

**48th
Annual Report
and Accounts
1987**



THE NEW BUILDING SOCIETY LIMITED

THE NEW BUILDING SOCIETY LIMITED

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NOTICE OF MEETING

Notice is hereby given that the Forty-Eighth Annual General Meeting of the Members of The New Building Society Limited will be held at 5.00 p.m. on Monday, 25th April, 1988 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 1987.
2. To fix the remuneration of the Directors for the year 1988.
3. To appoint Auditors for the year 1988.
4. To fix the remuneration of the Auditors for the year 1988.
5. To approve the sum of \$200,000. 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, A.A.
Director/Secretary
10th March, 1988

DIRECTORS

Mooneer A. Khan Esq., J.P. - Chairman
C.H. Da Silva Esq. FCIS - Vice Chairman
E.P. Christiani Esq. M.S.
Jules de Cambra Esq., A.A.
F.A. Eytte Esq., A.A.
C. Fernandes Esq.,
J.A. King Esq., S.C.

MANAGEMENT

Jules de Cambra Esq., - Director/Secretary
S.A. Ramdeen Esq., - Assistant Secretary
M.L. Arjoon Esq., - Accountant
N. Mohamed Esq., - Assistant Accountant
P.B. Purnwasy Esq., - Branch Manager - New Amsterdam
A. Mendes de Franca Esq., - Branch Manager - Linden

SOLICITORS

Messrs. Cameron & Shepherd
2 Avenue of the Republic
Georgetown
Messrs. Mc Doom & Co.
Harcourt Hall
Lot 1 Croal Street
Georgetown

BANKERS

Guyana Bank for Trade & Industry Limited
National Bank of Industry & Commerce Limited
Guyana National Co-operative Bank
Bank of Baroda

AUDITORS

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

THE NEW BUILDING SOCIETY LIMITED

REPORT OF THE DIRECTORS

The Directors are pleased to present the Forty-Eighth Annual Report and Financial Statement of the Society for the year ended 31st December, 1987.

Shares and Deposits

During the year 1,864 Investors opened accounts and the Total Investments in the Society increased by \$75,149,496 to \$414,193,915

Mortgages

On 7th May, 1987, the Mortgage ceiling was increased from \$50,000 to \$250,000.

The Society reached agreement with the Guyana Mortgage Finance Company Limited and the Guyana Housing and Development Company Limited to take over the existing mortgages held by the two Companies at 1st July, 1987. Accordingly, 489 Mortgages totalling \$3,879,795 were taken over at that date.

The total amount advanced during the Financial year as loans on the security of Freehold and Leasehold Property was \$13,066,484. The total number of Mortgages executed was 237.

At 31st December, 1987 there were 3,879 Mortgages in force totalling \$63,379,138.

One Mortgage account was more than twelve months in arrear at the end of the year. (Section 17(I)c of the Society's Ordinance). The total amount outstanding was \$24,331.

Assets

Total Assets increased by \$86,620,357 during the year to \$441,961,865 representing a growth of 24.37%

Liquidity and Reserves

The Society maintained a strong financial position through 1987. At year end, Liquid Assets (i.e. Cash and Short Term Investments) stood at \$198,507,478 representing 44.9% of total Assets.

The General Reserve was increased by \$11,598,423 to \$27,006,027 which is 6.11% of Total Assets at year end

Annual Valuation

The Annual Valuation of the Assets and Liabilities of the Society as required by the Board revealed no likely loss. Three properties were in the Society's possession at year-end and will be sold during 1988.

THE NEW BUILDING SOCIETY LIMITED

Auditors

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

BY ORDER OF THE BOARD

Jules de Cambra, A.A.
Director/Secretary
10th March, 1988

REPORT OF THE AUDITORS TO THE MEMBERS OF THE NEW BUILDING SOCIETY LIMITED

We have examined the financial statements set out on pages 6 to 25 and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

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

In our opinion proper accounting records have been maintained and the financial statements, which are in agreement therewith and which have been prepared under the historical cost convention, modified by the valuation of freehold land, give a true and correct view of the state of the Society's affairs at December 31, 1987 of the excess of its income over expenditure and of the source and application of its funds for the year then ended.

JACK A. ALLI, SONS & CO.
Correspondents of Price Waterhouse
145 Crown Street
Queenstown
Georgetown, Guyana

March 9, 1988

THE NEW BUILDING SOCIETY LIMITED
REVENUE AND APPROPRIATION ACCOUNTS

Income

Interest earned on:

Mortgage loans

Housing loans and purchase tenancies

Temporary loans

Bank accounts

Treasury bills

Investments

Net profit on sale of investments

Discounts received on purchase of loan assets

Fees, commissions, rule books, etc.

Administration fees – P.O.H.L.F. and others

Inspection fees

Rents received

Gain on foreign currency transactions

Expenditure

Management expenses

Directors' fees

Directors travelling

Directors' pension

Audit fees

Office premises

Charitable and educational donations

Depreciation

Excess of income over expenditure

Distributed as follows –

Interest on:

Fully paid investing shares

Five dollar shares

Save and prosper shares

Deposits

Unappropriated income transferred to revenue reserves

THE NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1987

	1987	1986
	\$	\$
	8,033,187	7,285,957
	1,685	1,992
	7,514	7,813
	3,771,394	14,882
	14,004,399	12,458,044
	29,254,345	18,882,714
	—	—
	581,969	923
	126,496	—
	10,433	136,314
	19,816	8,502
	—	15,143
	43,608	2,370
	<u>55,854,846</u>	<u>38,866,760</u>
	2,846,027	2,249,345
	42,000	29,400
	30,000	30,000
	2,700	1,313
	45,000	30,000
	217,345	24,113
	160,000	200,000
	181,059	78,166
	<u>3,524,131</u>	<u>2,642,337</u>
	<u>52,330,715</u>	<u>36,224,423</u>
	7	7
	35,724,484	26,338,281
	1,515,345	1,449,936
	3,492,456	2,315,364
	<u>40,732,292</u>	<u>30,103,588</u>
	<u>11,598,423</u>	<u>6,120,836</u>

The notes on pages 14 to 25 form part of these financial statements.

THE NEW BUILDING SOCIETY LIMITED
BALANCE SHEET

	Note
Investors' Balances, Liabilities And Reserves	
Shares	
Deposits	
Creditors and Accruals	
Reserves	2
Assets	
Loan assets	3
Investments and cash	4
Fixed Assets	5
Debtors and prepayments	

Approved by the Board of Directors on March 7, 1988

MOONEER A. KHAN Director
E.P. CHRISTIANI Director
JULES de CAMBRA Director/Secretary

The notes on pages 14 to 25 form part of these financial statements.

THE NEW BUILDING SOCIETY LIMITED
DECEMBER 31, 1987

1987	1986
S	S
15,235,852	308,807,706
38,958,063	30,236,713
761,923	889,485
27,006,027	15,407,804
441,961,865	355,341,508
63,513,614	60,642,830
376,306,933	293,036,189
1,967,434	1,603,350
173,884	59,139
441,961,865	355,341,508

THE NEW BUILDING SOCIETY LIMITED
FUNDS ADMINISTERED BY THE SOCIETY

THE NEW BUILDING SOCIETY LIMITED

AT DECEMBER 31, 1987

A. BREZINA - GUYANA HOUSING PROJECT

	Notes	1987 \$	1986 \$
Liabilities			
U.S. Investors		316,058	316,058
Guyana Investors		28,536	37,568
Sundry creditors		142,418	103,738
		<u>487,012</u>	<u>457,364</u>
Represented by:			
Assets			
Mortgages	8	211,839	284,268
Sundry debtors		96,559	27,263
External Payment Deposits		178,614	145,843
		<u>487,012</u>	<u>457,364</u>

B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

Liabilities			
Linden Community Development Association		117,587	144,632
Represented by:			
Assets:			
Mortgages	9	94,962	144,632
Properties in possession		22,625	-
		<u>117,587</u>	<u>144,632</u>

C. PUBLIC OFFICERS HOUSING LOAN FUNDS

Liabilities			
Advanced by Government		62,964	62,964
Less - Accumulated overpayment of interest		61,422	61,422
		1,542	1,542
Sundry creditors		167	126
Excess of income over expenditure		22,059	20,782
		<u>23,768</u>	<u>22,450</u>
Represented by:			
Assets:			
Mortgages	10	23,662	22,218
Cash at bank		106	232
		<u>23,768</u>	<u>22,450</u>

THE NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

THE NEW BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1987

	Notes	1987 \$	1986 \$
1. SHARES			
Fully paid investing shares		688	679
Five dollar shares		361,940,745	296,243,594
Save and Prosper shares		13,294,419	12,563,433
		<u>375,235,852</u>	<u>308,807,706</u>
2. RESERVES			
Capital			
Balances at January 1 and December 31, 1987		<u>55,828</u>	<u>55,828</u>
Revenue			
Balance at January 1, 1987		15,351,776	9,230,941
Add:			
Unappropriated income for the year		11,598,423	6,120,635
		<u>26,950,199</u>	<u>15,351,776</u>
Total Reserves		<u>27,006,027</u>	<u>15,407,604</u>
3. LOAN ASSETS			
Mortgage accounts	6	63,379,138	60,519,651
Housing loans	7	—	6,303
Brezing-Guyana Housing Project		11,362	14,331
Properties-in-possession		35,524	49,288
Temporary loans		87,590	53,257
		<u>63,513,614</u>	<u>60,642,830</u>
4. INVESTMENTS AND CASH			
Foreign Investments			
Final redemption date in:		256,709	—
Not more than 5 years		2,969,706	2,405,598
5 – 15 years			
Local Investments			
(a) Repayable in not more than 6 months		171,301,695	128,461,218
(b) Final redemption date in:			
not more than 5 years		54,680,147	40,078,128
5 – 15 years		95,498,650	96,406,775
		<u>324,706,907</u>	<u>267,345,719</u>
carried forward			

THE NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

THE NEW BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1987

	1987 \$	1986 \$
4. INVESTMENTS AND CASH (CONT'D)		
Brought forward	324,706,907	267,345,719
Cash at Bank and in Hand		
Repayable in not more than 6 months	27,205,783	8,358,089
Interest Accrued (gross)	24,394,243	17,332,381
	<u>376,306,933</u>	<u>293,036,189</u>
Market value of investments	384,051,008	244,973,382
Maturity value of investments	393,775,478	270,283,289

5 FIXED ASSETS

(a) Book values At December 31, 1987	Cost Valuation \$	Accumulated Depreciation \$	Net Book Value \$	Net Book Value \$
Freehold land	94,830	-	94,830	94,830
Freehold buildings	935,030	205,744	729,286	704,232
Motor vehicles	534,012	149,165	384,847	102,881
Furniture and equipment	157,763	104,638	53,125	40,688
Machinery and equipment	1,176,740	471,394	705,346	660,719
	<u>2,898,375</u>	<u>930,941</u>	<u>1,967,434</u>	<u>1,603,350</u>

(b) Movements to fixed assets

Cost/Valuation at January 1, 1987	2,353,232
Additions at cost	
Freehold buildings	43,036
Furniture and equipment	20,806
Machinery and equipment	128,247
Motor vehicles	353,055
	<u>545,143</u>
Cost/Valuation at December 31, 1987	<u>2,898,375</u>

THE NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

THE NEW BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1987

6. MORTGAGE ACCOUNTS

Balances not exceeding \$500
 Balances exceeding \$500 but not \$1,000
 Balances exceeding \$1,000 but not \$2,000
 Balances exceeding \$2,000 but not \$3,000
 Balances exceeding \$3,000 but not \$4,000
 Balances exceeding \$4,000 but not \$5,000
 Balances exceeding \$5,000 but not \$10,000
 Balances exceeding \$10,000 but not \$15,000
 Balances exceeding \$15,000 but not \$20,000
 Balances exceeding \$20,000 but not \$25,000
 Balances exceeding \$25,000 but not \$30,000
 Balances exceeding \$30,000 but not \$50,000
 Balances exceeding \$50,000 but not \$100,000
 Balances exceeding \$100,000 but not \$200,000
 Balances exceeding \$200,000 but not \$250,000
 Balances exceeding \$250,000

	No. of Securities	1987 Amount \$	No. of Securities	1986 Amount \$
	95	13,376	78	16,532
	58	44,628	56	41,691
	116	176,452	112	167,543
	159	396,291	111	283,586
	154	536,792	144	509,294
	194	868,101	145	649,341
	851	6,315,606	816	6,144,255
	663	8,301,280	741	9,227,050
	488	8,476,631	526	9,160,735
	338	7,551,946	387	8,637,489
	227	6,203,047	249	6,798,585
	478	19,040,078	452	18,066,334
	43	2,657,007	16	817,215
	9	1,365,788	-	-
	5	1,181,293	-	-
	1	250,822	-	-
	<u>3,879</u>	<u>63,379,138</u>	<u>3,833</u>	<u>60,519,651</u>

7. HOUSING LOANS

Balances exceeding \$5,000 but not \$10,000

	-	-	1	6,303
	<u>-</u>	<u>-</u>	<u>1</u>	<u>6,303</u>

THE NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. BREZINA-GUYANA HOUSING PROJECT

Balances not exceeding \$ 500
 Balances exceeding \$ 1,000
 but not \$ 2,000
 Balances exceeding \$ 2,000
 but not \$ 4,000
 Balances exceeding \$ 4,000
 but not \$ 5,000
 Balances exceeding \$ 5,000
 but not \$10,000
 Balances exceeding \$10,000
 but not \$15,000

	No. of Securities	1987 Amount \$	No. of Securities	1986 Amount \$
	1	36	-	-
	2	2,278	-	-
	3	10,642	1	2,692
	1	4,577	2	8,855
	28	181,965	34	239,239
	1	12,341	3	33,472
	<u>36</u>	<u>211,839</u>	<u>40</u>	<u>284,258</u>

9. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

Balances not exceeding \$ 500
 Balances exceeding \$ 500
 but not \$ 1,000
 Balances exceeding \$ 1,000
 but not \$ 2,000
 Balances exceeding \$ 2,000
 but not \$ 3,000
 Balances exceeding \$ 3,000
 but not \$ 4,000
 Balances exceeding \$ 4,000
 but not \$ 5,000
 Balances exceeding \$ 5,000
 but not \$10,000
 Balances exceeding \$15,000
 but not \$20,000
 Balances exceeding \$20,000
 but not \$25,000
 Balances exceeding \$25,000
 but not \$30,000

	4	892	1	126
	1	803	1	967
	1	1,662	4	5,532
	3	8,059	2	5,354
	-	-	1	3,186
	1	4,735	2	9,102
	2	16,546	5	34,906
	1	16,904	1	17,114
	2	45,361	2	41,575
	-	-	1	26,770
	<u>15</u>	<u>94,962</u>	<u>20</u>	<u>144,632</u>

THE NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

THE NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1987

	No. of Securities	1987 Amount \$	No. of Securities	1986 Amount \$
10. PUBLIC OFFICERS' HOUSING LOAN FUND				
Balances not exceeding \$ 500	—	—	—	—
Balances exceeding \$ 500 but not \$ 1,000	1	994	1	933
Balances exceeding \$15,000	1	22,668	1	21,285
	2	23,662	2	22,218

11. SIGNIFICANT ACCOUNTING POLICIES
(a) DEPRECIATION

Freehold buildings are written off over a period of fifty years. Motor vehicles, office and other equipment are written off by equal instalments over the estimated useful lives ranging from 4 to 10 years.

(b) 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 financial statements only if it would materially affect the financial statements.

(c) INVESTMENTS

Investments are stated at cost to the Society.