

41ST Annual Report
and Accounts
1980



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THE NEW BUILDING SOCIETY LTD.

Georgetown
New Amsterdam
Linden

Notice of Meeting



NOTICE is hereby given that the Forty-first Annual General Meeting of the Members of the New Building Society Limited will be held at 8.00 p.m. on Monday 6th April, 1981 at the Society's Office, Lot 1, Journal of the Republic, Georgetown.

AGENDA

1. To consider the Annual Report of the Directors and the Financial Statement for the year 1980.
2. To elect Directors for the period 1981 to 1983.
3. To fix the remuneration of the Directors for the year 1981.
4. To appoint Auditors for the year 1981.
5. To fix the remuneration of the Auditors for the year 1981.
6. To approve of an amount to be donated to Charity and for educational purposes.
7. Any other business of which due notice shall have been given.

BY ORDER OF THE BOARD
JULES DE CAMBRA
Director/Secretary
23rd March, 1981.

DIRECTORS

C.V. Too-Chung, Esq., FCCA., ACIS. — Chairman
Dr. J.K.M. Richmond, DDS — Vice Chairman
Miss T. Gaskin
Mooneer A. Khan, Esq., JP
A.I. Crum-Ewing, Esq., — OBE
C.H. da Silva, Esq., FCIS

Jules de Cambra, Esq., — Director/Secretary
Samuel A. Ramdeen, Esq., — Assistant Secretary
Maurice L. Arjoon, Esq., — Accountant

BRANCH MANAGERS

New Amsterdam — Joseph F. Dowlatram Esq.
Linden — Jean Forde 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
Bank of Barbados

AUDITORS

Jack A. Afti, Sons & Co.,
145, Crown Street, Georgetown,
Georgetown.

Report of the Directors

for the year ended 31st December, 1980.



The Directors are pleased to present the Forty-first Annual Report and Financial Statement of the Society for the year ended 31st December, 1980.

SHARES & DEPOSITS

During the year 6,412 investors opened accounts, and the total investments in the Society increased by \$9,280,348 to \$73,028,903.

The interest rate structure was again revised during the year as a result of the rise in Commercial Bank rates. From 1st August, 1980, Save and Prosper Accounts earned 11% p.a.; Five Dollar Share Accounts 10% p.a. and Deposit Accounts 8% p.a.

MORTGAGES

The total amount advanced during the Financial Year as loans on the security of freehold and leasehold property was \$10,875,547. The total number of Mortgages executed was 604.

At 31st December, 1980, there were 4,468 mortgages in force totalling \$54,399,880.

Two Mortgage Accounts were more than twelve months in arrears at the end of the year. (Section 17 (f) (c) of the Society's Ordinance) and the total amount outstanding was \$26,500. No loss is likely to be incurred by the Society should these properties be taken into possession.

TOTAL ASSETS

Total Assets increased by \$8,599,181 during the year to \$76,258,301 representing a growth of 14.4%.

LIQUIDITY AND RESERVES

The Society maintained a strong financial position through 1980. At year end, liquid assets (i.e. Cash and short-term investments) were 11,277,286 representing 14.8% of total assets.

During 1980, general reserves were increased

by \$318,835 to \$3,229,398 or 4.2% of total assets at year-end.

ANNUAL VALUATION

The annual Valuation of the assets and liabilities of the Society (as required by Rule 32) revealed no likely loss.

Five properties were in the Society's possession at year-end and will be sold in 1981.

DIRECTORATE

Under the provisions of the Society's Rule 47, the Directors, whose names are listed below, retire after the Forty first 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.
Miss Thelma Gaskin
Mooner A. Khan, Esq., JP
A.I. Crum-Ewing, Esq., O.B.E.
C.H. da Silva, Esq., FCIS

AUDITORS

The Auditors Messrs. Jack A. Ali, Sons and Company, Accountants, retire, and are eligible for re-election.

C.V. TOO-CHUNG
Chairman
23rd March, 1981.

Report of the Auditors

TO THE MEMBERS OF
THE NEW BUILDING SOCIETY LIMITED
for the year ended 31st December, 1980

We have examined the attached accounts set out on pages 3 to 13 which are in accordance with the books of the Society. We have obtained all the information and explanations we have required.

We have inspected the mortgage deeds, transfers, 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 historical 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, 1980, of the excess of income over expenditure and of the source and application of funds for the year then ended.

JACK A. ALI, SONS & CO. AUDITORS

145 Crown Street
Queenstown
Georgetown
GUYANA

25th February, 1981

Balance Sheet

at 31st December 1980



	1980		1979	
	\$	\$	\$	\$
CAPITAL				
Due to Shareholders:				
Fully paid investing shares		636		626
Five dollar shares		56,267,929		47,739,098
Save and prosper shares		11,106,108		11,145,781
Subscription investing shares		4,705		6,306
		67,379,378		58,894,852
Due to depositors		6,649,525		4,863,706
Total Capital		73,028,903		63,748,557
RESERVES	1	3,229,398		2,910,600
Total capital and reserves		\$ 76,258,301		\$ 66,659,157
Represented by				
FIXED ASSETS	2	974,465		1,028,288
INVESTMENTS	3	9,265,333		9,021,998
LOAN ASSETS				
Mortgage accounts	4	54,399,890		49,477,643
Housing loans	5	20,732		26,464
Brezina-Guyana Housing Project		41,191		49,786
Properties in possession		78,547		33,786
Temporary loans		26,796		32,179
		54,567,146		49,619,837
CURRENT ASSETS				
Debtors and prepayments		378,936		307,866
Cash and bank balances		8,022,164		3,451,501
Treasury bills at cost		3,255,122		3,416,380
		11,656,221		7,174,746
LESS CURRENT LIABILITIES				
Creditors and accruals	9	204,854		185,760
NET CURRENT ASSETS		11,451,367		6,889,986
Total net assets		\$ 76,258,301		\$ 66,659,157

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

Revenue, Expenditure & Appropriation Accounts.

for the year ended 31st December, 1980



	1980	1979
	\$	\$
REVENUE		
Interest earned on:		
Mortgage loans	5,422,113	4,207,448
Housing loans and purchase tenancies	6,624	5,401
Temporary loans	3,685	1,726
Bank account	666,015	278,630
Treasury bills	302,410	330,671
Investments	786,655	697,518
Net profit on sale of investments	24,226	—
Fees, commissions, rule books, etc.	51,366	41,197
Administration fees: P.D.H.L.F. and others	11,212	11,086
Net profit on sale of properties in possession	—	776
Inspection fees	17,353	18,447
Rents received	17,000	18,575
	<u>7,288,649</u>	<u>5,611,475</u>
EXPENDITURE		
Management expenses	729,845	629,853
Directors' fees	16,800	12,600
Directors' travelling	7,200	7,200
Audit fees	12,500	10,000
Office premises	19,534	16,903
Charitable and educational donations	40,000	40,000
Depreciation	69,539	69,836
Net loss on sale of investments	—	122,221
	<u>895,418</u>	<u>908,613</u>
Excess of income over expenditure	<u>\$ 6,393,231</u>	<u>\$ 4,702,862</u>
Distributed as follows:		
Interest on:		
Fully paid investing shares	7	7
Five dollar shares	4,600,154	3,290,490
Savings and prosper shares	1,070,037	947,263
Subscription investing shares	264	625
Deposits	403,934	299,174
	<u>6,074,396</u>	<u>4,537,559</u>
Unappropriated income before extraordinary item	318,835	165,303
Extraordinary item (note 12)	—	50,000
Unappropriated income transferred to revenue reserve	<u>\$ 318,835</u>	<u>\$ 215,303</u>

Funds Administered by the Society

at 31st December, 1980



	1980	1979
	\$	\$
A. BREZINA - GUYANA HOUSING PROJECT		
LIABILITIES		
U.S. investors	406,106	471,436
Guyana investors	115,063	186,767
Sundry creditors	36,459	37,177
	<u>557,628</u>	<u>695,380</u>
Represented by:-		
ASSETS		
Mortgages	557,628	606,894
Sundry debtors	5,369	41,486
	<u>563,000</u>	<u>648,380</u>
B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION		
LIABILITIES		
Linden community Development Association	307,766	311,330
Represented by:		
ASSETS		
Mortgages	285,360	331,338
Properties in possession	12,397	—
	<u>297,757</u>	<u>331,338</u>
C. PUBLIC OFFICERS' HOUSING LOAN FUNDS		
LIABILITIES		
Advanced by Government	82,464	82,464
Less - Accumulated overpayment of interest	61,422	61,422
	21,042	21,042
Excess of income over expenditure	15,206	13,624
	<u>36,248</u>	<u>34,666</u>
Represented by:-		
ASSETS		
Mortgages	21,724	32,846
Cash at bank	14,524	2,021
	<u>36,248</u>	<u>34,867</u>

Notes to the Accounts

for the year ended 31st December, 1980.



	1980 \$	1979 \$
1. RESERVES		
CAPITAL	65,828	55,828
Balances at 1st January and 31st December, 1980		
REVENUE	2,854,736	2,639,432
Balance at 1st January, 1980		
Add:	318,835	215,303
Unappropriated income for the year	3,173,570	2,854,736
Balance at 31st December, 1980	3,229,398	2,910,563

TOTAL RESERVES

2. FIXED ASSETS

	Cost/ Valuation	Accumulated Depreciation	Net Book Value	Net Book Value
	\$	\$	\$	\$
At 31st December, 1980				
Freehold land	94,830	—	94,830	94,830
Freehold buildings	740,421	90,075	650,346	665,155
Motor Vehicles	46,487	27,164	19,323	27,088
Office equipment	85,660	48,752	36,908	30,959
Machinery and equipment	361,769	198,721	173,048	210,256
	<u>1,329,167</u>	<u>354,712</u>	<u>974,455</u>	<u>1,028,288</u>

Movements to fixed assets

Cost/Valuation at 1st January, 1980	1,313,461
Additions at cost	
Office equipment	12,489
Machinery and equipment	3,217
Cost/Valuation at 31st December, 1980	<u>1,329,167</u>

3. INVESTMENTS (at cost)

	Nominal	Market Value	Book Value	Book Value
		\$	\$	\$
LOCAL				
Government of Guyana				
3½% British Guiana Government 1976/86 bonds G\$	2,600	1,639	1,677	1,677
7% British Guiana Government 1966/86 Debentures	50,000	37,000	50,000	50,000
carried forward		<u>38,638</u>	<u>51,677</u>	<u>51,677</u>

Notes to the Accounts

for the year ended 31st December, 1980.



3. INVESTMENTS (at cost) (cont'd)

	Nominal	Market Value	Book Value	Book Value
		\$	\$	\$
LOCAL				
Government of Guyana				
Brought forward		38,638	51,677	51,677
7% Government of Guyana 1973/83 first issue debentures	500,000	415,000	500,000	500,000
7% Government of Guyana 1973/83 third issue debentures	500,000	415,000	500,000	500,000
7% Government of Guyana 1976/86 loan	1,000,000	740,000	1,000,000	1,000,000
7% Government of Guyana 1976/86 fixed date debentures	50,000	37,000	42,500	42,500
7% Government of Guyana 1977/87 seventh series debentures	1,000,000	720,000	1,000,000	1,000,000
Municipal				
4% Mayor & Town Council 1965/ 80 bonds G\$	—	—	—	5,717
8% Mayor & Town Council 1972/ 82 equated annuity registered bonds	15,024	10,500	15,024	15,798
8% Mayor & Town Council 1975/ 85 fixed date registered bonds	150,000	103,500	150,000	150,000
8% Mayor & Town Council N.A. 1972/82 equated annuity registered bonds	7,705	5,200	7,705	8,076
7% Mayor & Town Council N.A. 1970/85 equated annuity registered bonds	8,210	5,400	8,210	8,729
8% Mayor & Town Council N.A. 1973/83 equated annuity registered bonds	404,000	270,000	404,000	421,150
8% Mayor & Town Council 1975/ 85 fixed date registered bonds	246,000	194,340	246,000	246,000
8% Mayor & Town Council 1976/ 86 fixed date registered bonds	250,000	192,500	250,000	250,000
8% Mayor & Town Council N.A. 1977/87 equated annuity registered bonds	295,952	224,200	295,952	326,308
Other				
6½% Loan - Guyana Co-operative Mortgage Finance Bank	2,000,000	2,000,000	2,000,000	2,000,000
		<u>5,371,378</u>	<u>6,471,096</u>	<u>6,526,956</u>

Notes to the Accounts

for the year ended 31st December, 1980.



3. INVESTMENTS (at cost) Cont'd

	Nominal	1980 Market Value \$	1980 Book Value \$	1979 Book Value \$
brought forward		5,371,378	6,471,098	6,526,950
Overseas				
5% Australia 1981/82 stock	75,172	345,790	259,468	259,468
8% Australia 1981/83 stock	28,756	120,056	95,999	95,999
7% Australia 1979/81 stock	10,000	48,500	39,229	39,229
7 1/2% New Zealand Government 1983/86 stock	57,933	226,660	233,588	233,588
9% Treasury stock 1980	—	—	—	177,468
9% Treasury stock 1987	17,420	64,785	79,449	79,449
8% Treasury loan 1997	48,962	185,440	187,419	187,419
9% Treasury loan 1992/96	44,572	210,600	204,992	110,205
12 1/2% Treasury loan 1995	123,976	564,090	610,961	506,405
12 1/2% Treasury loan 1993	48,715	182,985	221,963	221,963
9% Treasury loan 1994	53,815	260,535	255,724	59,149
12% Treasury stock 1983	18,130	86,570	82,951	—
13% Treasury stock 1990	96,660	409,865	511,232	611,232
7 1/2% Barbados Government Development (1967) loan 1975/85	E.C. \$ 11,600	8,970	11,270	13,475
		<u>8,146,223</u>	<u>9,265,333</u>	<u>9,021,999</u>

Notes to the Accounts

for the year ended 31st December, 1980.



4. MORTGAGE ACCOUNTS

	No of Securities	1980 Amount \$	1979 No of Securities	Amount \$
Balances not exceeding \$ 500	93	6,440	137	16,060
Balances exceeding \$ 500 but not \$ 1,000	76	56,127	85	63,212
Balances exceeding \$ 1,000 but not \$ 2,000	179	274,192	192	276,484
Balances exceeding \$ 2,000 but not \$ 3,000	169	423,981	166	459,921
Balances exceeding \$ 3,000 but not \$ 4,000	216	766,940	220	776,134
Balances exceeding \$ 4,000 but not \$ 5,000	211	954,710	221	409,768
Balances exceeding \$ 5,000 but not \$10,000	1,058	7,674,130	1,051	3,907,899
Balances exceeding \$10,000 but not \$15,000	980	12,354,480	918	11,464,276
Balances exceeding \$15,000 but not \$20,000	689	11,647,316	634	10,966,752
Balances exceeding \$20,000 but not \$25,000	438	9,606,819	355	7,939,213
Balances exceeding \$25,000 but not \$30,000	348	9,627,448	293	8,100,385
Balances exceeding \$30,000	22	665,297	17	612,199
	<u>4,468</u>	<u>54,399,880</u>	<u>4,309</u>	<u>49,477,543</u>
5. HOLDING LOANS				
Balances not exceeding \$ 500	1	(400)	1	34
Balances exceeding \$ 500 but not \$ 1,000	1	926	—	—
Balances exceeding \$ 4,000 but not \$ 5,000	1	4,705	—	—
Balances exceeding \$ 5,000 but not \$ 6,000	—	—	2	10,462
Balances exceeding \$ 15,000 but not \$ 20,000	1	15,600	1	15,868
	<u>4</u>	<u>20,731</u>	<u>4</u>	<u>26,434</u>

Notes to the Accounts

for the year ended 31st December, 1980



6. BREZINA - GUYANA HOUSING PROJECT

	1980		1979	
	No of Securities	Amount \$	No of Securities	Amount \$
Balances exceeding \$ 1,000 but not \$ 2,000	1	1,311	—	—
Balances exceeding \$ 5,000 but not \$ 10,000	31	279,827	29	260,020
Balances exceeding \$ 10,000 but not \$ 15,000	23	256,996	31	345,874
Balances exceeding \$ 15,000 but not \$ 20,000	1	15,233	—	—
	<u>56</u>	<u>553,367</u>	<u>60</u>	<u>605,894</u>
7. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION				
Balances not exceeding \$ 500	3	1,017	2	(72)
Balances exceeding \$ 500 but not \$ 1,000	1	561	6	4,308
Balances exceeding \$ 1,000 but not \$ 2,000	14	20,979	14	22,729
Balances exceeding \$ 2,000 but not \$ 3,000	9	22,725	10	25,256
Balances exceeding \$ 3,000 but not \$ 4,000	4	12,194	3	10,597
Balances exceeding \$ 4,000 but not \$ 5,000	6	27,805	3	13,633
Balances exceeding \$ 5,000 but not \$ 10,000	11	80,059	16	113,702
Balances exceeding \$ 10,000 but not \$ 15,000	2	22,166	3	33,326
Balances exceeding \$ 15,000 but not \$ 20,000	1	17,849	1	17,116
Balances exceeding \$ 20,000 but not \$ 25,000	1	21,665	1	21,988
Balances exceeding \$ 30,000	2	67,349	2	68,753
	<u>54</u>	<u>295,369</u>	<u>61</u>	<u>331,336</u>

Notes to the Accounts

for the year ended 31st December, 1980



8. PUBLIC OFFICERS' HOUSING LOAN FUND

	1980		1979	
	No. of Securities	Amount \$	Securities	Amount \$
Balances not exceeding \$ 500	1	25	1	24
Balances exceeding \$ 500 but not \$ 1,000	1	624	—	—
Balances exceeding \$ 1,000 but not \$ 2,000	1	1,241	—	—
Balances exceeding \$ 2,000 but not \$ 3,000	2	5,247	3	6,692
Balances exceeding \$ 3,000 but not \$ 4,000	—	—	1	3,145
Balances exceeding \$ 5,000 but not \$ 10,000	—	—	1	9,127
Balances exceeding \$ 10,000 but not \$ 15,000	1	14,587	1	13,697
	<u>6</u>	<u>21,724</u>	<u>7</u>	<u>32,645</u>

9. CREDITORS

Included in this figure is \$ 2,564 (1979 - \$ 38,939) which was collected from Brezina's debtors but was not paid over as at 31st December, 1980.

10. CAPITAL COMMITMENTS

Authorised and contracted for Nil (1979 - Nil)
Authorised and not contracted for \$ 14,701 (1979 - \$ 10,102)

11. 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 - of which \$ 75,000 has been provided for in these accounts.

12. EXTRAORDINARY ITEM

In conformity with the conditions of the Society's Group Personal Accident Policy, and in satisfaction of the eventuality stipulated therein, a sum of \$ 50,000 accrued to the Society.

Significant Accounting Policies

at 31st December, 1980



(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.

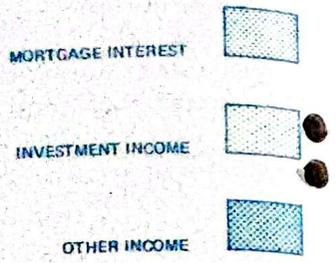
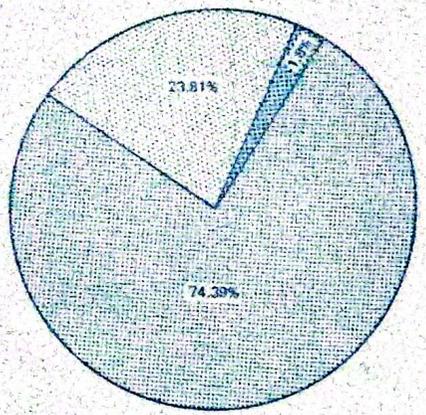
Statement of Source and Application of Funds

for the year ended 31st December, 1980

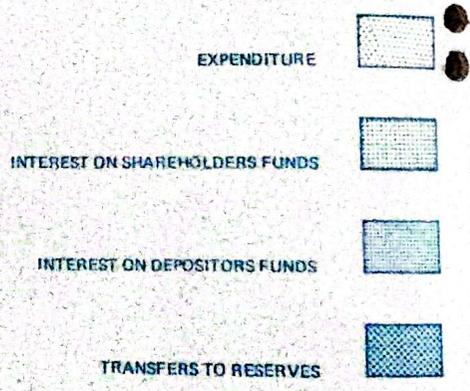
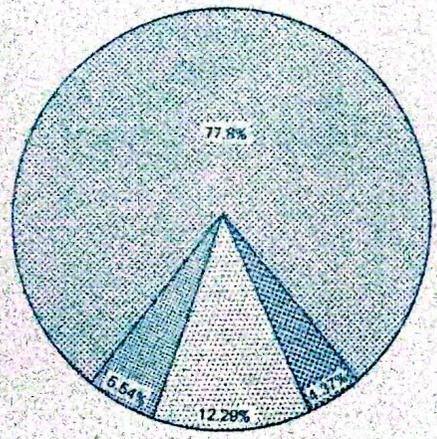


	1980	1979
	\$	\$
SOURCE OF FUNDS		
Unappropriated income for the year	318,835	215,303
Adjustment for items not involving movement of funds:		
Depreciation	<u>69,539</u>	<u>69,636</u>
TOTAL GENERATED FROM OPERATIONS	388,374	285,139
FUNDS FROM OTHER SOURCES		
Increase in advances by Shareholders	8,484,526	6,647,324
Increase in deposits received	795,820	549,281
Investments redeemed	58,067	77,208
Sale of investments	<u>177,468</u>	<u>1,119,342</u>
	<u>9,515,871</u>	<u>8,393,155</u>
	8,904,245	5,678,294
APPLICATION OF FUNDS		
Increase in loan assets	4,947,309	6,212,452
Purchase of fixed assets	15,706	7,268
Purchase of investments	<u>478,859</u>	<u>1,192,650</u>
	<u>5,441,874</u>	<u>7,412,370</u>
	4,462,371	\$ 1,265,924
Represented by:		
INCREASE/(DECREASE) IN WORKING CAPITAL		
Increase in debtors	71,070	134,268
(Increase)/decrease in creditors	(19,104)	62,309
Movement in Net liquid funds:		
Increase/(decrease) in cash balances	4,570,683	(374,973)
Increase/(decrease) in short term investment	<u>(160,258)</u>	<u>1,454,320</u>
	<u>4,410,405</u>	<u>1,079,347</u>
	\$ 4,462,371	\$ 1,265,924

Sources of Income — 1980



DISTRIBUTION OF INCOME — 1980





**When she gets older
she will need more
than just pocket money.**

THE NEW BUILDING SOCIETY LTD.

Georgetown
New Amsterdam
Linden

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