

**51<sup>st</sup>  
Annual Report  
and Accounts  
1990**



**THE NEW BUILDING SOCIETY LIMITED**

# NEW BUILDING SOCIETY LIMITED

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NOTICE OF MEETING

Notice is hereby given that the Fifty-first Annual General Meeting of the Members of The New Building Society Limited will be held at 5.00 p.m. on Monday, 22nd April, 1991 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 1990.
2. To confirm the appointment by the Board of Directors of Mr. Mohammad A. A. McDoom as a Director.
3. To elect Directors for the period 1991 — 1993.
4. To fix the remuneration of the Directors for the year 1991.
5. To appoint Auditors for the year 1991.
6. To fix the remuneration of the Auditors for the year 1991.
7. (a) To approve the sum of \$600,000.00 to be donated to Charity and for Educational purposes.  
(b) To re-enter into negotiations with the University of Guyana for the erection of a Hall of Residence for the students of the University.
8. To consider and if thought fit, pass the following Resolution as a Special Resolution — that Rule 21(2)ii be amended to read as follows:—  
"that no advance in respect of such security shall exceed one million dollars"
9. Any other business of which due notice shall have been given.

BY ORDER OF THE BOARD  
Jules de Cambra, A.A.  
Director/Secretary  
8th March, 1991

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. Eytie Esq., A.A. J.P.  
M. A. A. McDoom Esq., L.L.B.

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  
K. Payne Esq. — Branch Manager, Linden

SOLICITORS

Messrs. Cameron & Shepherd  
2 Avenue of the Republic  
Georgetown

Messrs. McDoom & 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 are pleased to present the Fifty-first Annual Report and Financial Statement of the Society for the year ended 31st December, 1990.

### SHARES AND DEPOSITS

During the year 5,725 investors opened accounts and the Total investments in the Society increased by \$334,726,686 to \$992,298,165.

### MORTGAGES

The total amount advanced during the Financial year as loans on the Security of Freehold and Leasehold properties was \$27,354,325. The total number of Mortgages executed was 152.

At 31st December, 1990 there were 2,086 Mortgages in force totalling \$95,364,839. No Mortgage Account was more than twelve months in arrear at the end of the year. (Section 17 of the Society's Ordinance).

### ASSETS

Total assets increased by \$365,100,596 during the year to \$1,051,473,509 representing a growth of 53.19%.

### LIQUIDITY AND RESERVES

At year-end Liquid Assets (i.e. Cash and Short Term Investments) stood at \$695,686,886 representing 66.16% of Total Assets.

The General Reserve was increased by \$30,071,767 to \$57,979,674 which is 5.51% 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.

There were no properties in possession at the end of the year.

### DIRECTORATE

Mr. G. D. Jardim resigned from the Board during the year. Mr. M.A.A. McDoom, L.L.B. was appointed to fill the vacancy. This appointment was made under the Society's Rule No. 43.

Under the Provisions of the Society's Rule 47, the Directors whose names are listed on the following page, retire after the

## NEW BUILDING SOCIETY LIMITED

Fifty-first Annual General Meeting. They are eligible and offer themselves for re-election — J.G. Carpenter, Esq., B.Sc., J.A. Chin, Esq., F.A. Eytie, Esq., A.A., J.P., M.A. Khan, Esq., J.P., J.A. King, Esq., S.C., M.A.A. McDoom, Esq., L.L.B.

### AUDITORS

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

By Order of the Board  
Jules de Cambria, A.A.  
Director/Secretary  
8th March, 1991.

### 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 24 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, 1990, 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 8, 1991

**NEW BUILDING SOCIETY LIMITED**

**REVENUE AND APPROPRIATION ACCOUNTS**

**INCOME**

Interest earned on  
 Mortgage loans  
 Housing loans  
 Temporary loans  
 Bank accounts  
 Treasury bills  
 Investments  
 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 celebrations

Excess of income over expenditure

Distributed as follows: —

Interest on:

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

Unappropriated income (loss) transferred  
 to (from) revenue reserves

The notes on pages 14 to 24 form part of these financial  
 statements.

**NEW BUILDING SOCIETY LIMITED**

**FOR THE YEAR ENDED DECEMBER 31, 1990**

	1990 \$	1989 \$
Interest earned on		
Mortgage loans		
Housing loans		
Temporary loans	17,771,058	11,475,907
Bank accounts	—	209
Treasury bills	28,134	51,108
Investments	6,259,593	5,449,828
Fees, commissions, rule books etc	146,521,878	52,411,404
Administration fees — P.O.H.L.F. and others	57,720,019	49,593,200
Inspection fees	190,262	139,852
Gain on foreign currency transactions	1,971	8,965
	17,321	15,237
	<u>3,567,389</u>	<u>1,217,949</u>
	<u>226,475,725</u>	<u>120,560,714</u>
Management expenses		
Directors' fees		
Directors' travelling	9,577,097	5,199,441
Directors' pension	150,000	81,600
Audit fees	150,000	66,400
Office premises	18,300	5,500
Charitable and educational donations	120,000	112,500
Depreciation	283,631	43,199
Anniversary celebrations	300,000	240,000
	409,183	300,754
	<u>1,036,652</u>	<u>2,453,895</u>
Excess of income over expenditure	<u>12,044,863</u>	<u>8,505,269</u>
Distributed as follows: —	<u>214,430,862</u>	<u>111,355,446</u>
Interest on:		
Fully paid investing shares		
Five dollars shares	7	8
Save and prosper shares	166,052,255	110,013,156
Deposits	4,447,862	3,471,908
	<u>13,858,971</u>	<u>9,896,973</u>
Unappropriated income (loss) transferred to (from) revenue reserves	<u>184,359,095</u>	<u>123,381,945</u>
	<u>30,071,767</u>	<u>(11,526,499)</u>

**NEW BUILDING SOCIETY LIMITED**

**BALANCE SHEET**

	NOTE
Investors' Balances, Liabilities and Reserves	
Shares	1
Deposits	
Creditors and accruals	2
Reserves	

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

Approved by the Board of Directors on March 5, 1991

..... J.A. KING ..... Director

..... F.A. EYTLER ..... Director

..... JULES de CAMBRA ..... Director/Secretary

The notes on pages 14 to 24 form part of these financial statements.

**NEW BUILDING SOCIETY LIMITED**

**DECEMBER 31, 1990**

1990	1989
\$	\$
922,631,280	603,408,331
69,666,875	54,163,139
1,195,680	893,536
57,979,674	27,907,907
<u>1,051,473,509</u>	<u>686,372,913</u>
95,499,864	85,252,751
951,648,656	597,857,220
4,248,359	3,125,490
76,630	137,452
<u>1,051,473,509</u>	<u>686,372,913</u>



**NEW BUILDING SOCIETY LIMITED**  
**FUNDS ADMINISTERED BY THE SOCIETY**

**NEW BUILDING SOCIETY LIMITED**  
**AT DECEMBER 31, 1990**

**A BREZINA-GUYANA HOUSING PROJECT**

	NOTES	1990 \$	1989 \$
<b>LIABILITIES</b>			
U.S. Investors		316,058	316,058
Guyana Investors		1,403	1,528
Sundry creditors		290,546	228,532
Represented by:		<u>608,006</u>	<u>546,116</u>
<b>ASSETS</b>			
Mortgages	7	71,158	93,966
Sundry debtors		248,167	183,471
External payment deposits		288,681	288,681
		<u>608,006</u>	<u>546,118</u>

**B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION**

<b>LIABILITIES</b>			
Linden Community Development Association		59,027	56,313
Represented by:			
<b>ASSETS</b>			
Mortgages	8	49,755	47,206
Properties in possession		9,272	9,107
		<u>59,027</u>	<u>56,313</u>

**C. PUBLIC OFFICERS HOUSING LOAN FUNDS**

<b>LIABILITIES</b>			
Advanced by Government		62,964	62,964
Less - Accumulated overpayment of interest		61,422	61,422
		1,542	1,542
		344	344
Sundry Creditors		26,802	25,058
Excess of income over expenditure		28,688	26,944
Represented by:			
<b>ASSETS</b>			
Mortgages	9	28,582	26,838
Cash at bank		106	106
		<u>28,688</u>	<u>26,944</u>

NEW BUILDING SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

NEW BUILDING SOCIETY LIMITED  
FOR THE YEAR ENDED DECEMBER 31, 1990

	1990 \$	1989 \$
1. SHARES		
Fully paid Investing Shares	710	703
Five Dollar Shares	903,698,730	587,174,841
Save and Prosper Shares	18,931,840	18,232,787
	<u>922,631,280</u>	<u>603,408,331</u>
2. RESERVES		
Capital		
Balance at January 1 and December 31, 1990	<u>55,828</u>	<u>55,828</u>
Revenue		
Balance at January 1, 1990	27,852,079	39,378,578
Add/(Deduct) :		
Unappropriated income/(loss) for year	30,071,767	(11,526,499)
Balance at December 31, 1990	<u>57,923,846</u>	<u>27,852,079</u>
Total Reserves	<u>57,979,674</u>	<u>27,907,907</u>
3. LOAN ASSETS		
Mortgage accounts (Note 6)	95,364,839	85,077,800
Brezina-Guyana Housing Project :		
Properties in possession	1,403	3,281
Temporary loans	133,622	5,389
	<u>95,499,864</u>	<u>85,252,751</u>
4. INVESTMENTS AND CASH		
Foreign Investments		
Final redemption date in:		
Not more than 5 years	1,585,120	1,585,120
5—15 years	4,029,813	2,436,939
Local Investments		
(a) Repayable in not more than 6 months	634,587,501	262,526,201
(b) Final redemption date in:		
Not more than 5 years	100,897,311	151,585,895
5—15 years	43,501,800	83,501,800
Carried forward	<u>784,401,545</u>	<u>501,835,955</u>

NEW BUILDING SOCIETY LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

NEW BUILDING SOCIETY LIMITED  
FOR THE YEAR ENDED DECEMBER 31, 1990

4. INVESTMENTS AND CASH (Cont d)	1990 \$	1989 \$
Brought forward	784,401,545	501,635,955
Cash at Bank and in Hand		
Repayable in not more than 6 months	61,099,385	22,199,689
Interest Accrued (gross)	<u>106,147,726</u>	<u>74,021,376</u>
Market value of investments	<u>951,648,656</u>	<u>597,857,220</u>
Maturity value of investments	<u>1,062,383,732</u>	<u>565,520,067</u>
	<u>1,115,026,807</u>	<u>652,083,381</u>

5. FIXED ASSETS

(a) Book Values	Cost/ Valuation \$	Accumulated Depreciation \$	Net Book Value \$	Net Book Value \$
At December 31, 1990				
Freehold land	94,830	—	94,830	94,830
Freehold buildings	1,834,412	279,145	1,555,267	1,537,922
Motor Vehicles	1,941,508	515,113	1,426,395	371,616
Furniture and equipment	206,206	139,331	66,875	58,298
Machinery and equipment	<u>1,985,564</u>	<u>880,572</u>	<u>1,104,992</u>	<u>1,062,824</u>
	<u>6,062,520</u>	<u>1,814,161</u>	<u>4,248,359</u>	<u>3,125,490</u>
(b) Movements to fixed assets				
Cost/Valuation at January 1, 1990			4,530,468	
Additions at cost				
Freehold buildings		53,176		
Motor vehicles		1,223,511		
Furniture and equipment		21,800		
Machinery and equipment		<u>233,565</u>		
			<u>1,532,052</u>	
Cost/Valuation at December 31, 1990			<u>6,062,520</u>	

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

**B. FIXED ASSETS (Cont'd)**

- (i) Analysis of cost or valuation
  - At valuation
    - Freehold land — see 1970
  - At Cost
    - Freehold buildings
    - Motor vehicles
    - Office equipment
    - Machinery and equipment

- (ii) Capital Commitment
- The following capital commitment is not provided for in these financial statements
- Authorised but not contracted for
  - Authorised and contracted for

**NEW BUILDING SOCIETY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 1990**

	1990	1989
	1	1
	94,800	94,800
	1,634,415	1,707,230
	1,184,528	719,887
	208,236	106,870
	1,085,804	1,107,085
	6,162,530	4,430,451
	392,494	250,474
	Nil	Nil



**NEW BUILDING SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**NEW BUILDING SOCIETY LIMITED  
FOR THE YEAR ENDED DECEMBER 31, 1990**

	1990		1989	
	No. of Securities	Amount \$	No. of Securities	Amount \$
<b>7. BREZINA -- GUYANA HOUSING PROJECT</b>				
Balances exceeding \$1,000 but not \$2,000	2	2,933	1	1,575
Balances exceeding \$2,000 but not \$4,000	8	24,033	5	16,320
Balances exceeding \$4,000 but not \$5,000	4	16,968	8	38,024
Balances exceeding \$5,000 but not \$10,000	2	13,480	4	26,179
Balances exceeding \$10,000 but not \$15,000	1	13,764	1	13,658
	<u>17</u>	<u>71,158</u>	<u>19</u>	<u>93,966</u>
<b>8. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION</b>				
Balances not exceeding \$500	2	437	1	169
Balances exceeding \$500 but not \$1,000	—	—	1	517
Balances exceeding \$1,000 but not \$5,000	1	9,073	1	8,859
Balances exceeding \$5,000 but not \$10,000	1	14,807	—	—
Balances exceeding \$10,000 but not \$15,000	—	—	1	15,455
Balances exceeding \$15,000 but not \$20,000	—	—	1	22,218
Balances exceeding \$20,000 but not \$25,000	—	—	—	—
Balances exceeding \$25,000 but not \$30,000	1	26,348	—	—
	<u>5</u>	<u>49,755</u>	<u>5</u>	<u>47,209</u>
<b>9. PUBLIC OFFICERS' HOUSING LOAN FUNDS</b>				
Balances exceeding \$1,000 but not \$2,000	1	1,200	1	1,127
Balances exceeding \$2,000 but not \$30,000	1	27,382	1	25,711
	<u>2</u>	<u>28,582</u>	<u>2</u>	<u>26,838</u>

**NEW BUILDING SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1990**

**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.