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Sixth Annual Report of the Eastern Regional Development Board 1954-5

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Sixth Annual Report of the Eastern Regional Development Board 1954-55

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Introduction

The Eastern Regional Development Board was established on the 14th of May, 1949, under Ordinance No. 14 of 1949, as joint successor (with similar Boards in the Northern and Western Regions and in the Colony) to the Nigeria Local Development Board, which was wound up on the 31st of March, in the same year.

Constitution

2. The Ordinance requires that the Board shall be composed of not less than five members appointed by the Lieutenant-Governor, of whom three shall be unofficial members of the Eastern House of Assembly, provided that if there are more than five members, the unofficial Members of the House shall be in the majority. On the 1st of April, 1954, the Board was composed of:—

C. A. L. Guise, *Chairman.*
Mr. R. N. Charley.
Hon. N. N. Anyika, M.H A.
„ F. M. A. Saronwiyo, M.H.A.
„ A. Nwachuku, M.H.R.
„ J. E. Eyo, M.H.A.
„ J. O. Ihekwoaba, M.H.A.
„ L. O. Uzoigwe, M.H.A.
Director of Agriculture.
Accountant-General.
Chief Industrial Officer.

and remained unchanged throughout the period under review.

3. The Board's lending powers are defined in Section 22 (*i*) of the Ordinance which reads:—

"A Board with the approval of the appropriate authority may, out of its funds and resources make advances or grants or both advances and grants to any person for schemes:—

(*i*) connected with public work, public utilities, town, urban and village planning and other similar projects or class of projects;

(*ii*) for the promotion and development of village crafts and industries and the industrial development of the products of Nigeria;

(*iii*) for land settlement, land utilisation, forest and firewood plantations and other similar projects;

(*iv*) for the setting up and operation of any experimental undertaking by any public body, authority or public service for the purpose of testing industrial or processing development of any produce of Nigeria."

4. During the year the following meetings were held:—

18th Meeting	26th May, 1954.
19th Meeting	13th September, 1954.
20th Meeting	21st January, 1955.

5. The approval of the Lieutenant-Governor or the Governor is required before any loans may be made, while the approval of the Standing Committee on Finance of the House of Assembly is also required in the case of every grant and of all loans in excess of £10,000.

Loan Policy

6. At the 8th Meeting of the Board on 2 : 12 : 50, the following general principles were agreed:—

(*a*) That normally the Board will only assist business of which the applicant has some previous experience.

(*b*) That normally the Board will only consider applications if the applicant has already invested or is prepared to invest some of his own capital in the business concerned.

7. At the above mentioned meeting, it was further resolved that loan applications for the following projects would no longer be supported:

Rice farming
Pig keeping
Poultry keeping
Oil presses
Nut crackers
Small sawyers business (pit sawing)
Furniture making
Contracting and building
Tailoring
Baking

8. At the 11th Meeting on 12 : 6 : 52, the following items were added:—

Corn mills
Rice Mill in Abakaliki Division.

9. In general these decisions were based on one of the following factors:—

(*a*) They are merely commercial undertakings which bring no direct contribution to industrial development— *e.g.* produce buying.

(*b*) There is a quick turnover and there is no real need for long term financing— *e.g.* corn mills, rice farming.

(*c*) The industry is already adequately catered for—*e.g.* road transport.

(*d*) Loans for pigs and poultry have not been generally successful.

10. At the 19th Meeting held on 13 : 9 : 54, it was decided to lift the embargo on all applications which are not definitely *ultra vires* the Board's Policy as set out in the Ordinance and to let the Screening Committee treat each application on its merits.

Funds

The Board came into being with funds amounting to £355,515 made up as follows:—

Share of the Nigeria Local Development Board's cash balance	£	95,346	— —
Assets (loans in Eastern Region) taken over from the Nigeria Local Development Board		110,16	— —
Grant from the Central Government— A.I.E. No. 103 of 1949–50		150,000	— —

After payment of certain grants previously approved by Nigeria Local Development Board the Board was left with £209,190 7s. 10d. for further loan applications.

At the 1st of April, 1953, the Board's Assets totalled £336,926 made up as follows:—

Value of loans outstanding	£	273,468	— —
Bicycle advance		72	— —
Overdue interest		539	— —
Cash available		62,847	— —

The assets at the end of 31st January, 1955, were as follows:—

Value of loans & interest outstanding		279,803	— —
Vehicle advances, etc.		926	— —
Cash available		52 940	— —
Furniture & equipment		215	— —
		£333,884	— —

(which of course includes the old N.L.D.B. loans).

The Balance Sheet and Income & Expenditure Account and Audit Report will be found as appendices to this report.

Loans

Since its inception the Eastern Regional Development Board has approved loans totalling £404,072 of which was paid out loan amounting to £379,592 as follows:—

Loans (*contd.*)

	£
Onitsha Province	
Onitsha Division	36,997
Awka Division	3,350
Nsukka Division	1,000
Udi Division	129,080
Awgu Division	500
	170,927
Ogoja Province	£
Afikpo Division	500
Abakaliki Division	2,250
Obubra Division	300
Ikom Division	3,800
Ogoja Division	5,000
	11,850
Owerri Province	£
Owerri Division	10,650
Bende Division	12,535
Orlu Division	4,900
Okigwi Division	9,995
Aba Division	26,935
	65,015
Calabar Province;	
Calabar Division	40,106
Eket Division	1,700
Ikot Ekpene Division	1,050
Enyong Division	5,150
Opobo Division	1,300
Abak Division	400
	49,706
Rivers Province.	£
Port Harcourt	52,054
Degema Division	6,400
Brass Division	500
Ahoada Division	1,850
	60,804
Cameroons Province	21,290
	379,592

The projects established with the funds issued are enumerated in Appendix III to this report.

Administration

The staff of the Board consists of:—

(*i*) Secretary
(*ii*) Accountant
(*iii*) Head Clerk
(*iv*) Clerk/Typist
(*v*) Messenger.

The Department of Secondary Industries continued to supply the Secretary.

Conclusion

In conclusion thanks are due to all officers of Government Departments who have contributed to the successful running of the business of the Board by carrying out investigations of applications and securities.

The Eastern Region Development Corporation Law 1954 will come into force on the 1st of February, 1955 when the Board will be dissolved and its assets and liabilities taken over by the Eastern Region Development Corporation.

C. A. L. GUISE
Chairman

REPORT ON THE AUDIT OF THE ACCOUNTS OF THE EASTERN REGIONAL DEVELOPMENT BOARD FOR THE PERIOD 1st APRIL, 1954—31st JANUARY, 1955

The assets of the Eastern Regional Development Board and of the Eastern Regional Production Development Board, were vested in the Eastern Region Development Corporation with effect from the 1st February, 1955. The Balance Sheet of the Eastern Regional Development Board has, therefore, been examined as at the 31st January, 1955, together with the Income and Expenditure Account and the Loan Schedules for the period 1st April, 1954, to 31st January, 1955.

2. *Assets:*

Of thirty-nine instalmental repayments, amounting to £6,377 8s. 4d., overdue on the 31st January, 1955, the following were outstanding as at the date of this Report:—

Name	*Principal*			*Interest*		
	£	s.	d.	£	s.	d.
P. E. Uwem & Sons	8	12	—	17	3	—
E. U. O. Moody	40	—	—	3	13	5
J. V. Clinton	188	—	—	41	7	4
United Ex-Servicemen's Motor Repair & Training Workshop	50	—	—	5	7	7
Industry & Service Agency	115	—	—	18	2	4
Ibeneme & Sons Plantations	50	—	—	8	12	4
T. N. Wachuku Sawmills	375	—	—	52	7	6
E. W. M. Epelle	200	—	—	21	10	3
Oyibo Imegi	30	—	—	7	6	6
S. I. Major	20	—	—	1	16	8
V. F. O. Briggs & Partner	65	8	—	11	5	4
F. K. Okiya	160	—	—	34	9	2
L. Y. Nkemdurum	77	14	4	10	11	8
M. E. Ezenesi	82	10	—	5	9	6
Nigerian Eastern Wealth	94	18	—	90	9	—
C. Anadu	256	—	—	106	10	9
K. J. Dagogo-Jack	284	—	—	18	3	6
Bassey Akpan	30	—	—	2	15	1
R. N. Ayuk	110	—	—	18	—	—
B. A. Ajose	350	—	—	38	9	4
F. A. Lele	120	—	—	11	—	3
Chionye Ani Hus	98	11	9	9	3	6
S. H. Igbelina	236	13	4	25	9	3
A. E. Ihejerika	130	—	—	7	17	6
Servicemen's General Repair Co.	300	—	—	51	13	9
Eastern Press Syndicate	—	—	—	60	—	—
D. J. Asirim	100	—	—	7	12	2
F. Dibia	—	—	—	5	3	4
J. C. Okeke & Bros	190	—	—	43	1	6
N. O. Oji	30	—	—	2	15	1
T. N. Otu	300	—	—	11	3	10
M. Nwadike	176	13	4	16	3	2
R. D. Ordor	150	—	—	34	18	4
F. M. Eke	40	—	—	3	13	5
	4,459	—	9	803	5	4

3. Of the four loans mentioned in paragraph 2 (*iii*) of the 1951/52 Report as having been issued without security, that made to the Eastern Press Syndicate is still unsecured.

4. No agreement or security has been seen covering the loan of £300 made to S. A. Jechoniah & Co. It is understood that the documents have not been returned by the District Officer concerned.

5. Two loans of £150 which have been accounted as having been issued to A. N. Ikeme and F. A. N. Miller were, in fact, never claimed, and the cheques have since been cancelled.

6. In the following instances the borrowers undertook to repay by equated instalments at the rates shown in column (*a*). In order to fulfil the terms on which the loans were issued, however, they should be repaid by equated instalments at the rates indicated in column (*b*):—

Borrower	*Loan*	(*a*)			(*b*)		
	£	£	s.	d.	£	s.	d.
S. N. Amobi	250	90	15	8	90	17	8
International Equitable Association . .	2,500	911	15	8	921	10	--
E. B. Obine	300	68	10	2	65	10	2
M. I. Okoronkwo	200	73	14	2	72	14	2

It is understood that the last three agreements are in the process of being amended.

7. An amount of £4,713. 12. 11d. has been charged to the General Surplus to provide a Reserve for Doubtful Debts. It represents either the whole, or portions, of loans outstanding where there is reason in the opinion of the Board's Accountant, to doubt whether they are recoverable. The Reserve is shown as a deduction from the total of the Loans Outstanding, and it is understood that it will continue to be shown in this manner until the loans are recovered or written off.

8. The Board's furniture and equipment, the known cost of which is £328 1s. 7d., is shown in the Balance Sheet for the first time. It has been depreciated by an amount of £112 15s. 7d , which is the Board's Accountant's estimate of the amount necessary to reduce the original cost to the current marketable value.

9. The balance of £43,534 3s. 2d. shewn as on deposit has been agreed with the amount recorded in the books of the Accountant-General, Eastern Region.

Authorities

10. All loans issued during the period under review have been duly authorised by the Board. Those authorised prior to the 1st October, 1954, were approved by His Honour the Lieutenant-Governor, and those authorised subsequent to that date, were approved by His Excellency the Governor.

Income and Expenditure Account

11. The Income and Expenditure Account shows the amount of interest accrued for the period as £2,805 15s. 1d., whereas the interest payable during the period amounted to £2,825 0s. 6d.; a difference of £19 5s. 5d. This represents the accrued interest on a loan of £1,050 issued to A. O. Ejidike during 1953/54. The Board had in fact authorised a year of grace before the first repayment became due on the 1st March, 1955, and the amount in question has in consequence been deducted from the interest that accrued in respect of the period under review.

(*Signed*) R. N. SEEMAN
Director of Audit,
Eastern Region.

20th May, 1955.

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(*Signed*) R. N. SEEMAN
Director of Audit,
Eastern Region.

20th May, 1955.

APPENDIX No. I

EASTERN REGIONAL

Income and Expenditure Account

1954

£		£
460	Salaries and Allowances	919
334	Allowances to Members	339
465	Transport & Travelling	517
81	Postage, etc.	15
152	Stationery	160
81	Stamp Duties & Registration fees	—
2	Bank Charges	3
186	Sundry Expenses	12
3,393	Balance being excess of income over expenditure carried down	1,611
£5,154		£3,576
—	Provision for Doubtful Debts	4,714
—	Depreciation Furniture & Equipment	113
17,299	Balance carried forward	14,411
£17,299		£19,238

6/4/55

C. A. L. GUISE *Chairman.*

A. G. GLEW *Secretary.*

G. I. M. OTUBU *Accountant.*

DEVELOPMENT BOARD

For The Period 1/4/54 to 14/1/55

1954			
£	Interest:	£	£
3,859	Loans	2,806	
1,295	Deposit	735	3,541
—	Commission		23
—	Legal Charges & Court Costs		12
£5,154			£3,576
3,393	Balance being excess of income over expenditure brought down		1,611
13,906	Balance as at 1st April, 1954		17,299
—	Adjustment in respect of Furniture & Equipment previously written off		328
£17,299			£19,238

APPENDIX No. II

EASTERN REGIONAL

Balance Sheet

1953/54 £		£
319,359	*Development Grants*	319,359
17,299	Income & Expenditure Accounts	14,411
	Current Liabilities	
268	Sundry Creditors	114

Notes: (*i*) Contingent liability at 31/1/54 in respect of loans approved but not paid amounted to £24,480.

(*ii*) Of the loans outstanding £278,139/12/8d. is not yet due for repayment within the current accounting period.

£336,926	£333,884

6/4/55

G. A. L. GUISE *Chairman*

A. G. GLEW *Secretary*

G. I. M. OBUTU *Accountant*

DEVELOPMENT BOARD

31st January, 1955

1953/54 £		£	£
	Fixed Assets		
	Furniture & Equipment at Cost	328	
—	Less Depreciation to date	113	215
	Loans		
273,468	Principal Accounts	283,614	
539	Interest Overdue	903	
		284,517	
—	Less Provision for Doubtful Debts	4,714	279,803
274,007			
	Current Assets		
72	Sundry Debtors	926	
58,799	Cash in Deposit	43,534	
4,048	Cash at Bank	9,406	
62,919			53,866
£336,926			£333,884

CERTIFICATE

The above Balance Sheet has been examined under my direction. I have obtained all the information and explanations that I have required and I certify as a result of this audit that subject to the observations contained in my Report dated the 20th May, 1955 the Balance Sheet is correct and is in accordance with the Books of Account of the Board.

20th May, 1955.

R. N. SEEMAN,
Director of Audit.

APPENDIX No. III

PROJECTS	Onitsha Province		Owerri Province		Rivers Province		Calabar Province		Ogoja Province		Cameroons Prov.		TOTAL
Agriculture	9	12,210	30	16,030	6	2,204	7	5,300	4	9,400	9	9,850	54,994
Fisheries	—	—	—	—	3	900	2	1,000	—	—	—	—	1,900
Pioneer Oil Mills	—	—	6	29,150	—	—	—	—	—	—	—	—	29,150
Bricks and Tiles	1	2,000	2	3,130	1	300	—	—	—	—	1	1,000	6,430
Textiles	5	2,177	2	2,875	—	—	5	2,150	—	—	—	—	7,202
Sawmills	1	200	2	2,900	2	2,000	1	400	—	—	1	8,800	14,300
River Transport	3	15,400	—	—	4	5,100	2	1,250	—	—	—	—	21,750
Cassava Graters	6	900	2	300	—	—	—	—	—	—	1	140	1,340
Rice Mills	7	7,270	1	500	—	—	—	—	3	1,850	—	—	9,620
Corn Mills	4	1,770	—	—	—	—	—	—	1	300	—	—	2,070
Soap Manufacture	—	—	2	3,000	—	—	—	—	—	—	—	—	3,000
Mechanical Workshops	8	7,500	4	2,130	—	—	1	300	—	—	1	1,500	11,430
Wood Working	2	500	—	—	—	—	—	—	—	—	—	—	500
Lime Manufacturing	—	—	—	—	1	5,000	—	—	—	—	—	—	5,000
Shoe Repair	—	—	—	—	—	—	—	—	1	300	—	—	300
Community Dev.	4	121,000	1	5,000	4	45,300	1	39,306	—	—	—	—	210,606
	50	170,927	52	65,015	21	60,804	19	49,706	9	11,850	13	21,290	379,592