	Retirements (at cost)
<u>Mahaicony/Abary Cultivation</u>				
Freehold and Leasehold Lands,				
Buildings and Structures	-	655,979.22	465.96	(2,585.07)
Plant and Machinery	-	65,719.06	-	-
Agricultural Machinery	-	473,786.37	15,145.54	(25,722.88)
Water Transport Equipment	-	17,605.58	-	(600.00)
Other Transport Equipment	-	86,155.03	5,100.45	(8,061.08)
		\$1,299,245.26	\$ 20,711.95	\$(36,969.03)
<u>Mahaicony Rice Factory</u>				
Freehold and Leasehold Lands,				
Buildings and Structures	-	507,760.04	72,257.63	(6,686.27)
Plant and Machinery	-	1,089,908.12	56,015.28	-
Transport Equipment	-	26,379.52	-	-
Work-in-progress	-	100,110.74	(100,110.74)	-
do.	-	-	7,555.44	-
		\$1,724,158.42	\$ 35,717.61	\$(6,686.27)
<u>Staff Houses and Offices, M^ocony/Abary/Onverwagt/Georgetown</u>				
Land, Buildings and Structures	-	249,560.27	-	-
Furniture and Equipment	-	52,419.80	257.44	(15.00)
		\$ 301,980.07	\$ 257.44	\$(15.00)
<u>Anna Regina Rice Factory</u>				
Land, Buildings and Structures	-	774,951.04	3,992.02	(53.92)
Plant and Machinery	-	1,008,142.98	4,102.66	-
Furniture and Equipment	-	17,531.56	-	-
Water Transport	-	25,115.21	-	-
Other Transport Equipment	-	44,868.74	-	-
Work-in-progress	-	12.32	(12.32)	-
do.	-	-	726.50	-
		\$1,870,621.85	\$ 8,808.86	\$(53.92)
<u>Corentyne Rice Factory</u>				
	-	\$ 178,688.21	\$ (450.00)	\$ -
		\$5,374,693.81	\$ 65,045.86	\$(43,724.22)

T O T A L

DEVELOPMENT COMPANY, LIMITED

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APPENDIX D

AS AT 31ST AUGUST, 1960

Original Cost as at 31. 8. 60	Depreciation as at 31. 8. 59	Depreciation for year	Depreciation on assets Retired	Total Depreciation as at 31.8.60	Book Value as at 31. 8. 60
653,860.11	23,286.86	3,263.38	(369.37)	26,180.87	627,679.24
65,719.06	39,767.81	2,785.40	-	42,553.21	23,165.85
463,209.03	313,609.95	19,386.03	(13,967.02)	319,028.96	144,180.07
17,005.58	17,071.38	120.74	(540.00)	16,652.12	353.46
83,194.40	65,117.16	3,152.21	(7,407.96)	60,861.41	22,332.99
\$1,282,988.18	\$ 458,853.16	\$ 28,707.76	\$ (22,284.35)	\$ 465,276.57	\$ 817,711.61
573,331.40	108,059.57	15,079.94	(6,686.27)	116,453.24	456,878.16
1,145,923.40	418,809.09	55,819.24	-	474,628.33	671,295.07
26,379.52	22,587.25	1,034.99	-	23,622.24	2,757.28
-	-	-	-	-	-
7,555.44	-	-	-	-	7,555.44
\$1,753,189.76	\$ 549,455.91	\$ 71,934.17	\$ (6,686.27)	\$ 614,703.81	\$1,138,485.95
249,560.27	43,076.78	4,447.58	-	47,524.36	202,035.91
52,662.24	17,702.75	1,850.13	(12.00)	19,540.88	33,121.36
\$ 302,222.51	\$ 60,779.53	\$ 6,297.71	\$ (12.00)	\$ 67,065.24	\$ 235,157.27
778,889.14	38,652.57	15,617.84	-	54,270.41	724,618.73
1,012,245.64	128,780.08	46,545.15	-	175,325.23	836,920.41
17,531.56	3,295.33	803.96	-	4,099.29	13,432.27
25,115.21	4,699.69	1,248.76	-	5,948.45	19,166.76
44,868.74	15,476.99	5,329.72	-	20,806.71	24,062.03
-	-	-	-	-	-
726.50	-	-	-	-	726.50
\$1,879,376.79	\$ 190,904.66	\$ 69,545.43	-	\$ 260,450.09	\$1,618,926.70
\$ 178,238.21	\$ -	\$ 3,292.24	\$ -	\$ 3,292.24	\$ 174,945.97
\$5,396,015.45	\$1,259,993.26	\$ 179,777.31	\$ (28,982.62)	\$1,410,787.95	\$3,985,227.50

THE BRITISH GUIANA RICE

STATEMENT OF ANNUAL OPERATING RESULTS AND ACCUM-

	Mahaicony Rice Factory	Old Anna Regina Rice Mill
8 months to 31.8.53 - Net Operating Profit	\$ 15,526.07	-
Loss	-	8,565.99
Year to 31.8.54 - Net Operating Profit	112,535.18	9,690.29
Loss	-	-
<u>TOTAL to 31.8.54 - PROFIT</u>	<u>128,061.25</u>	<u>1,124.30</u>
Year to 31.8.55 - Net Operating Profit	86,535.45	-
Loss	-	103,495.70
<u>TOTAL to 31.8.55 - PROFIT</u>	<u>214,596.70</u>	<u>-</u>
<u>LOSS</u>	<u>-</u>	<u>102,371.40</u>
Year to 31.8.56 - Net Operating Profit	-	-
Loss	21,316.12	* 288,738.42
<u>TOTAL to 31.8.56 - PROFIT</u>	<u>193,280.58</u>	<u>-</u>
<u>LOSS</u>	<u>-</u>	<u>391,109.82</u>
Year to 31.8.57 - Net Operating Profit	84.44	-
Loss	-	-
<u>TOTAL to 31.8.57 - PROFIT</u>	<u>193,365.02</u>	<u>-</u>
<u>LOSS</u>	<u>-</u>	<u>391,109.82</u>
Year to 31.8.58 - Net Operating Loss	159,323.91	-
<u>TOTAL to 31.8.58 - PROFIT</u>	<u>34,041.11</u>	<u>-</u>
<u>LOSS</u>	<u>-</u>	<u>391,109.82</u>
Year to 31.8.59 - Net Operating Profit	136,638.12	-
Loss	-	-
<u>TOTAL to 31.8.59 - PROFIT</u>	<u>170,679.23</u>	<u>-</u>
<u>LOSS</u>	<u>-</u>	<u>391,109.82</u>
Year to 31.8.60 - Net Operating Profit	89,870.00	-
Loss	-	-
<u>TOTAL to 31.8.60 - PROFIT</u>	<u>260,549.23</u>	<u>-</u>
<u>LOSS</u>	<u>-</u>	<u>391,109.82</u>

NOTE: *Ceased Operating Feby.1956
 Operated 6 mths. to 31.8.56.

Preliminary Expenses including Debenture issue expenses	\$	8,627.29
Debenture Interest	-	1,307,158.87
Other Interest	-	196,111.57
Remittance Costs	-	35,190.09
Directors' Fees	-	27,799.15
Reserve for Obsolete Mechanical Spares	-	64,772.40
Balance due by R.M.B. for Paddy delivered for sale to Venezuela - Written off	-	74,998.27
Income Tax	-	13,871.69
Carried forward		<u>1,728,529.33</u>

DEVELOPMENT COMPANY, LIMITED

APPENDIX E

ULATED DEFICIT FROM 1ST JAN. 1953 TO 31st AUGUST, 1960

New Anna Regina Rice Factory	TOTAL Rice Factories	M/A Rice Cultivation	Accumulated Surplus/Deficit
-	6,960.08	36,140.16	\$ 43,100.24
-	-	-	-
-	122,225.47	-	97,381.71
-	-	24,843.76	-
-	129,185.55	11,296.40	140,481.95
-	-	-	-
-	16,960.25	96,824.63	113,784.88
-	112,225.30	-	26,697.07
-	-	85,528.23	-
♂ 25,602.51	-	-	-
-	284,452.03	84,256.46	368,708.49
25,602.51	-	-	-
-	172,226.73	169,784.69	342,011.42
-	-	-	-
40,279.57	40,195.13	42,010.09	82,205.22
-	-	-	-
14,677.06	212,421.86	211,794.78	424,216.64
45,991.72	205,315.63	23,099.30	228,414.93
-	-	-	-
60,668.78	417,737.49	234,894.08	652,631.57
-	100,289.33	6,153.66	106,442.99
36,348.79	-	-	-
-	-	-	-
97,017.57	317,448.16	228,740.42	546,188.58
-	-	93,652.55	32,877.46
150,645.09	60,775.09	-	-
-	-	-	-
247,662.66	378,223.25	135,087.87	513,311.12

Brought forward \$1,728,529.33

Less: Overprovision for Depreciation on Onverwagt Assets - 9,972.80 1,718,556.53
2,231,867.65

Less: Accumulated deficit - Mahaicony/Abary Rice Cultivation shown in Balance Sheet as a charge to Government - 293,076.19

Accumulated Deficit as per Balance Sheet \$1,938,791.46

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THE BRITISH GUIANA RICE

SUMMARY OF OPERATING RESULTS

Mahaicony
Rice Factory

GROSS OPERATING RESULTS

Profit	..	168,245.26
Loss	..	-
Profit on sale of assets	..	-
TOTAL Profit	..	168,245.26
Loss	..	-
Depreciation	..	78,375.26
GROSS Profit	..	89,870.00
Loss	..	-

ALLOCATION OF:

Interest	..	177,101.89
Remittance costs and Directors' Fees		2,944.57
		<u>180,046.46</u>

OPERATING RESULTS FOR YEAR

Net Profit	..	-
Loss	..	90,176.46

AS AT 31st AUGUST, 1959

Deficit	..	<u>309,900.24</u>
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TOTAL TO 31st AUGUST, 1960

Deficit	..	<u>400,076.70</u>
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LOSS - OLD ANNA REGINA RICE MILL

.. ..

TOTAL DEFICIT

.. ..

RESERVE FOR OBSOLETE MECHANICAL SPARES

.. ..

BALANCE DUE BY R.M.B. FOR PADDY DELIVERED FOR SALE TO VENEZUELA - WRITTEN OFF

LESS: OVER-PROVISION FOR DEPRECIATION ON ONVERWAGT ASSETS

.. ..

INCOME TAX

.. ..

LESS: ACCUMULATED DEFICIT OF MAHAICONY/ABARY CULTIVATION AS AT 31.8.56 SHOWN AS
A CHARGE TO GOVERNMENT IN BALANCE SHEET

DEVELOPMENT COMPANY, LIMITED

APPENDIX F

- YEAR ENDED 31st AUGUST, 1960

<u>Anna Regina Rice Factory</u>	<u>Total - Factories</u>	<u>M'cony/Abary Cultivation</u>	<u>TOTAL</u>
-	87,145.60	122,064.93	209,210.53
81,099.66	-	-	-
-	-	3,444.24	3,444.24
-	87,145.60	125,509.17	212,654.77
81,099.66	-	-	-
69,545.43	147,920.69	31,856.62	179,777.31
-	-	93,652.55	32,877.46
150,645.09	60,775.09	-	-
134,659.11	311,761.00	71,669.01	383,430.01
2,579.95	5,524.52	2,038.81	7,563.33
137,239.06	317,285.52	73,707.82	390,993.34
-	-	19,944.73	-
287,884.15	378,060.61	-	358,115.88
451,130.07	761,030.31	534,651.46	1,295,681.77
739,014.22	1,139,090.92	514,706.73	1,653,797.65
..	434,400.44	-	434,400.44
..	\$1,573,491.36	\$ 514,706.73	\$2,088,198.09
..			64,772.40
..			74,998.27
..			\$2,227,968.76
..			9,972.80
..			\$2,217,995.96
..			13,871.69
..			\$2,231,867.65
..			293,076.19
	DEFICIT AS PER BALANCE SHEET		\$1,938,791.46