



The New Building Society
Limited

**38th Annual Report
and Financial Statement**
for the year ended
31st December 1977



Notice of Meeting

NOTICE OF MEETING

NOTICE is hereby given that the Thirty-Eighth Annual General Meeting of the Members of The New Building Society Limited, will be held at 5.00 p.m. on MONDAY, 24th APRIL, 1978, at the Society's Office Lot 1, Avenue of the Republic, Georgetown.

AGENDA

- 1 To consider the Annual Report of the Directors and the Financial Statement for the year 1977.
- 2 To fix the remuneration of the Directors for 1978.
- 3 To appoint Auditors for the year 1978, and to fix their remuneration.
- 4 To approve of an amount of \$12,500.00 to be donated to Charity and for Educational Purposes.
- 5 To approve an amount to be donated to The University of Guyana to assist in the establishment of a Department of Architecture and Building Technology.
- 6 Any other business of which due notice shall have been given.

BY ORDER OF THE BOARD
JULES de CAMBRA
Director/Secretary
14th April, 1978.

DIRECTORS

Chairman:
J.I. Fernandes, Esq.

Vice Chairman:
C.V. Too-Chung, Esq., FCCA., ACIS.
Dr. J.K.M. Richmond, D.D.S.
Miss T. Gaskin
Mooneer A. Khan, Esq., J.P.
A.I. Crum-Ewing, Esq., O.B.E.

Director/Secretary Jules de Cambra, Esq.
Assistant Secretary Ms. N.E. Sam
Accountant Samuel A. Ramdeen, Esq.

SOLICITORS

Messrs. Cameron & Shepherd,
2, Avenue of the Republic,
Georgetown 9.

BANKERS

Barclays Bank International, Ltd.
Royal Bank of Canada
Guyana National Co-Operative Bank

AUDITORS

Jack A. Alli, Sons & Co.,
145, Crown Street, Queenstown,
Georgetown.

Report of the Directors

for the year ended at 31st December, 1977



Your Directors have much pleasure in submitting the Thirty-Eighth Annual Report and Statement of Accounts of the Society for the year ended 31st December, 1977.

SHARES & DEPOSITS

During the year 6,387 new investors opened accounts and the total investments in the Society increased by \$11,349,483 to \$47,181,742.

TOTAL NET ASSETS

These have increased by \$11,674,343 during 1977 to \$49,482,915. This figure does not include:

- (1) *The Public Officers' Housing Loan Funds (Totaling \$63,472) which are administered by the Society on behalf of the Government of Guyana;*
- (2) *The Brezina-Guyana Housing Project (\$883,725) which the Society is administering on behalf of a number of U.S. and Guyanese Insurance Companies; and*
- (3) *The Greater Mackenzie Development Trust (\$426,805) which the Society is administering on behalf of the Linden Community Development Association.*

MORTGAGE LOANS

During 1977, the sum of \$12,210,434 was advanced on mortgage to borrowing members, which enabled them to build, acquire, improve and/or renovate their homes.

An interest rebate of ½% per annum for the year 1977 was granted on all mortgage accounts paying interest in excess of 7½% per annum, which were not more than one month in arrear at the 31st December, 1977.

In addition to the above, the sum of two million dollars was lent to the Guyana Mortgage Finance Bank on 29th July, 1977, under Guarantee by the Guyana Government.

RESERVES

The Revenue Reserve was increased by \$324,860 to \$2,245,345, and the total reserves at the end of the year were \$2,301,173.

ANNUAL VALUATION

The Annual Valuation of the Assets and Liabilities of the Society (as required by Rule 32) revealed no likely loss. No account was more than twelve months in arrear at the end of the year (Section 17(1) (c) of the Society's Ordinance. During the year two properties came into the possession of the Society, and have since been sold.

TOP FLAT

The Top Flat of the Society's Chief Office was completed during December, 1977, and is now occupied.

DIRECTORATE

Mr. C.H. da Silva declined re-appointment as a Director at the last Annual General Meeting, and Mr. A.I. Crum-Ewing was appointed to fill the vacancy on the Board. This appointment was made under the Society's Rule 43.

AUDITORS

The Auditors, Messrs. Jack A. Alli, Sons & Company, Accountants, retire, but have indicated their willingness to be re-appointed.

• J. I. FERNANDES
Chairman
23rd March, 1978.

Report to the Auditors

TO THE MEMBERS OF
THE NEW BUILDING SOCIETY LIMITED
for the year ended 31st December, 1977



We have examined the attached accounts set out on pages 4 to 16 which are in accordance with the books of the Society, and have obtained all the information and explanations we have required.

We have inspected the mortgage deeds, transports, purchase-tenancy contracts and other securities and title deeds and found them to be in order.

In our opinion these accounts are properly drawn up under the historic cost convention, modified by the valuation of freehold land, so as to give a true and correct view of the state of the affairs of the Society at 31st December, 1977; of the excess of income over expenditure and of the source and application of funds for the year then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

JACK A. ALLI, SONS & CO.
AUDITORS

145 Crown Street
Queenstown
GEORGETOWN

22nd March, 1978

Balance Sheet

at 31st December, 1977



	NOTES	1977	1976
		\$	\$
CAPITAL			
Due to Shareholders:-			
Fully paid investing shares		31,722,968	21,332,585
Five dollar shares		12,010,722	12,137,312
Save and prosper shares		11,321	8,740
Subscription investing shares		43,745,633	33,479,252
		3,436,109	2,353,007
Due to depositors		47,181,742	35,832,259
Total capital		2,301,173	1,976,313
RESERVES			
Total capital and reserves	1	\$ 49,482,915	\$ 37,808,572
Represented by			
FIXED ASSETS	2	973,840	504,670
INVESTMENTS	3	8,885,346	5,365,158
LOAN ASSETS			
Mortgage accounts	4	34,184,959	25,607,945
Housing loans	5	17,527	18,057
Brezina-Guyana Housing Project	6	72,482	83,260
Properties in possession		5,658	41,451
Temporary loans		15,452	15,866
		34,296,078	25,766,579
CURRENT ASSETS			
Debtors and prepayments		167,485	167,447
Cash at bank and in hand		1,122,857	570,300
Treasury bills at cost		4,188,047	5,570,484
		5,478,389	6,308,231
LESS CURRENT LIABILITIES			
Creditors and accruals	10	150,738	136,066
NET CURRENT ASSETS			
		5,327,651	6,172,165
TOTAL NET ASSETS			
		\$ 49,482,915	\$ 37,808,572

J I FERNANDES, Director - C.V. TOO CHUNG, Director - JULES de CAMBRA, Secretary

Revenue, Expenditure & Appropriation Accounts

at 31st December, 1977



	1977	1976
	\$	\$
REVENUE		
Interest earned on:		
Mortgage loans	2,329,709	1,755,398
Housing loans & purchase tenancies	7,523	7,625
Temporary loans	1,769	957
Treasury bills	382,736	268,909
Investments	505,514	409,649
Net profit on sale of investments	13,503	1,664
Fees, commissions, rule books, etc.	25,214	11,179
Administration fees - P.O.H.L.F. & others	16,046	20,763
Profit on sale of fixed assets	-	100
	3,282,014	2,476,244
EXPENDITURE		
Management expenses	471,058	337,322
Directors' fees	12,600	11,220
Audit fees	10,000	9,000
Office premises	802	6,596
Charitable and educational donations	12,500	11,813
Depreciation	26,890	23,313
Bad debts Provision no longer required	-	(19,911)
Directors' travelling	2,400	-
	536,250	379,353
Excess of income over expenditure	\$ 2,745,764	\$ 2,096,891
Distributed as follows -		
Interest on:		
Fully paid investing shares	8	8
Five dollar shares	1,471,471	1,090,812
Save and prosper shares	803,360	645,574
Subscription investing shares	383	417
Deposits	145,682	111,909
	2,420,904	1,848,720
Unappropriated income transferred to revenue reserve	324,860	248,171
	\$ 2,745,764	\$ 2,096,891

Funds Administered
by the Society
at 31st December, 1977



A. BREZINA-GUYANA HOUSING PROJECT

	NOTES	1977 \$	1976 \$
LIABILITIES			
U.S. investors		649,744	737,276
Guyana investors		203,552	236,211
Sundry creditors		30,429	72,814
		<u>\$ 883,725</u>	<u>\$ 1,046,301</u>
Represented by:			
ASSETS			
Mortgages	6	854,296	982,465
Sundry debtors		29,429	63,836
		<u>\$ 883,725</u>	<u>\$ 1,046,301</u>

B. GREATER MACKENZIE DEVELOPMENT TRUST

	NOTES	1977 \$	1976 \$
LIABILITIES			
Greater Mackenzie Trust		<u>\$ 426,805</u>	<u>\$ 454,751</u>
Represented by:			
ASSETS			
Mortgages	7	<u>\$ 426,805</u>	<u>\$ 454,751</u>

Funds Administered
by the Society Cont'd
at 31st December, 1977



C. PUBLIC OFFICERS' HOUSING LOAN FUNDS

	NOTES	1977 \$	1976 \$
LIABILITIES			
First Fund			
Advanced by Government		1,455	1,452
Excess of income over expenditure		4,994	4,457
		<u>6,449</u>	<u>5,909</u>
Second Fund			
Advanced by Government		108,464	163,939
Less - Accumulated overpayment of interest		61,422	61,422
		<u>47,042</u>	<u>102,517</u>
Excess of income over expenditure		9,981	7,948
		<u>57,023</u>	<u>110,465</u>
		<u>\$ 63,472</u>	<u>\$ 116,374</u>
Represented by			
ASSETS			
First Fund			
Mortgage	8	(30)	1,028
Cash at bank		6,479	4,869
Sundry debtors		-	12
		<u>6,449</u>	<u>5,909</u>
Second Fund			
Mortgages	9	41,402	52,383
Cash at bank		15,621	58,082
		<u>57,023</u>	<u>110,465</u>
		<u>\$ 63,472</u>	<u>\$ 116,374</u>

Notes
to the Accounts
at 31st December, 1977



	1977 \$	1976 \$		
1. RESERVES				
CAPITAL				
Balances at 1st January and 31st December, 1977	55,828	55,828		
REVENUE				
Balance at 1st January, 1977	1,920,485	1,672,314		
Add:				
Unappropriated income for the year	324,860	248,171		
Balance at 31st December, 1977	2,245,345	1,920,485		
TOTAL RESERVES	2,301,173	1,976,313		
2. FIXED ASSETS				
	Cost/ Valuation	Accumulated Depreciation	Net Book Value	Net Book Value
At 31st December, 1977				
Land	94,830	—	94,830	94,830
Buildings	252,272	48,090	204,182	209,286
Motor vehicles	7,917	7,917	—	—
Office equipment	58,932	29,171	29,761	32,913
Machinery and equipment	174,775	75,262	99,513	107,538
Construction-in-progress	545,554	—	545,554	60,103
	1,134,280	160,440	973,840	504,670
Movements to fixed assets				
Cost/Valuation at 1st January, 1977		638,219		
Additions at cost				
Office equipment		993		
Machinery and equipment		9,675		
Construction-in-progress		485,451		
		1,134,338		
Disposals at cost				
Buildings		58		
Cost/Valuation at 31st December, 1977		1,134,280		

Notes to the
Accounts CONT'D.
at 31st December, 1977



	Nominal	1977 Market Value \$	Book Value \$	1976 Book Value \$
3. INVESTMENTS				
Overseas				
5½ Australia 1981/82 stock	£	75,172	296,930	259,468
6% Australia 1981/83 stock		28,756	108,915	95,999
7% Australia 1979/81 stock		10,000	44,000	39,229
7¾% Barbados Government Development (1967) loan 1975/85	EC\$	18,250	16,425	17,885
3½ New Zealand Government 1981/84 stock	£	3,241	11,545	11,934
7¼% New Zealand Government 1983/86 stock		35,500	133,131	139,955
6¼% Funding loan 1985/87		21,050	79,330	80,960
6% Funding loan 1993		17,568	49,960	60,094
9% Treasury stock 1980		40,077	195,875	177,468
6¾% Treasury loan 1995/98		37,946	106,485	139,456
8¾% Treasury loan 1997		17,420	62,385	79,449
9% Treasury loan 1992/96		7,283	26,945	27,063
8% Treasury loan 2002/06		80,090	252,785	369,516
7¾% Treasury loan 2012/15		37,127	108,830	152,830
8¼% Treasury loan 1984/86		21,349	93,000	91,037
12¾% Treasury loan 1995		24,532	116,985	110,206
12% Treasury loan 1983		—	—	—
9% Treasury loan 1994		48,715	178,115	221,963
8¼% Treasury loan 1987/90		41,278	153,500	166,168
Government of Guyana				
3½% British Guiana Government 1976/86 bonds	G\$	2,600	1,300	1,677
6% British Guiana Government 1969/79 bonds		30,000	25,800	28,750
7% British Guiana Government 1966/86 debentures		50,000	44,000	50,000
7% Government of Guyana 1977 registered debentures		—	—	—
7% Government of Guyana 1983 first issue debentures		500,000	470,000	500,000
7% Government of Guyana 1983 third issue debentures		500,000	470,000	500,000
7% Government of Guyana 1976 loan		1,000,000	880,000	1,000,000
7% Government of Guyana F.D debentures		50,000	47,500	42,500
7% Government of Guyana 1977 seventh series debentures		1,000,000	850,000	1,000,000
carried forward		4,823,741	5,363,607	4,207,744



3. INVESTMENTS (Cont'd)	1977			1976
	Nominal	Market Value \$	Book Value \$	Book Value \$
brought forward		4,823,741	5,363,607	4,207,744
Municipal				
4% Mayor & Town Council 1965/80 bonds	G\$ 8,500	4,930	5,717	5,717
✓ 8% Mayor & Town Council 1991 E.A. registered bonds	✓ 17,170	16,312	17,170	17,768
8% Mayor & Town Council 1995 F.D. registered bonds	150,000	147,000	150,000	150,000
8% Mayor & Town Council N.A. 1992 E.A. registered bonds	8,736	8,212	8,736	9,029
✓ 7% Mayor & Town Council N.A. 1984 E.A. registered bonds	✓ 12,466	11,095	12,466	13,700
8% Mayor & Town Council N.A. 1983 E.A. registered bonds	451,650	451,650	451,650	465,200
8% Mayor & Town Council 1975/85 No. 2 F.D. registered bonds	246,000	243,540	246,000	246,000
8% Mayor & Town Council 1976/86 F.D. registered bonds	250,000	240,000	250,000	250,000
8% Mayor & Town Council N.A. 1992 E.A. bonds	380,000	380,000	380,000	—
Other				
6½% Loan — Guyana Co-operative Mortgage Finance Bank	2,000,000	2,000,000	2,000,000	—
		<u>8,326,480</u>	<u>8,885,346</u>	<u>5,365,158</u>



4. MORTGAGE ACCOUNTS	No. of Securities	1977	1976	
		Amount \$	No. of Securities	Amount \$
Balances not exceeding \$500	149	19,213	172	21,734
Balances exceeding \$500 but not \$1,000	105	80,392	94	71,858
Balances exceeding \$1,000 but not \$2,000	217	321,225	259	376,092
Balances exceeding \$2,000 but not \$3,000	199	500,337	183	457,728
Balances exceeding \$3,000 but not \$4,000	210	733,681	231	806,131
Balances exceeding \$4,000 but not \$5,000	246	1,106,064	228	1,049,299
Balances exceeding \$5,000 but not \$10,000	1,008	7,515,194	931	6,823,210
Balances exceeding \$10,000 but not \$15,000	692	8,612,853	541	6,699,101
Balances exceeding \$15,000 but not \$20,000	449	7,751,036	361	6,297,941
Balances exceeding \$20,000 but not \$25,000	166	3,720,531	69	1,572,416
Balances exceeding \$25,000 but not \$30,000	121	3,370,128	46	1,282,124
Balances exceeding \$30,000	15	454,305	5	150,311
	<u>3,577</u>	<u>34,184,959</u>	<u>3,120</u>	<u>25,607,945</u>

Notes to the
Accounts CONT'D.
at 31st December, 1977



	1977		1976	
	No. of Securities	Amount \$	No. of Securities	Amount \$
5. HOUSING LOANS				
Balances exceeding \$3,000 but not \$4,000	2	7,506	1	3,934
Balances exceeding \$4,000 but not \$5,000	1	4,927	2	8,894
Balances exceeding \$5,000	1	5,094	1	5,229
	4	17,527	4	18,057
	=	=	=	=
6. BREZINA-GUYANA HOUSING PROJECT				
Balances not exceeding \$500	1	(103)	1	(116)
Balances exceeding \$1,000 but not \$5,000	2	4,372	1	2,489
Balances exceeding \$5,000 but not \$10,000	17	148,007	12	100,744
Balances exceeding \$10,000 but not \$15,000	63	702,020	77	879,348
	83	854,296	91	982,465
	=	=	=	=

Notes to the
Accounts Cont'd
at 31st December, 1977



	1977		1976	
	No. of Securities	Amount \$	No. of Securities	Amount \$
7. GREATER MACKENZIE DEVELOPMENT TRUST				
Balances not exceeding \$500	6	1,484	5	1,129
Balances exceeding \$500 but not \$1,000	4	3,387	9	7,171
Balances exceeding \$1,000 but not \$2,000	20	31,592	19	31,104
Balances exceeding \$2,000 but not \$3,000	15	36,184	17	40,515
Balances exceeding \$3,000 but not \$4,000	7	25,097	6	20,216
Balances exceeding \$4,000 but not \$5,000	1	4,326	4	17,162
Balances exceeding \$5,000 but not \$10,000	20	141,309	23	169,377
Balances exceeding \$10,000 but not \$15,000	7	87,683	4	52,511
Balances exceeding \$15,000 but not \$20,000	--	--	1	16,425
Balances exceeding \$20,000 but not \$25,000	1	22,571	1	23,341
Balances exceeding \$30,000	2	73,172	2	75,800
	83	426,805	91	454,751
	=	=	=	=



	1977		1976	
	No. of Securities	Amount \$	No. of Securities	Amount \$
8. PUBLIC OFFICERS' HOUSING LOAN FUND				
First Fund				
Balances not exceeding \$500	1	(30)	—	—
Balances exceeding \$1,000 but not \$2,000	—	—	1	1,028
9. PUBLIC OFFICERS' HOUSING LOAN FUND				
Second Fund				
Balances not exceeding \$500	3	97	1	101
Balances exceeding \$1,000 but not \$2,000	2	3,908	2	3,592
Balances exceeding \$2,000 but not \$3,000	1	2,879	3	7,603
Balances exceeding \$3,000 but not \$4,000	3	10,588	1	3,490
Balances exceeding \$4,000 but not \$5,000	1	4,070	4	17,144
Balances exceeding \$5,000 but not \$10,000	1	7,996	1	9,423
Balances exceeding \$10,000 but not \$15,000	1	11,864	1	11,030
	12	41,402	13	52,383

10. Included in this figure is \$24,340 (1976 — \$58,644) which was collected from Brezina's debtors but was not paid over as at 31st December, 1977.

11. (a) Capital expenditure authorised and contracted for amounted to \$69,641 (1976 — \$91,255).

(b) Capital expenditure authorised and not contracted for amounted to \$4,465 (1976 — \$341,571).



(1) DEPRECIATION

All assets are depreciated over their estimated useful lives on a straight-line basis.

(2) PENSION SCHEME

The Society operates a pension scheme, administered by the Royal Bank Trust Company (Guyana) Limited.

(3) FOREIGN CURRENCIES

Transactions involving foreign currencies are converted at a standard rate of exchange.

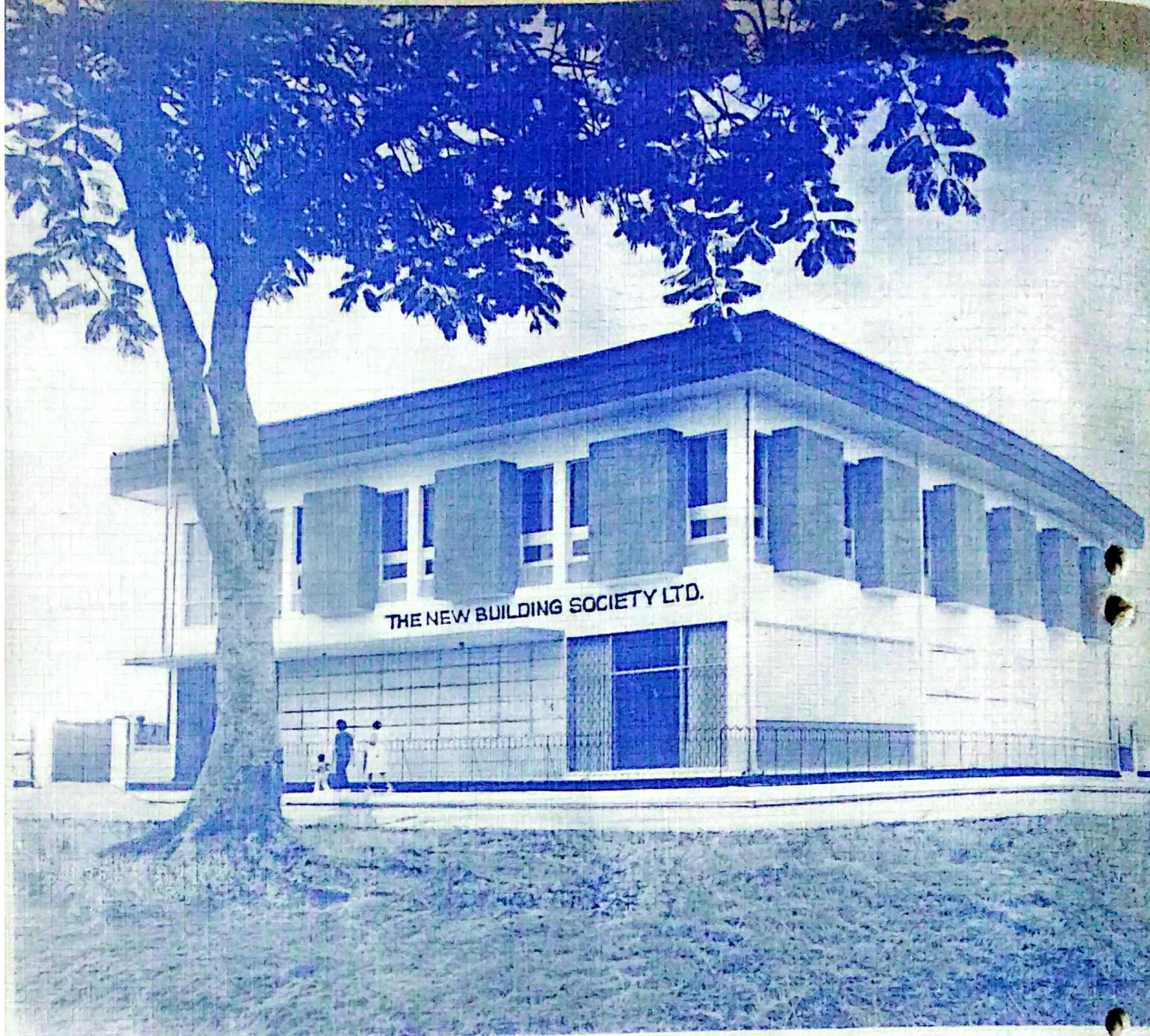
At balance sheet date all amounts denominated in foreign currencies are converted to Guyana dollars at the exchange rates ruling at that date, but the resultant gain or loss is recognised in the accounts only if it would materially affect the accounts.

Statement of Source and Application of Funds

at 31st December, 1977



	1977		1976	
	\$	\$	\$	\$
SOURCE OF FUNDS				
Unappropriated income for the year		324,860		248,171
Adjustment for items not involving movement of funds:				
Depreciation		26,890		23,313
TOTAL GENERATED FROM OPERATIONS		<u>351,750</u>		<u>271,484</u>
FUNDS FROM OTHER SOURCES				
Increase in advances by Shareholders	10,266,381		8,886,923	
Increase in deposits received	1,083,102		—	
Investments redeemed	155,917		55,700	
		<u>11,505,400</u>		<u>8,942,623</u>
		<u>11,857,150</u>		<u>9,214,107</u>
APPLICATION OF FUNDS				
Decrease in deposits received	—		165,479	
Increase in loan assets	8,529,499		4,985,919	
Purchase of fixed assets	496,061		146,117	
Investments purchased	3,676,104		1,438,453	
		<u>12,701,664</u>		<u>6,735,968</u>
		<u>\$ (844,514)</u>		<u>\$ 2,478,139</u>
INCREASE/(DECREASE) IN WORKING CAPITAL				
Increase in debtors		38		67,036
(Increase)/decrease in creditors		(14,672)		83,841
Movement in net liquid funds:				
Increase in cash balances	552,557		454,463	
(Decrease)/increase in short term investment	(1,382,437)		1,872,799	
		<u>(829,880)</u>		<u>2,327,262</u>
		<u>\$ (844,514)</u>		<u>\$ 2,478,139</u>



The Society's new-look Chief Office. The top flat was completed during December, 1977, and is now occupied.

CHIEF OFFICE

Lot 1, Avenue of the Republic,
P.O. Box 14, Georgetown 9,
Tel: 64068.
Guyana, S. Am.

Jules De Cambra, Director/Secretary
Nathalie E. Sam, Assistant Secretary
Samuel A. Ramdeen, Accountant

BRANCH OFFICES:

Linden, Demerara River,
34 A, Republic Avenue,
Tel: 04-3456.
Guyana, S. Am.

New Amsterdam,
15/16 New Street, Berbice,
Tel: 03-2893.
Guyana, S. Am.

