



The New Building Society
Limited

**39th Annual Report
and Financial Statement**
for the year ended
31st December 1978



Notice of Meeting

NOTICE is hereby given that the Thirty-Ninth Annual General Meeting of the Members of The New Building Society, Limited, will be held at 5.00 p.m. on **MONDAY, 30th APRIL, 1979**, 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 1978.
- 2 To elect Directors for the period 1979 to 1981.
- 3 To fix the remuneration of Directors for the year 1979.
- 4 To appoint Auditors for the year 1979, and to fix their remuneration.
- 5 To approve of an amount to be donated to charity and for educational purposes.
- 6 Any other business of which due notice shall have been given.

BY ORDER OF THE BOARD
JULES de CAMBRA
Director/Secretary
14th April, 1979.

DIRECTORS

Chairman:

C.V. Too-Chung, Esq., FCCA., ACIS.

Vice Chairman:

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.

C.H. da Silva, Esq., FCIS.

Director/Secretary Jules de Cambra, Esq.

Assistant Secretaries Samuel A. Ramdeen, Esq.

Ms. N.E. Sam

Accountant Maurice L. Arjoon, Esq.

SOLICITORS

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

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 31st December, 1978

The Directors are pleased to present the Thirty-Ninth Annual Report and Financial Statement of the Society.

MORTGAGES

The total amount advanced during the Financial Year as loans on the security of freehold and leasehold property was \$13,935,858. The total number of mortgages executed was 870. The total investments in mortgages at 31st December, 1978, was \$43,277,886.

There was one case in which a mortgage was, at the end of the financial year, more than twelve months in arrears with payments (Section 17 (1) (c) of the Society's Ordinance) and the total amount of arrears was \$2,528. No loss is likely to be incurred by the Society should the property be sold.

SHARES & DEPOSITS

During the year 6,885 investors opened accounts, and the total investments in the Society increased by \$9,370,210 to \$56,551,952.

Consequent upon the increase in interest rates by the Commercial Banks, the Directors increased the interest on Savings and Deposit Accounts from 1st July, 1978.

Deposit Accounts now earn 6% p.a., Five Dollar Share Accounts earn 7% p.a., and Save & Prosper Accounts earn 8% p.a.

No further investment on Save & Prosper Accounts is being accepted for the time being.

The mortgage rate was maintained at 8% p.a.

TOTAL NET ASSETS

These have increased by \$9,764,297 during the financial year to \$59,247,212. This does not include the Assets of The Public Officers' Housing Loan Fund; The Brezina-Guyana Housing Project and The Linden Community Development Association formerly The Greater Mackenzie Development Trust - administered by the Society - which are shown separately in the Accounts.

ANNUAL VALUATION

The Annual Valuation of the Assets and Liabilities of the Society (as required by Rule 32) revealed no likely loss.

Two properties came into the possession of the Society during the latter part of the year 1978, and will be sold in 1979.

DIRECTORATE

Mr. J.I. Fernandes resigned as a Director at 31st December, 1978. Mr. C.H. da Silva, a former Director, was appointed to fill the vacancy. This appointment was made under the Society's Rule 43.

Under the provisions of the Society's Rule 47, the Directors, whose names are given below, retire after the Thirty-Ninth Annual General Meeting. They are eligible, and offer themselves for re-election.

- C.V. Too-Chung, Esq., FCCA., ACIS
- Dr. J.K.M. Richmond, D.D.S.
- A.I. Crum-Ewing, Esq., O.B.E.
- Miss Thelma Gaskin
- Mooneer A. Khan, Esq., J.P.
- C.H. da Silva, Esq., FCIS.

AUDITORS

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

C.V. TOO-CHUNG
Chairman
27th March, 1979



Report of the Auditors
TO THE MEMBERS OF
THE NEW BUILDING SOCIETY LIMITED
for the year ended 31st December, 1978

We have examined the attached accounts set out on pages 4 to 14 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, 1978: of the excess of income over expenditure and of the source and application of funds for the year then ended.

JACK A. ALLI, SONS & CO.
AUDITORS

145 Crown Street
Queenstown
Georgetown
GUYANA

12th March, 1979



Balance Sheet

at 31st December, 1978

	NOTES	1978		1977	
		\$	\$	\$	\$
CAPITAL					
Due to Shareholders:					
Fully paid investing shares			621		622
Five dollar shares			40,840,656		31,722,968
Save and prosper shares			11,398,483		12,010,722
Subscription investing shares			7,768		11,321
			<u>52,247,528</u>		<u>43,745,633</u>
			4,304,424		3,436,109
Due to depositors			56,551,952		47,181,742
Total capital			<u>2,695,260</u>		<u>2,301,173</u>
RESERVES	1				
Total capital and reserves			\$ <u>59,247,212</u>		\$ <u>49,482,915</u>
Represented by					
FIXED ASSETS	2		1,090,856		973,840
INVESTMENTS	3		9,025,899		8,885,346
LOAN ASSETS					
Mortgage accounts	4	43,277,886		34,184,959	
Housing loans	5	9,030		17,527	
Brezina-Guyana Housing Project	6	59,097		72,482	
Properties in possession		41,508		5,658	
Temporary loans		<u>19,864</u>	43,407,385	<u>15,452</u>	34,296,078
CURRENT ASSETS					
Debtors and prepayments		173,597		167,485	
Cash and bank balances		3,826,474		1,122,857	
Treasury bills at cost		<u>1,961,060</u>		<u>4,188,047</u>	
		<u>5,961,131</u>		<u>5,478,389</u>	
LESS - CURRENT LIABILITIES					
Creditors and accruals	10	238,059		150,738	
NET CURRENT ASSETS			<u>5,723,072</u>		<u>5,327,651</u>
Total net assets			\$ <u>59,247,212</u>		\$ <u>49,482,915</u>

C.V. TOO-CHUNG, Director - J.K.M. RICHMOND, Director - JULES de CAMBRA, Secretary



Revenue, Expenditure & Appropriation Accounts

for the year ended 31st December, 1978

	1978	1977
	\$	\$
REVENUE		
Interest earned on:		
Mortgage loans	3,218,236	2,329,709
Housing loans and purchase tenancies	7,193	7,523
Temporary loans	933	1,769
Bank Account	127,265	-
Treasury bills	300,323	382,736
Investments	695,284	505,514
Net profit on sale of investments	664	13,503
Fees, commissions, rule books, etc.	32,687	25,214
Administration fees - P.O.H.L.F. and others	17,083	16,046
Net profit on sale of properties in possession	1,605	-
Inspection fees	9,840	-
Rents received	11,100	-
	<u>4,422,213</u>	<u>3,282,014</u>
EXPENDITURE		
Management expenses	548,520	471,058
Directors' fees	12,600	12,600
Directors' travelling	5,400	2,400
Audit fees	10,000	10,000
Office premises	15,421	802
Charitable and educational donations	40,000	12,500
Depreciation	<u>54,897</u>	<u>26,890</u>
	<u>686,838</u>	<u>536,250</u>
Excess of income over expenditure	\$ <u>3,735,375</u>	\$ <u>2,745,764</u>
Distributed as follows -		
Interest on:		
Fully paid investing shares	8	8
Five dollar shares	2,285,104	1,471,471
Save and prosper shares	838,761	803,360
Subscription investing shares	399	383
Deposits	<u>217,016</u>	<u>145,682</u>
	<u>3,341,288</u>	<u>2,420,904</u>
Unappropriated income transferred to revenue reserve	<u>394,087</u>	<u>324,860</u>
	\$ <u>3,735,375</u>	\$ <u>2,745,764</u>



Funds Administered
by the Society

at 31st December, 1978

A. BREZINA-GUYANA HOUSING PROJECT

	NOTES	1978 \$	1977 \$
LIABILITIES			
U.S. investors		599,355	649,744
Guyana investors		165,193	203,552
Sundry creditors		46,280	30,429
		<u>810,828</u>	<u>883,725</u>
Represented by:			
ASSETS	6		
Mortgages		685,696	854,296
Sundry debtors		125,132	29,429
		<u>810,828</u>	<u>883,725</u>

B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION
FORMERLY GREATER MACKENZIE DEVELOPMENT TRUST

	NOTES	1978 \$	1977 \$
LIABILITIES			
Linden Community Development Association		344,874	426,805
Represented by:			
ASSETS	7		
Mortgages		344,874	426,805



Funds Administered
by the Society Cont'd

at 31st December, 1978

C. PUBLIC OFFICERS' HOUSING LOAN FUNDS

	NOTES	1978 \$	1977 \$
LIABILITIES			
First Fund			
Advanced by Government			1,455
Excess of income over expenditure		—	4,994
		—	<u>6,449</u>
Second Fund			
Advanced by Government		93,464	108,464
Less — Accumulated overpayment of interest		61,422	61,422
		32,042	47,042
Excess of income over expenditure		12,115	9,981
		44,157	57,023
		<u>44,157</u>	<u>63,472</u>
Represented by			
ASSETS			
First Fund			
Mortgage	8	—	(30)
Cash at bank		—	6,479
		—	<u>6,449</u>
Second Fund			
Mortgages	9	33,603	41,402
Cash at bank		10,554	15,621
		44,157	57,023
		<u>44,157</u>	<u>63,472</u>



Notes to the
Accounts
for the year ended 31st December, 1978

		1978 \$	1977 \$
1. RESERVES			
CAPITAL			
Balances at 1st January and 31st December, 1978		<u>55,828</u>	<u>55,828</u>
REVENUE			
Balance at 1st January, 1978		2,245,345	1,920,485
Add:			
Unappropriated income for the year		<u>394,087</u>	<u>324,860</u>
Balance at 31st December, 1978		<u>2,639,432</u>	<u>2,245,345</u>
TOTAL RESERVES		<u>2,695,260</u>	<u>2,301,173</u>
2. FIXED ASSETS			
	Cost/ Valuation	Accumulated Depreciation	Net Book Value
At 31st December, 1978			Net Book Value
Freehold land	94,830	—	94,830
Freehold buildings	740,345	60,457	679,888
Motor vehicles	46,037	11,730	34,307
Office equipment	70,389	35,403	34,986
Machinery and equipment	354,592	107,747	246,845
Construction-in-progress	—	—	—
	<u>1,306,193</u>	<u>215,337</u>	<u>1,090,856</u>
Movements to fixed assets			
Completed			
Cost/Valuation at 1st January, 1978		588,726	
Additions and transfers from construction-in-progress at cost			
Freehold buildings		488,073	
Motor vehicles		38,120	
Office equipment		11,457	
Machinery and equipment		<u>179,942</u>	1,306,318
Disposals at cost			
Machinery and equipment		<u>125</u>	<u>125</u>
			<u>1,306,193</u>
Construction-in-progress			
Cost at 1st January, 1978		545,554	
Additions at cost			
Freehold buildings		<u>37,450</u>	
		583,004	
Transfers on completion			
Freehold buildings	488,073		
Machinery and equipment	<u>94,931</u>	<u>583,004</u>	
Cost/Valuation at 31st December, 1978			<u>1,306,193</u>



Notes
to the Accounts CONT'D.
for the year ended 31st December, 1978

		1978		1977
	Nominal	Market Value \$	Book Value \$	Book Value \$
3. INVESTMENTS (at cost)				
Overseas				
5½% Australia 1981/82 stock	£ 75,172	308,205	259,468	259,468
6% Australia 1981/83 stock	28,756	115,025	95,999	95,999
7% Australia 1979/81 stock	10,000	44,250	39,229	39,229
3½% New Zealand Government 1981/84 stock	3,241	11,830	11,934	11,934
7½% New Zealand Government 1983/86 stock	57,933	238,972	233,588	139,956
6½% Funding loan 1985/87	21,050	85,255	80,961	80,960
6% Funding loan 1993	17,568	55,010	60,094	60,094
9% Treasury stock 1980	40,077	198,630	177,468	177,468
6% Treasury loan 1995/98	37,946	122,375	139,456	139,456
8% Treasury loan 1997	17,420	66,305	79,449	79,449
9% Treasury loan 1992/96	7,283	28,585	27,063	27,063
8% Treasury loan 2002/06	80,090	270,805	369,516	369,516
7% Treasury loan 2012/15	37,127	122,750	152,830	152,830
8½% Treasury loan 1984/86	21,349	95,535	91,037	91,037
12½% Treasury loan 1995	24,532	129,715	110,205	110,206
12½% Treasury loan 1993	8,866	44,491	44,490	—
9% Treasury loan 1994	48,715	200,645	221,963	221,963
8½% Treasury loan 1987/90	41,278	169,755	166,168	166,168
7% Treasury loan 1985/88	11,880	49,005	47,348	—
7% Barbados Government Development (1967) loan 1975/85	EC\$ 16,000	14,720	15,680	17,885
Government of Guyana				
3½% British Guiana Government 1976/86 bonds	G\$ 2,600	1,300	1,677	1,677
6% British Guiana Government 1969/79 bonds	30,000	30,000	28,750	28,750
7% British Guiana Government 1966/86 debentures	50,000	45,500	50,000	50,000
7% Government of Guyana 1983 first issue debentures	500,000	470,000	500,000	500,000
7% Government of Guyana 1983 third issue debentures	500,000	470,000	500,000	500,000
7% Government of Guyana 1976 loan	1,000,000	910,000	1,000,000	1,000,000
7% Government of Guyana F.D. debentures	50,000	50,000	42,500	42,500
7% Government of Guyana 1977 seventh series debentures	1,000,000	900,000	1,000,000	1,000,000
carried forward		<u>5,248,663</u>	<u>5,546,873</u>	<u>5,363,607</u>



Notes to the
Accounts CONT'D.
for the year ended 31st December, 1978

3. INVESTMENTS (at cost) Cont'd.	1978		1977	
	Nominal	Market Value \$	Book Value \$	Book Value \$
brought forward		5,248,663	5,546,873	5,363,607
Municipal				
4% Mayor & Town Council 1965/80 bonds	G\$ 8,500	5,015	5,717	5,717
8% Mayor & Town Council 1991 E.A. registered bonds	16,510	15,850	16,510	17,170
8% Mayor & Town Council 1995 F.D. registered bonds	150,000	150,000	150,000	150,000
8% Mayor & Town Council N.A. 1992 E.A. registered bonds	8,419	7,998	8,419	8,736
7% Mayor & Town Council N.A. 1984 E.A. registered bonds	11,144	10,364	11,144	12,466
8% Mayor & Town Council N.A. 1983 E.A. registered bonds	437,000	437,000	437,000	451,650
8% Mayor & Town Council 1975/85 No. 2 F.D. registered bonds	246,000	246,000	246,000	246,000
8% Mayor & Town Council 1976/86 F.D. registered bonds	250,000	250,000	250,000	250,000
8% Mayor & Town Council N.A. 1992 E.A. bonds	354,236	354,236	354,236	380,000
Other				
6½% Loan - Guyana Co-operative Mortgage Finance Bank	2,000,000	2,000,000	2,000,000	2,000,000
		<u>8,725,126</u>	<u>9,025,899</u>	<u>8,885,346</u>

4. MORTGAGE ACCOUNTS	1978		1977	
	No. of Securities	Amount \$	No. of Securities	Amount \$
Balances not exceeding \$ 500	145	17,156	149	19,213
Balances exceeding \$ 500 but not \$ 1,000	90	66,080	105	80,392
Balances exceeding \$ 1,000 but not \$ 2,000	199	288,970	217	321,225
Balances exceeding \$ 2,000 but not \$ 3,000	209	524,642	199	500,337
Balances exceeding \$ 3,000 but not \$ 4,000	204	716,564	210	733,681
Balances exceeding \$ 4,000 but not \$ 5,000	252	1,124,180	246	1,106,064
Balances exceeding \$ 5,000 but not \$ 10,000	1,055	7,865,923	1,008	7,515,194
Balances exceeding \$ 10,000 but not \$ 15,000	838	10,553,271	692	8,612,853
Balances exceeding \$ 15,000 but not \$ 20,000	544	9,444,976	449	7,751,036
Balances exceeding \$ 20,000 but not \$ 25,000	278	6,216,698	166	3,720,531
Balances exceeding \$ 25,000 but not \$ 30,000	209	5,856,571	121	3,370,128
Balances exceeding \$ 30,000	20	602,855	15	454,305
	<u>4,043</u>	<u>43,277,886</u>	<u>3,577</u>	<u>34,184,959</u>



Notes to the
Accounts CONT'D.
for the year ended 31st December, 1978

5. HOUSING LOANS	1978		1977	
	No. of Securities	Amount \$	No. of Securities	Amount \$
Balances not exceeding \$ 500	1	61	-	-
Balances exceeding \$ 3,000 but not \$ 4,000	-	-	2	7,506
Balances exceeding \$ 4,000 but not \$ 5,000	2	8,969	1	4,927
Balances exceeding \$ 5,000	-	-	1	5,094
	<u>3</u>	<u>9,030</u>	<u>4</u>	<u>17,527</u>
6. BREZINA-GUYANA HOUSING PROJECT				
Balances not exceeding \$ 500	-	-	1	(103)
Balances exceeding \$ 500 but not \$ 1,000	1	675	-	-
Balances exceeding \$ 1,000 but not \$ 5,000	-	-	2	4,372
Balances exceeding \$ 5,000 but not \$ 10,000	26	233,414	17	148,007
Balances exceeding \$ 10,000 but not \$ 15,000	40	451,607	63	702,020
	<u>67</u>	<u>685,696</u>	<u>83</u>	<u>854,296</u>
7. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION				
Balances not exceeding \$ 500	2	522	6	1,484
Balances exceeding \$ 500 but not \$ 1,000	5	3,481	4	3,387
Balances exceeding \$ 1,000 but not \$ 2,000	15	25,225	20	31,592
Balances exceeding \$ 2,000 but not \$ 3,000	12	27,908	15	36,184
Balances exceeding \$ 3,000 but not \$ 4,000	5	17,147	7	25,097
Balances exceeding \$ 4,000 but not \$ 5,000	3	14,374	1	4,326
Balances exceeding \$ 5,000 but not \$ 10,000	15	105,144	20	141,309
Balances exceeding \$ 10,000 but not \$ 15,000	5	57,401	7	87,683
Balances exceeding \$ 15,000 but not \$ 20,000	1	22,214	1	22,571
Balances exceeding \$ 20,000 but not \$ 25,000	2	71,458	2	73,172
Balances exceeding \$ 25,000 but not \$ 30,000	2	71,458	2	73,172
Balances exceeding \$ 30,000	<u>65</u>	<u>344,874</u>	<u>83</u>	<u>426,805</u>



	1978		1977	
	No. of Securities	Amount \$	No. of Securities	Amount \$
8. PUBLIC OFFICERS' HOUSING LOAN FUND				
First Fund				
Balances not exceeding \$ 500	<u>—</u>	<u>—</u>	<u>1</u>	<u>(30)</u>
9. PUBLIC OFFICERS' HOUSING LOAN FUND				
Second Fund				
Balances not exceeding \$ 500	2	96	3	97
Balances exceeding \$ 1,000 but not \$ 2,000	2	3,407	2	3,908
Balances exceeding \$ 2,000 but not \$ 3,000	2	5,435	1	2,879
Balances exceeding \$ 3,000 but not \$ 4,000	1	3,344	3	10,588
Balances exceeding \$ 4,000 but not \$ 5,000	—	—	1	4,070
Balances exceeding \$ 5,000 but not \$ 10,000	1	8,570	1	7,996
Balances exceeding \$10,000 but not \$ 15,000	<u>1</u>	<u>12,751</u>	<u>1</u>	<u>11,864</u>
	<u>9</u>	<u>33,603</u>	<u>12</u>	<u>41,402</u>

10. CREDITORS

Included in this figure is \$ 110,250 (1977 — \$ 24,340) which was collected from Brezina's debtors but was not paid over as at 31st December, 1978.

11. CAPITAL COMMITMENTS

Authorised and contracted for NIL (1977 — \$ 69,641).
Authorised and not contracted for \$ 10,102 (1977 — \$ 4,465).

12. CONTINGENT LIABILITY

The Society has approved a sum of \$ 125,000 as a donation to the Architecture and Building Technology Faculty of the University of Guyana to be paid in five equal instalments — the first due in 1978.



(1) DEPRECIATION

All assets — except freehold land — 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.

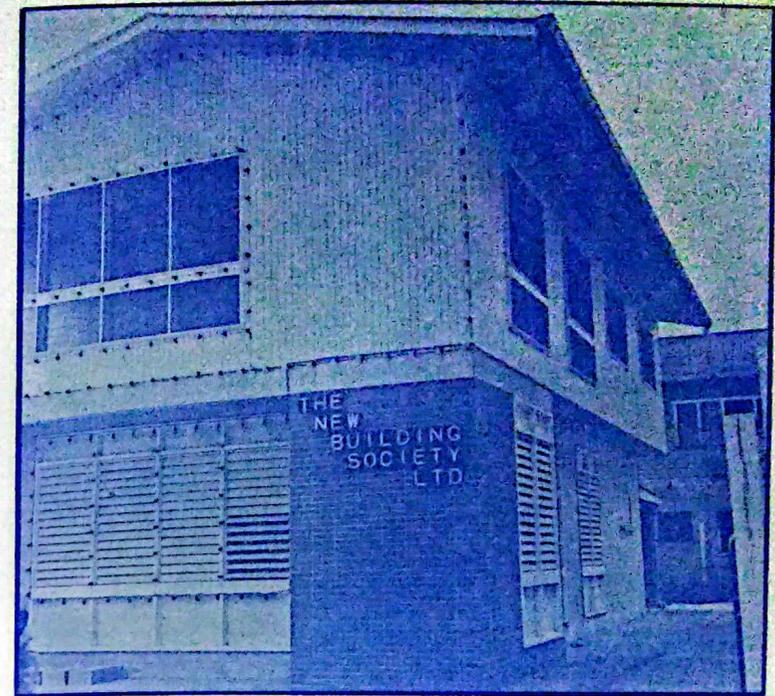
At balance sheet date all amounts denominated in foreign currencies are converted to Guyana dollars at the exchange rates ruling at that date, but the resultant gain or loss is recognised in the accounts only if it would materially affect the accounts.



Statement of Source and Application of Funds

for the year ended 31st December, 1978

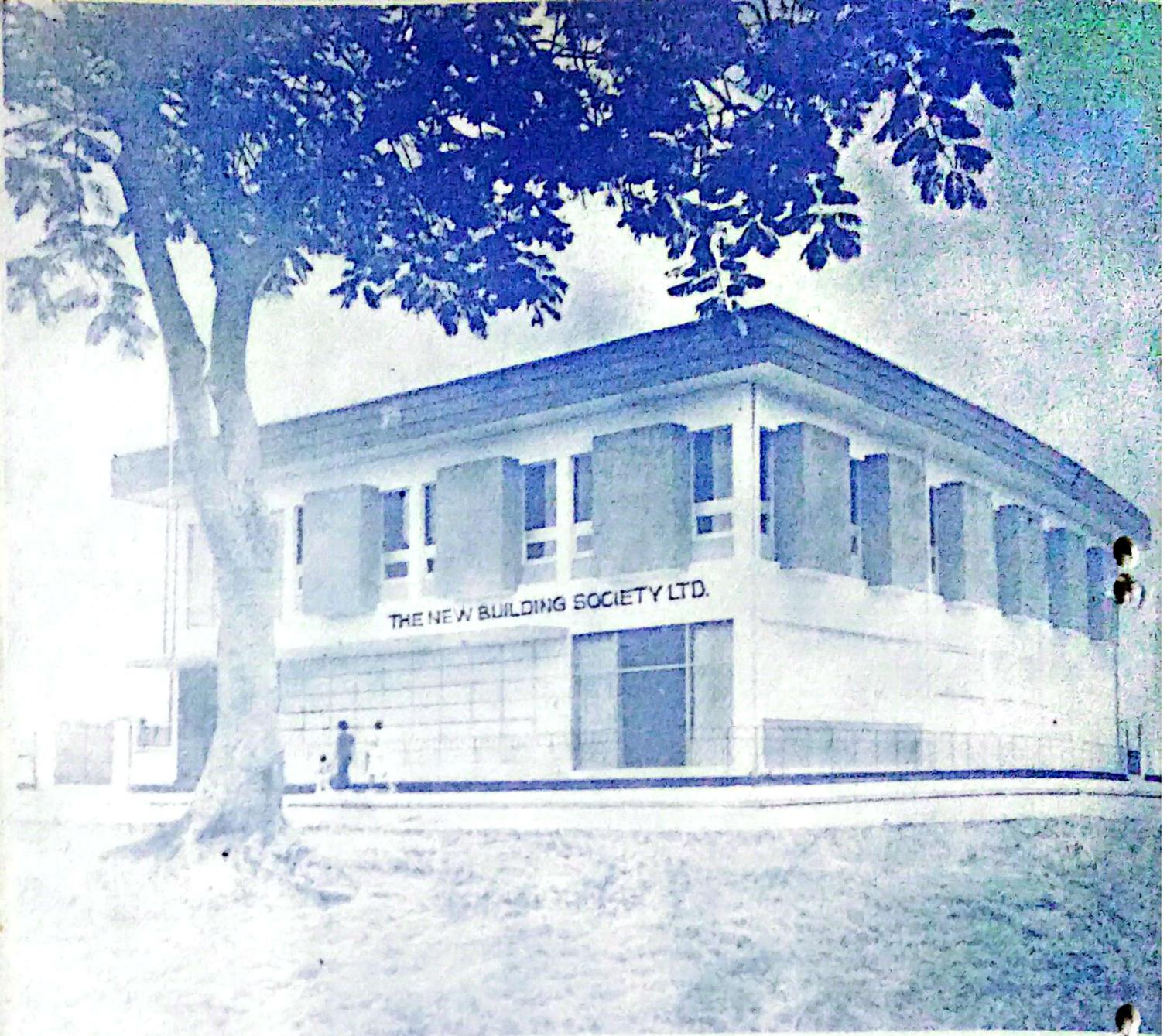
	1978		1977	
	\$	\$	\$	\$
SOURCE OF FUNDS				
Unappropriated income for the year		394,087		324,860
Adjustment for items not involving movement of funds:				
Depreciation		54,897		26,890
TOTAL GENERATED FROM OPERATIONS		<u>448,984</u>		<u>351,750</u>
FUNDS FROM OTHER SOURCES				
Increase in advances by Shareholders	8,501,895		10,266,381	
Increase in deposits received	868,315		1,083,102	
Investments redeemed	44,918		155,917	
Sale of fixed assets	<u>125</u>		<u>—</u>	
		<u>9,415,253</u>		<u>11,505,400</u>
		9,864,237		11,857,150
APPLICATION OF FUNDS				
Increase in loan assets	9,111,307		8,529,499	
Purchase of fixed assets	172,038		496,061	
Purchase of investments	<u>185,471</u>		<u>3,676,104</u>	
		<u>9,468,816</u>		<u>12,701,664</u>
		\$ 395,421		\$ (844,514)
INCREASE/(DECREASE) IN WORKING CAPITAL				
Increase in debtors		6,112		38
Increase in creditors		(87,321)		(14,672)
Movement in net liquid funds:				
Increase in cash balances	2,703,617		552,557	
Decrease in short term investment	<u>(2,226,987)</u>		<u>(1,382,437)</u>	
		<u>476,630</u>		<u>(829,880)</u>
		\$ 395,421		\$ (844,514)



The Linden branch of The New Building Society.



The New Amsterdam branch of the New Building Society



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: 64048.
Guyana, S. Am.

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

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.

