

SECOND ANNUAL REPORT

for the year ended 31st December, 1941.

The Directors have pleasure in submitting to the Shareholders, the Second Annual Report and Statement of Accounts of the Society.

The Society has now been operating for twenty months and this is the first occasion that a report covering a whole year has been presented. The Society has progressed very satisfactorily during the period. Its activities have become better known and public confidence is steadily increasing. If the present rate of progress is maintained, the future of the Society is promising.

TOTAL ASSETS.

The Total Assets, which are the recognised measure of a Building Society's size, have increased from \$160,133.83 on the 31st December, 1940, to \$191,437.15 on the 31st December, 1941.

NEW MEMBERS.

During the year, 161 investors and 69 borrowers joined the Society, compared with 53 and 20 respectively, in the last eight months of 1940.

ADVANCES.

Advances during the period, on the security of first mortgages and purchase-tenancy agreements totalled \$83,895. The total advances outstanding on the 31st December, 1941, were \$104,257.84, the average amount due on each loan being only \$827. The security on which the advances were made was restricted to properties in Georgetown, New Amsterdam, Kitty and Lodge Village. No property came into possession and no loss was sustained on mortgages or purchase-tenancy agreements.

PROPERTIES.

During the year the Society sold 39 of the properties taken over from the British Guiana Building Society, Limited (in liquidation), only 21 remaining on hand. The Society has agreed to sell a further three of these. Members and others may obtain, on application, details of the properties still for sale.

ALTERATION OF RULES.

Experience has shown that the facilities and security afforded by the Society can be improved by effecting some alterations in the Rules of the Society. Your Directors propose asking the General Meeting of which notice is given herein, to amend them accordingly, by Special Resolution.

(Signed) F. J. SEAFORD,
Chairman

Dr.

PROFIT AND LOSS for the year ended

Management Expenses	\$ 9,740 19	
Less Proportion (62.26%) charged to Redemption of Deferred Shares Fund	6,064 24	\$ 3,675 95
Interest credited to Bond Certificate Accounts		2,639 52
Interest credited to Deposit Accounts		49 97
Office Premises		9 65
Balance, carried down to Appropriation Account		5,299 59
		<u>\$11,674 68</u>

PROFIT AND LOSS for the year ended

Dr.

Interest credited to Members' Accounts :—		
(a) On Fully-paid Investing Shares	\$ 1,065 97	
(b) On Subscription Investing Shares	331 48	\$ 1,397 45
Provision for Repairs to Properties	\$ 1,170 20	
Depreciation :—		
(a) Of Office Premises	575 00	
(b) Of Office Furniture	60 00	
	\$ 1,805 20	
Less Proportion (62.26%) charged to Redemption of Deferred Shares Fund	1,123 91	681 29
Balance, carried down		3,220 85
		<u>\$ 5,299 59</u>
Proportion (62.26%) of Profit credited to Redemption of Deferred Shares Fund		\$ 2,005 30
Written off Preliminary Expenses		300 00
Balance of Net Profit carried forward		1,515 02
		<u>\$ 3,820 32</u>

LOSS ACCOUNT 31st December, 1941.

Cr.

Interest earned :—	
(a) On Mortgage and Purchase-Tenancy Accounts	\$ 5,135 14
(b) On Temporary Loans to Investors	309 95
(c) On Bank Savings Account	154 66
Net Revenue from Properties	5,720 36
Fees, Rule-books sold, etc.	294 37
	<u>\$11,674 68</u>

APPROPRIATION ACCOUNT 31st December, 1941.

Cr.

Balance brought down from Profit and Loss Account	\$ 5,299 59
	<u>\$ 5,299 59</u>
Balance brought down	\$ 3,220 85
Balance of Net Profit brought forward from 1940	509 47
	<u>\$ 3,820 32</u>

(1)

RECEIPTS AND PAYMENTS ACCOUNT

Dr. For the Year ended 31st December, 1941. Cr.

Repayments of:		Advances on Mortgages and Purchase-Tenancy Agreements \$ 83,895.14	
(1) Advances on Mortgages and Purchase-Tenancy Agreements	\$ 25,362.67	Temporary Loans to Investors	5,719.19
(2) Temporary Loans to Investors	194.41	Interest paid to holders of Bond Certificates	2,902.91
		Investing Shares	1,106.79
			4,009.70
Investments received:		Withdrawal of Deposits 160.06	
(1) Shares	11,255.83	Expenditure on Properties:	
(2) Deposits	20,856.13	Improvements	4,982.53
		Other Payments	2,565.86
			7,548.39
Revenue from Properties	8,522.48	Expenditure on Office Premises:	
		Improvements	595.24
Revenue from Office Premises	1,165.54	Other Payments	1,180.65
			1,775.99
Fees, etc. received	543.05	Office Furniture and Equipment purchased 141.30	
Bank Interest received	151.66	Payments on behalf of Old Society:	
Proceeds of Sale of Properties, etc.	45,179.93	Creditors	592.42
		Other Liabilities	539.42
			1,131.84
Realisation of sundry assets of the British Guiana Building Society, Ltd.	1,236.96	Management Expenses	9,665.67
Total Receipts	\$117,040.71	Total Payments	\$114,047.28
Cash in Hand and at Bank on 1st Jan. 1941	\$ 19,655.36	Cash at Bank and on Hand at 31st December, 1941	12,848.79
	\$127,696.07		\$127,696.07

(6)

CERTIFICATES OF AUDITORS.

Report of the Board of Directors' Auditors to the Members of the New Building Society, Limited.

We have examined the foregoing Balance Sheet of the New Building Society, Limited, dated 31st December, 1941, and the Statements of Profit and Loss Account and Profit and Loss Appropriation Account. We have also inspected the Mortgage Deeds, Transports, Purchase-Tenancy Contracts and other securities and title-deeds.

We certify that such Balance Sheet and Statements are in accordance with law and are drawn up so as to exhibit a true and correct view of the Society's affairs, according to the best of our information and the explanations given to us, and as shown by the books.

FITZPATRICK, GRAHAM & CO.,
Chartered Accountants.

Auditors

12th Feb., 1942

Report of the Members' Auditor to the Members of the New Building Society, Limited.

I have examined the Balance Sheet of the New Building Society, Ltd., dated 31st December, 1941, as set out above, as well as the Profit and Loss Account and Profit and Loss Appropriation Account. I have also inspected the Mortgage Deeds, Transports, Purchase-Tenancy Contracts, Securities, and Title-Deeds.

I certify that the Balance Sheet and Accounts are in the best of my information and with the explanations which I have received, correct, duly vouched and in accordance with law.

JOHN D. FARNUM,
Certified Accountant. } Members' Auditor.

12th Feb., 1942

(7)

MATTERS TO BE DEALT WITH

at the

ANNUAL GENERAL MEETING OF THE SOCIETY

to be held on the 20th February, 1942, commencing at 3 p.m.

1. To receive and consider the Directors' Report and the Statement of Accounts for 1941.
2. To fix the remuneration of the Board's Auditors.
3. To appoint a Members' Auditor and to fix his remuneration.
4. To consider and, if thought fit, pass as a Special Resolution, the following alterations to the Rules:—
 - (a) Rule 7 (1). Add:—

"(2) Any other forms of investing shares and on such terms as the Board may from time to time fix."
 - (b) Rule 7. Add:—

"(3) All investing shares of the Society (whether fully-paid or matured or otherwise) shall rank pari-passu in proportion to the amount of principal and interest to which the holders of such shares are entitled."
 - (c) Rule 8 (1). Substitute a semicolon for the full-stop after "therein" and add:—

"provided that the Society shall be under no obligation to issue certificates in respect of advance shares or of any investing shares issued under the provisions of Rule 7 (1) (c)."
 - (d) Rule 19. Delete the words "form C" in the Appendix to these Rules" and substitute:—

"such form as the Board shall from time to time prescribe."

(18)

(e) Rule 21. Delete entire rule and substitute:—

"(1) Advances shall be made upon such terms and conditions as the Board may from time to time direct provided always:—

- I. that no advance in excess of two-thirds of the value of the security offered shall be made;
- II. that no advance in respect of such security shall exceed five thousand dollars;
- III. that no advance shall be made upon property subject to a prior mortgage or mortgages unless all such prior mortgages are in favour of the Society;
- IV. that no advance shall be made for the purchase of a property with a view to a purchase-tenancy contract with a member in respect thereof unless such member deposits with the Society or has at his credit in the Society in shares or otherwise or provides additional security of not less than one-third of the value thereof.

(2) In determining the amount of any advance the Society shall not take into account the value of any collateral security offered to the Society other than the following:—

- I. A charge upon or assignment of a policy of life assurance, provided that the value of the policy shall be assessed at an amount not exceeding the surrender value thereof at the time the advance is made;
- II. A charge upon money deposited with the Society;
- III. A charge given by the member upon any stocks, funds or shares in which trustees are for the time being authorised to invest trust money;
- IV. A guarantee given by an insurance company;
- V. A guarantee which any local authority or public body may be authorised to make for the purpose of encouraging the erection or purchase of dwellings and similar buildings."

(f) Rule 26. For the full stop substitute a comma and add:—

"or upon payment of interest in lieu of the notice."

(g) Rule 28. Delete rule and substitute:—

"Every member failing to pay his monthly or other periodical contribution on an advance share within sixteen days of its becoming due shall be fined at the rate of two cents in every dollar or part of a dollar of his contribution in arrears and shall be charged four cents in the dollar or part of a dollar for every subsequent month or part of a month during which that contribution remains unpaid."

(19)

(h) Rule 32. Delete rule and substitute :—

- (1) As at the 31st day of December in each year, the Board shall make a valuation of the assets and liabilities of the Society. If the valuation placed on the assets by the Board is less than their book value, the deficiency shall be provided for as a charge against profits in the accounts of the Society for the year.
- (2) After all liabilities and contingent liabilities have been provided for including the interest payable by the Society on loans and deposits, the profits of the Society shall, subject to the provisions of the Ordinance and these Rules, be applied in payment of interest due on investing shares in proportion to the monies paid up on the same.
- (3) There shall be set aside out of the profits such sums as the Board think proper as a reserve fund to meet contingencies or to equalise interest or for such other purposes as the Board shall in their absolute discretion think conducive to the interests of the Society.
- (4) The Board may pay out of the profits such sums as it may from time to time determine to any provident or other fund established for the benefit of the staff or in payment of any superannuation allowances or the premiums for the insurance of the lives of the staff or any one of the staff.
- (5) The Board may carry forward any profit it may deem prudent not to divide."

(i) Rule 33. Delete rule and substitute :—

"Subject to the provisions of the preceding rule, any profits of the Society may be applied in payment of bonus on the various issues of investing and advance shares at such rates and payable at such times and under such conditions as the Board may from time to time determine; provided that no distribution of bonus shall be made if the reserve fund aforementioned amounts to less than five per centum of the mortgage and purchase-tenancy assets available under section 6 (4) of the Ordinance."

(j) Rule 55 (3).

1. For "auditor" substitute "auditors".
2. Between the words "and" and "shall" in the fourth line, insert "the Solicitor".
3. Substitute "the" for the penultimate word "his".

5. To consider and, if thought fit, pass the following resolution proposed by Mr. A. H. Haynes :—

That the payment of allowances totalling \$960 per annum to Messrs. W. S. Stoby and P. R. Veacock, two employees of the former Building Society, as authorised by the members at the last General Meeting of the Society, be discontinued immediately in view of the following factors :—

- (a) That, whilst not disregarding their lengthy service to the Old Society, the fact remains that these employees received adequate remuneration from the Old Society during their period of office and were aware that they were not entitled to receive any pension on their retirement.
- (b) That the depletion of the profits of the New Society by the payment of these allowances affects the amount which the Deferred Shareholders, who will have to bear the losses of the Old Society, will eventually receive and moreover delays the building up of reserves by the New Society.
- (c) That the said employees are in a better financial position than many of the members from whose monies the pensions are being paid.
- (d) That many members of the Old Society are willing to join up in the New Society but resolve not to do so until the said pensions are stopped.
- (e) That the payment of these pensions constitutes an undesirable precedent.

NEW BUILDING SOCIETY, LTD.

DIRECTORS :

Hon. F. J. SEAFORD, O.B.E., Chairman
W. S. JONES, Esq., Vice-Chairman
C. J. BETTENCOURT-GOMES, Esq.
F. B. HENDERSON, Esq.
A. C. O'DOWD, Esq.
Hon. E. F. McDAVID, C.B.E.

SOLICITORS :

Messrs. CAMERON & SHEPHERD,
Lot 2, High Street, Newtown, G.T. 9.

BOARD'S AUDITORS :

Messrs. FITZPATRICK, GRAHAM & CO.,
Chartered Accountants.

MEMBERS' AUDITOR :

Mr. JOHN D. FARNUM,
Certified Accountant.

BANKERS :

BARCLAY'S BANK (Dominion, Colonial
and Overseas)
ROYAL BANK OF CANADA.

SECRETARY :

JOHN DUREY, A.C.I.S.

OFFICE :

LOT 1, HIGH AND COMMERCE STREETS,
NEWTOWN, GEORGETOWN, 9.

OFFICE HOURS : 9 a.m.—3 p.m.

(Saturdays : 9 a.m.—11 a.m.)

TELEPHONE NO. Central 252

The NEW BUILDING SOCIETY Limited

SECOND

ANNUAL REPORT

and

STATEMENT OF ACCOUNTS

1941.

NOTICE

is hereby given that the Second Annual General Meeting of the Society will be held on Friday, the 20th February, 1942, at Lot 1, High Street, Newtown, G.T. 9, commencing at 3 p.m., to deal with the matters set out on pages 8—11 of this Report and Statement of Accounts.

By Order of the Board,

JOHN DUREY,
Secretary.

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