



**Annual Report  
and Accounts  
1989**



**nbs**

THE NEW BUILDING SOCIETY LIMITED

**NEW BUILDING SOCIETY LIMITED**

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## NEW BUILDING SOCIETY LIMITED

### NOTICE OF MEETING

Notice is hereby given that the Fiftieth Annual General Meeting of the Members of The New Building Society Limited will be held at 5:00 p.m. on Monday, 9th April, 1990 at the Hotel Tower Limited, 74-75 Main Street, Georgetown.

### AGENDA

1. To consider the Annual Report of the Directors and the Financial Statement for the year 1989.
2. To fix the remuneration of the Directors for the year 1990.
3. To appoint Auditors for the year 1990.
4. To fix the remuneration of the Auditors for the year 1990.
5. To approve the sum of \$300,000.00 to be donated to charity and for Educational Purposes.
6. To approve the sum of \$1,000,000.00 being an amount in addition to the sum of \$2,500,000.00 previously approved for the Society's 50th Anniversary Celebrations.
7. To approve the following amendments to the Rules of the Directors' Pension Scheme:-
  - (a) That the word "Retirement" used in Rule 3 (ii) be changed to "Payment".
  - (b) That a new sub rule be added as follows:-
    - 3 (v) That a Special Pension may be awarded to a person who has served as a Director but fails to qualify under paragraph 1 above at a rate and from a date of commencement to be determined by the Board
8. Any other business of which due notice shall have been given.

By ORDER OF THE BOARD  
Jules de Cambra, A.A.  
Director/Secretary  
15th March, 1990

## 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  
M. Raffick Esq. - Branch Manager, New Amsterdam  
G. Toovey Esq. - Branch Manager, Linden

### SOLICITORS

Messers. Cameron & Shepherd  
2 Avenue of the Republic  
Georgetown

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

## NEW BUILDING SOCIETY LIMITED

### REPORT OF THE DIRECTORS

The Directors submit the Fiftieth Annual Report and Financial Statement of the Society for the year ended 31st December, 1989.

#### Shares and Deposits

During the year 4,124 investors opened accounts and the total investments in the Society increased by \$168,004,874 to \$657,571,470.

#### Mortgages

The total amount advanced during the financial year as loans on the security of Freehold and Leasehold properties was \$29,036,106. The total number of Mortgages executed was 243.

At 31st December, 1989 there were 2,588 Mortgages in force totaling \$85,077,800. No mortgage account was more than twelve months in arrear at the end of the year. (Section 17 (1) C of the Society's Ordinance).

#### Assets

Total Assets increased by \$156,847,957 during the year to \$686,372,913 representing a growth of 29.62%.

#### Liquidity and Reserves

At year-end Liquid Assets (i.e Cash and Short Term Investments) stood at \$284,726,090 representing 41.48% of Total Assets.

The General Reserve was reduced by \$11,526,499 to \$27,907,907 which is 4.06% 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 1990.

#### Auditors

The Auditors, Messrs. Jack A. Alli, Sons and

## NEW BUILDING SOCIETY LIMITED

Company, Accountants, retire and are eligible for re-election.

#### BY ORDER OF THE BOARD

Jules de Cambra, A.A.

Director/Secretary

15th March, 1990

### 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, 1989, of the excess of its expenditure over income 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, 1990.

**NEW BUILDING SOCIETY LIMITED**  
**REVENUE AND APPROPRIATION ACCOUNTS**

**Income**

Interest earned on  
Mortgage loans  
Housing loans  
Temporary loans  
Bank accounts  
Treasury bills  
Investments  
Net profit on sale of Fixed Assets  
Fees, commissions rule books, etc.  
Administration fees - P.O.H.L.F. and others  
Inspection fees  
Gain on foreign currency transactions

**EXPENDITURE**

Management expenses  
Directors' fees  
Directors' travelling  
Directors' pension  
Audit fees  
Office premises  
Charitable and educational donations  
Depreciation  
Anniversary celebration

Excess of income over expenditure

Distributed as follows.

Interest on:

Fully paid investing shares  
Five dollars shares  
Save and prosper shares  
Deposits

(Loss) / Unappropriated income transferred  
(from) to revenue reserves

**NEW BUILDING SOCIETY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 1989**

	1989	1988
	\$	\$
		8,622,145
		2,247
	11,475,997	21,813
	298	4,754,472
	51,106	16,259,469
	5,448,826	35,329,612
	52,411,484	77,000
	49,593,200	128,114
	-	8,765
	139,652	22,016
	6,965	
	15,237	
	1,217,949	
	<u>120,360,714</u>	<u>65,225,653</u>
		3,596,292
	5,199,441	50,400
	81,600	37,200
	68,400	7,700
	5,500	60,000
	112,500	247,034
	43,188	195,300
	240,000	238,129
	300,754	
	<u>2,453,885</u>	<u>4,432,055</u>
	8,505,268	
		60,793,598
	<u>111,855,446</u>	
		7
	8	42,718,142
	110,013,156	1,513,146
	3,471,808	4,033,924
	9,896,973	
	<u>123,381,945</u>	<u>48,365,219</u>
		12,428,379
	<u>(11,526,499)</u>	

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

NEW BUILDING SOCIETY LIMITED  
BALANCE SHEET

	Note
Investors' Balances, Liabilities and Reserves	
Shares	1
Deposits	
Creditors and Accruals	
Reserves	2

1989	1988
\$	\$
603,408,331	445,451,398
54,163,139	44,115,198
893,536	523,854
27,907,907	39,434,406
<u>686,372,913</u>	<u>529,524,856</u>

Assets

Loan assets	3
Investments and cash	4
Fixed assets	5
Debtors and prepayments	

85,252,751	80,227,369
597,857,220	447,081,096
3,125,490	1,858,997
137,452	357,494
<u>686,372,913</u>	<u>529,524,956</u>

Approved by the Board of Directors on March 13, 1990

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

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

**NEW BUILDING SOCIETY LIMITED**

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**Source of funds**  
**Operations**

(Loss)/Unappropriated income after deducting  
Interest on shares and deposits  
Adjustment for item not involving the  
movement of funds -

Depreciation  
Net profit on sale of fixed assets  
Net receipts from shareholders and  
depositors (including interest capitalised)

**Funds from other source**  
Proceeds from sale of fixed assets

**Application of funds**

Increase in loan assets  
Purchase of fixed assets

Increase in available funds

Represented by:  
Increase in investment and cash  
(Decrease)/Increase in debtors  
and prepayments  
(Increase)/Decrease in creditors  
and accruals

**NEW BUILDING SOCIETY LIMITED**

**FOR THE YEAR ENDED DECEMBER 31, 1983**

	1989		1988	
	\$	\$	\$	\$
(Loss)/Unappropriated income after deducting Interest on shares and deposits Adjustment for item not involving the movement of funds -		(11,526,499)		12,428,379
Depreciation		300,754		238,129
Net profit on sale of fixed assets		-		(77,000)
Net receipts from shareholders and depositors (including interest capitalised)		<u>168,004,874</u>		<u>75,372,681</u>
		156,779,129		87,962,189
<b>Funds from other source</b> Proceeds from sale of fixed assets				<u>77,000</u>
		<u>156,779,129</u>		<u>88,039,189</u>
<b>Application of funds</b>				
Increase in loan assets	(5,025,382)		(16,713,755)	
Purchase of fixed assets	<u>(1,507,247)</u>		<u>(129,692)</u>	
		<u>(6,532,629)</u>		<u>(16,843,447)</u>
Increase in available funds		<u>150,186,500</u>		<u>71,195,742</u>
<b>Represented by:</b>				
Increase in investment and cash	150,776,124		70,774,163	
(Decrease)/Increase in debtors and prepayments	(220,042)		183,610	
(Increase)/Decrease in creditors and accruals	<u>(369,582)</u>		<u>237,969</u>	
		<u>150,186,500</u>		<u>71,195,742</u>

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

**NEW BUILDING SOCIETY LIMITED**

**NEW BUILDING SOCIETY LIMITED**

**FUNDS ADMINISTERED BY THE SOCIETY**

**AT DECEMBER 31, 1989**

**A. BREZINA - GUYANA HOUSING PROJECT**

	Notes	1989 \$	1988 \$
<b>LIABILITIES</b>			
U.S. Investo. s		316,058	316,058
Guyana Investors		1,528	8,068
Sundry creditors		<u>228,532</u>	<u>169,926</u>
		<u>546,118</u>	<u>494,052</u>
Represented by:			
<b>Assets</b>			
Mortgages	7	93,966	147,934
Sundry debtors		163,471	100,537
External payment deposits		<u>288,681</u>	<u>245,581</u>
		<u>546,118</u>	<u>494,052</u>

**B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION**

<b>Liabilities</b>			
Linden Community Development Association		<u>56,313</u>	<u>84,429</u>
Represented by:			
<b>Assets</b>			
Mortgages	8	47,206	75,977
Properties in possession		9,107	8,452
		<u>56,313</u>	<u>84,429</u>

**C. PUBLIC OFFICERS HOUSING LOAN FUNDS**

<b>Liabilities</b>			
Advanced by Government		62,964	62,964
Less - Accumulated overpayment of interest		<u>61,422</u>	<u>61,422</u>
		1,542	1,542
Sundry creditors		344	344
Excess of income over expenditure		<u>25,058</u>	<u>23,420</u>
		<u>26,944</u>	<u>25,306</u>
Represented by:			
<b>Assets</b>			
Mortgages	9	26,838	25,200
Cash at bank		106	106
		<u>26,944</u>	<u>25,306</u>

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

**NEW BUILDING SOCIETY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 1989**

	1989 \$	1988 \$
<b>1. SHARES</b>		
Fully Paid Investing Shares		695
Five Dollar Shares	703	431,482,503
Save and Prosper Shares	587,174,841	13,968,200
	<u>16,232,787</u>	
	<u>603,408,331</u>	<u>445,451,398</u>
<b>2. RESERVES</b>		
<b>Capital</b>		
Balance at January 1, 1989	55,828	55,828
<b>Revenue</b>		
Balance at January 1, 1989		26,950,199
(Deduct)/Add:	39,378,578	12,428,379
(Loss)/Unappropriated income for the year	(11,526,499)	<u>39,378,578</u>
Balance at December 31, 1989	<u>27,852,079</u>	<u>39,378,578</u>
<b>Total Reserves</b>	<u>27,907,907</u>	<u>39,434,406</u>
<b>3. LOAN ASSETS</b>		
Mortgage accounts		80,036,249
Brezina-Guyana Housing Project	65,077,800	5,629
Properties in possession	3,281	5,283
Temporary loans	5,389	180,208
	<u>166,281</u>	
	<u>65,252,751</u>	<u>80,227,369</u>
<b>4. INVESTMENTS AND CASH</b>		
<b>Foreign Investments</b>		
Final redemption date in:		
Not more than 5 years	1,585,120	1,044,925
5 - 15 years	2,436,939	2,977,134
<b>Local Investments</b>		
(a) Repayable in not more than 6 months	262,526,201	141,179,819
(b) Final redemption date in:		
not more than 5 years	151,585,895	151,020,756
5 - 15 years	83,501,800	84,501,800
	<u>501,635,955</u>	<u>380,724,436</u>
Carried forward		

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

**4. INVESTMENTS AND CASH (CONT'D)**  
 Brought forward

**Cash at Bank and in Hand**

Repayable in not more than 6 months  
**Interest Accrued (gross)**

Market value of investments

Maturity value of investments

**5. FIXED ASSETS**

**(a) Book Values**

At December 31, 1989

Freehold land  
 Freehold Buildings  
 Motor Vehicles  
 Furniture and equipment  
 Machinery and equipment

**(b) Movements to fixed assets**

Cost / Valuation at January 1, 1989

Additions at cost

Freehold Buildings  
 Furniture and equipment  
 Machinery and equipment  
 Motor vehicles

Cost / Valuation at December 31, 1989

**NEW BUILDING SOCIETY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 1989**

1989  
 \$

1988  
 \$

501,635,955

380,724,436

22,199,889

29,354,308

74,021,376

37,002,352

597,857,220

447,081,096

565,520,067

448,354,450

652,083,381

460,509,067

Cost/ Accumulated  
 Valuation Depreciation  
 \$ \$

Net Book  
 Value  
 \$

Net Book  
 Value  
 \$

94,830

94,830

94,830

1,781,236 243,314

1,537,922

713,109

717,997 346,381

371,616

284,338

184,406 126,108

58,298

44,996

1,751,999 689,175

1,062,824

721,724

4,530,468

1,404,978

3,125,490

1,858,997

1,567,247

4,530,468

**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

1989                      1988  
\$                              \$

94,830

At Cost  
Freehold buildings  
Motor vehicles  
Office equipment  
Machinery and equipment

1,781,236  
717,997  
184,406  
1,751,999  
4,530,468

**(d) Capital Commitment**

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

Authorised but not contracted for

392,494                      126,964

Authorised and contracted for

Nil                              108,275

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

NEW BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1989

	1989		1988
No. of Securities	Amount \$	No. of Securities	Amount £
58	6,535	72	14,000
35	25,388	60	43,679
89	132,564	118	179,808
96	238,731	138	341,222
87	306,367	147	514,458
98	445,820	163	728,801
448	3,288,152	671	4,811,153
393	4,810,858	568	7,105,404
261	4,529,244	404	7,044,962
191	4,310,481	252	5,651,848
126	3,418,611	197	5,393,482
346	13,274,374	434	16,891,523
144	10,098,210	96	6,544,309
124	18,380,747	76	11,642,033
80	18,512,017	39	9,151,478
13	3,299,701	15	3,771,095
<u>2,588</u>	<u>85,077,800</u>	<u>3,450</u>	<u>80,036,249</u>

**NEW BUILDING SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**7. BREZINA - GUYANA HOUSING PROJECT**

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 \$5,000

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

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

**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 \$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

**NEW BUILDING SOCIETY LIMITED**

**FOR THE YEAR ENDED DECEMBER 31, 1989**

	1989		1988	
No. of Securities	Amount \$	No. of Securities	Amount \$	
		1	727	
1	1,575	1	1,539	
5	16,320	4	13,478	
8	36,024	7	32,605	
4	26,179	14	86,281	
<u>1</u>	<u>13,868</u>	<u>1</u>	<u>13,304</u>	
<u>19</u>	<u>93,966</u>	<u>28</u>	<u>147,934</u>	
1	159	1	147	
1	517	1	643	
-	-	2	3,017	
-	-	1	4,050	
1	8,859	1	8,850	
1	15,455	1	15,964	
1	22,216	2	43,306	
<u>5</u>	<u>47,206</u>	<u>9</u>	<u>75,977</u>	

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

**9. PUBLIC OFFICERS' HOUSING LOAN FUND**

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

Balances exceeding \$20,000

**NEW BUILDING SOCIETY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 1989**

No. of Securities	1989 Amount	No. of Securities	1988 Amount
1	1,127	1	1,058
2	25,711	1	24,142
<u>2</u>	<u>26,838</u>	<u>2</u>	<u>25,200</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.