

**49th
Annual Report
and Accounts
1988**



THE NEW BUILDING SOCIETY LIMITED

THE NEW BUILDING SOCIETY LIMITED

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THE NEW BUILDING SOCIETY LIMITED

NOTICE OF MEETING

Notice is hereby given that the Forty-Ninth Annual General Meeting of the Members of The New Building Society Limited will be held at 5.00 p.m. on Monday, 17th April, 1989 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 1988.
2. To confirm the appointments by the Board of Directors of Mr. John G. Carpenter, B.Sc., Mr. George D. Jardim and Mr. Joseph A. Chin as Directors.
3. To elect Directors for the period 1989 - 1991.
4. To fix the remuneration of the Directors for the year 1989.
5. To appoint Auditors for the year 1989.
6. To fix the remuneration of the Auditors for the year 1989.
7. To approve the sum of \$240,000.00 to be donated to Charity and for Educational purposes.
8. (a) To approve the expenditure of \$8,000,000.00 for the 50th Anniversary Celebrations negotiations for which were previously approved at the Special General Meeting held on 28th July, 1988.
(b) To approve a further sum of \$1,000,000.00 making a total of \$9,000,000.00 to mark the 50th Anniversary Celebrations of the Society.
9. Any Other Business of which due notice shall have been given.

By ORDER OF THE BOARD
Jules de Cambra, A.A.
Director/Secretary
14th March, 1989

THE NEW BUILDING SOCIETY LIMITED

DIRECTORS

Mooneer A. Khan Esq., J.P. - Chairman
J.A. King Esq., S.C. - Vice Chairman
J.G. Carpenter Esq. B.Sc.
J.A. Chin Esq.
Jules de Cambra Esq., A.A.
F.A. Eytte Esq., A.A. J.P.
G.D. Jardim Esq.

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 Coal 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. Alli Sons & Company
145 Crown Street, Queenstown, Georgetown.

THE NEW BUILDING SOCIETY LIMITED

REPORT OF THE DIRECTORS

The Directors are pleased to present the Forty-Ninth Annual Report and Financial Statement of the Society for the year ended 31st December, 1988.

Shares and Deposits

During the year 1947 investors opened accounts and the total investments in the Society increased by \$75,372,681 to \$489,566,596.

Mortgages

The total amount advanced during the Financial year as loans on the Security of Freehold and Leasehold Property was \$32,273,285. The total number of Mortgages executed was 331.

At 31st December, 1988 there were 3,450 Mortgages in force totalling \$80,036,249.

Three Mortgage accounts were 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 \$14,077.

Assets

Total Assets increased by \$87,563,091 during the year to \$529,524,956 representing a growth of 19.81%.

Liquidity & Reserves

The Society maintained a strong Financial position through 1988. At year-end Liquid Assets (i.e. Cash and Term Investments) stood at \$170,534,127 representing 32.21% of Total Assets.

The General Reserve was increased by \$12,428,379 to \$39,434,406 which is 7.45% 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.

One property was in the Society's possession at year-end and will be sold during 1989.

Directorate

Mr. C.H. da Silva, F.C.I.S. and Mr. C.J. Fernandes resigned from the Board during the year. Mr. E.P. Christiani, M.S. former Vice Chairman died on 19th January 1989. Messrs. J.G. Carpenter, B.Sc., G.D. Jardim and J.A. Chin were appointed to fill the vacancies respectively. These appointments were made under the Society's Rule No. 43.

THE NEW BUILDING SOCIETY LIMITED

Under the Provisions of the Society's Rule 47, the Directors whose names are listed below, retire after the Forty-Ninth Annual General Meeting. They are eligible and offer themselves for re-election — J.G. Carpenter, Esq., B.Sc., J.A. Chin, Esq., F.A. Eytte, Esq. A.A., J.P. G.D. Jardim, Esq., M.A. Khan, Esq., J.P. J.A. King, Esq. S.C.

Auditors

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

BY ORDER OF THE BOARD

Jules de Cambra, A.A.
Director/Secretary
14th March, 1989

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 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, 1988, 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 13, 1989

THE NEW BUILDING SOCIETY LIMITED
REVENUE AND APPROPRIATION ACCOUNTS

Income	1988 \$
Interest earned on:	
Mortgage loans	8,622,145
Housing loans	2,247
Temporary loans	21,813
Bank accounts	4,754,472
Treasury bills	16,259,469
Investments	35,329,612
Net profit on sale of Fixed Assets	77,000
Discounts received on purchase of loan assets	-
Fees, commissions, rule books, etc.	128,114
Administration fees — P.O. H. L. F. and others	8,765
Inspection fees	22,016
Gain on foreign currency transactions	-
	<u>65,225,653</u>
 Expenditure:	
Management expenses	3,596,292
Directors' fees	50,400
Directors' travelling	37,200
Directors' pension	7,700
Audit fees	60,000
Office premises	247,034
Charitable and educational donations	195,300
Depreciation	238,129
	<u>4,432,055</u>
 Excess of income over expenditure	<u>60,793,598</u>
 Distributed as follows —	
Interest on:	
Fully paid investing shares	7
Five dollar shares	42,718,142
Save and prosper shares	1,613,146
Deposits	4,033,924
	<u>48,365,219</u>
 Unappropriated income transferred to revenue reserves	<u>12,428,379</u>

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

THE NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1988

	1988 \$	1987 \$
Interest earned on:		
Mortgage loans	8,622,145	8,033,187
Housing loans	2,247	1,686
Temporary loans	21,813	7,514
Bank accounts	4,754,472	3,771,394
Treasury bills	16,259,469	14,004,399
Investments	35,329,612	29,284,345
Net profit on sale of Fixed Assets	77,000	-
Discounts received on purchase of loan assets	-	581,969
Fees, commissions, rule books, etc.	128,114	126,496
Administration fees — P.O. H. L. F. and others	8,765	10,433
Inspection fees	22,016	19,816
Gain on foreign currency transactions	-	43,608
	<u>65,225,653</u>	<u>55,854,846</u>
 Expenditure:		
Management expenses	3,596,292	2,846,027
Directors' fees	50,400	42,000
Directors' travelling	37,200	30,000
Directors' pension	7,700	2,700
Audit fees	60,000	45,000
Office premises	247,034	217,345
Charitable and educational donations	195,300	160,000
Depreciation	238,129	181,059
	<u>4,432,055</u>	<u>3,524,131</u>
 Excess of income over expenditure	<u>60,793,598</u>	<u>52,330,715</u>
 Distributed as follows —		
Interest on:		
Fully paid investing shares	7	7
Five dollar shares	42,718,142	35,724,484
Save and prosper shares	1,613,146	1,515,345
Deposits	4,033,924	3,492,456
	<u>48,365,219</u>	<u>40,732,292</u>
 Unappropriated income transferred to revenue reserves	<u>12,428,379</u>	<u>11,598,423</u>

THE NEW BUILDING SOCIETY LIMITED

BALANCE SHEET

	Note
Investors' Balances, Liabilities and Reserves	
Shares	1
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 9, 1989

MOONEER, A. KHAN Director
 J.A. KING Director
 JULES de CAMBRA Director/Secretary

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

THE NEW BUILDING SOCIETY LIMITED

DECEMBER 31, 1988

1988	1987
\$	\$
445,451,398	375,235,852
44,115,198	39,958,093
523,954	761,323
39,434,406	27,006,027
<u>529,524,956</u>	<u>441,961,295</u>
80,227,369	61,513,814
447,081,096	376,306,813
1,858,997	1,807,434
357,494	173,884
<u>529,524,956</u>	<u>441,961,295</u>

FUNDS ADMINISTERED BY THE SOCIETY

AT DECEMBER 31, 1988

A. BREZINA-GUYANA HOUSING PROJECT

	Notes	1988	1987
		\$	\$
Liabilities			
U.S. investors		316,058	318,058
Guyana investors		8,088	78,536
Sundry creditors		169,826	142,419
		<u>494,052</u>	<u>497,012</u>
Represented by:			
Assets			
Mortgages	7	147,934	211,838
Sundry debtors		100,537	98,568
External payment deposits		245,581	178,614
		<u>494,052</u>	<u>487,012</u>

B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

Liabilities			
Linden Community Development Association		84,429	117,587
Represented by:			
Assets			
Mortgages	8	75,977	84,962
Properties in possession		8,452	27,625
		<u>84,429</u>	<u>117,587</u>

C. PUBLIC OFFICERS HOUSING LOAN FUNDS

Liabilities			
Advanced by Government		62,964	62,964
Less - Accumulated overpayment of interest		61,422	61,422
		<u>1,542</u>	<u>1,542</u>
Sundry creditors		344	167
Excess of income over expenditure		23,420	22,089
		<u>25,306</u>	<u>23,768</u>
Represented by:			
Assets			
Mortgages		25,200	23,862
Cash at bank	9	106	106
		<u>25,306</u>	<u>23,768</u>

**THE NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS**

1. SHARES

Fully Paid Investing Shares
Five Dollar Shares
Save and Prosper Shares

2. RESERVES

Capital

Balances at January 1 and December 31, 1988

Revenue

Balance at January 1, 1988
Add:
Unappropriated Income for the year

Balance at December 31, 1988

Total Reserves

3. LOAN ASSETS

Mortgage accounts
Brezina-Guyana Housing Project
Properties in possession
Temporary loans

4. INVESTMENTS AND CASH

Foreign Investments

Final redemption date in:
Not more than 5 years
5-15 years

Local Investments

(a) Repayable in not more than 6 months
(b) Final redemption date in:
not more than 5 years
5-15 years

carried forward

**THE NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED 31, DECEMBER 1988**

	1988	1987
	\$	\$
	695	698
	431,482,503	361,940,745
	13,968,200	13,294,419
	<u>445,451,398</u>	<u>375,235,852</u>
	<u>55,828</u>	<u>55,828</u>
	26,950,199	15,351,776
	12,428,379	11,598,423
	<u>39,378,578</u>	<u>26,950,199</u>
	<u>39,434,406</u>	<u>27,006,027</u>
	80,036,249	63,379,138
	5,629	11,362
	5,283	35,524
	180,208	87,590
	<u>80,227,369</u>	<u>63,513,614</u>
	1,044,925	256,709
	2,977,134	2,969,706
	141,179,819	171,301,695
	151,020,758	54,680,147
	84,501,800	95,498,650
	<u>380,724,436</u>	<u>324,706,907</u>

THE NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENTS AND CASH (CONT'D)

Brought forward	1988
	\$
Cash at Bank and in Hand	380,724,436
Repayable in not more than 6 months	29,364,308
Interest Accrued (gross)	37,002,352
	<u>447,081,096</u>
Market value of investments	448,364,450
Maturity value of investments	460,509,067

5. FIXED ASSETS

	Cost/ Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
(a) Book Values			
At December 31, 1988			
Freehold land	94,830	-	94,830
Freehold buildings	937,574	224,465	713,109
Motor vehicles	502,552	218,214	284,338
Furniture and equipment	159,703	114,707	44,996
Machinery and equipment	1,268,562	546,838	721,724
	<u>2,963,221</u>	<u>1,104,224</u>	<u>1,858,997</u>
(b) Movements to fixed assets			
Cost/Valuation at January 1, 1988			2,898,375
Additions at cost			
Freehold buildings		2,544	
Furniture and equipment		2,340	
Machinery and equipment		<u>124,808</u>	
			<u>129,692</u>
Disposals at cost			3,028,067
Motor vehicles	31,460		
Furniture and equipment	400		
Machinery and equipment	<u>32,988</u>		
			<u>64,846</u>
Cost/Valuation at December 31, 1988			<u>2,963,221</u>

THE NEW BUILDING SOCIETY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS

5 FIXED ASSETS (Cont'd)

(c) Analysis of Cost or Valuation

At Valuation

Freehold land – year of valuation 1970

1988

\$

94,830

At Cost

Freehold buildings

937,574

Motor Vehicles

502,552

Office Equipment

59,703

Machinery and equipment

1,268,562

2,963,221

1987

\$

(d) Capital Commitment

The following capital commitment is not provided for in these financial statements:

Authorised but not contracted for

126,294

Authorised and contracted for

108,275

THE NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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

THE NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1988

No. of Securities	1988 Amount \$	No. of Securities	1987 Amount \$
72	14,096	95	13,376
60	43,679	58	44,628
118	179,808	116	176,452
138	341,222	159	396,291
147	514,458	154	536,792
163	728,801	194	868,101
671	4,911,153	851	6,315,606
568	7,106,404	663	8,301,280
404	7,044,962	488	8,476,631
252	5,651,848	338	7,551,946
197	5,393,482	227	6,203,047
434	16,891,523	478	19,040,078
96	6,649,309	43	2,657,007
76	11,642,033	9	1,385,788
39	9,151,476	5	1,181,293
15	3,771,995	1	250,822
<u>3450</u>	<u>80,036,249</u>	<u>3879</u>	<u>63,379,136</u>

THE NEW BUILDING SOCIETY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS

THE NEW BUILDING SOCIETY LIMITED
 FOR THE YEAR ENDED DECEMBER 31, 1988

7. BREZINA GUYANA HOUSING PROJECT

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 \$4,000
 Balances exceeding \$4,000
 but not \$8,000
 Balances exceeding \$8,000
 but not \$10,000
 Balances exceeding \$10,000
 but not \$15,000

No. of Securities	1988 Amount \$	No. of Securities	1987 Amount \$
		1	34
1	727		
1	1,829	2	2,298
4	13,476	3	10,642
7	32,605	1	4,877
14	86,281	28	107,965
1	13,304	1	12,347
<u>28</u>	<u>147,934</u>	<u>36</u>	<u>311,239</u>

8. 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 \$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

1	147	4	807
1	643	1	802
2	3,017	1	1,862
		3	2,058
1	4,050	1	4,735
1	6,850	2	16,548
1	15,964	1	16,904
2	43,306	2	45,261
<u>9</u>	<u>75,977</u>	<u>16</u>	<u>94,967</u>

THE NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9. PUBLIC OFFICERS' HOUSING LOAN FUND

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

No. of Securities	1988 Amount \$	No. of Securities	1987 Amount \$
—	—	1	994
1	1,058	—	—
1	24,142	1	22,668
—	—	—	—
2	25,200	2	23,662
<u> </u>	<u> </u>	<u> </u>	<u> </u>

10. 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 rate 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.