

53rd
Annual Report
and Accounts
1992



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 Fifty-third Annual General Meeting of the Members of The New Building Society Limited will be held at 5:00 p.m. on Monday 19th April, 1993 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 1992.
2. To confirm the appointment by the Board of Directors of Mr. Jules de Cambra as a Director.
3. To appoint Directors for the period 1993 - 1995.
4. To fix the remuneration of Directors for the year 1993.
5. To appoint Auditors for the year 1993.
6. To fix the remuneration of the Auditors for the year 1993.
7. To approve the sum of \$2,000,000.00 to be donated to Charity and for Educational Purposes.
8. Any other business of which due notice shall have been given.

BY ORDER OF THE BOARD
Samuel A. Ramdeen
Director/Secretary
9th March, 1993

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. Eytie Esq., A.A., J.P.
S.A. Ramdeen Esq.

MANAGEMENT

S.A. Ramdeen Esq. - Director/Secretary
M.L. Arjoon Esq. - Assistant Secretary/Accountant
N. Mohamed Esq. - Assistant Accountant
D. Khelawan Esq. - Assistant Accountant
M. Ratick Esq., A.I.C.B. - 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

Gyana Bank for Trade and Industry Limited
National Bank of Industry & Commerce Limited
Guyana National Co-operative Bank
Bank of Barbados
Bank of Nova Scotia

AUDITORS

Jack A. All. Sons & Company
145 Crown Street, Georgetown, Georgetown

NEW BUILDING SOCIETY LIMITED

REPORT OF THE DIRECTORS

The Directors are pleased to present the Fifty-third Annual Report and Financial Statement of the Society for the year ended 31st December, 1992.

SHARES AND DEPOSITS

During the year 8,425 investors opened accounts and the total Investments in the Society increased by \$893,733,757 to \$2,405,972,089.

MORTGAGES

The total amount advanced during the Financial year as loans on the Security of Freehold and Leasehold properties was \$150,229,095. The total number of Mortgages executed was 223. At 31st December, 1992 there were 1,506 Mortgages in force totalling \$236,242,480. No Mortgage account was more than twelve months in arrear at the end of the year. (Section 17 of the Society's Act)

ASSETS

Total Assets increased by \$1,005,087,648 during the year to \$2,666,498,172 representing a growth of 60.5%.

LIQUIDITY AND RESERVES

At year-end Liquid Assets (i.e. Cash and Short Term Investments) stood at \$2,133,906,739 representing 80% of Total Assets. The General Reserve was increased by \$105,792,940 to \$221,702,904 which is 9.3% 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

On the 1st January, 1993 Mr. Samuel A. Ramdeen was appointed Director/Secretary following the retirement of Mr. Jules de Cambra on 31st December, 1992. Mr. M.A.A. McDoom, L.L.B. died on 22nd August, 1992. Mr. Jules de Cambra, A.A. was appointed to fill this vacancy. The appointment was made under the Society's Rule No. 43. Under the Provisions of the Society's Rule No. 47, the Directors whose names are listed below, retire after the Fifty-third Annual General Meeting. They are eligible and offer themselves for re-election: J.G. Carpenter, Esq., B.Sc.; J.A. Chin, Esq.; Jules de Cambra, Esq., A.A.; F.A. Eytte, Esq.; A.A. J.P.; M.A. King, Esq.; J.P.; J.A. King, Esq., S.C.

NEW BUILDING SOCIETY LIMITED

REPORT OF THE DIRECTORS (con'td)

AUDITORS

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

By Order of the Board
Samuel A. Ramdeen
Director/Secretary
9th March, 1993

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 23 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, 1992, 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
Correspondent of Price Water House
145 Crown Street
Queenstown
Georgetown
GUYANA

March 5, 1993

NEW BUILDING SOCIETY LIMITED
REVENUE AND APPROPRIATION ACCOUNTS

INCOME

Interest earned on:
 Mortgage loans
 Temporary loans
 Bank accounts
 Treasury bills
 Investments
 Fees, commission, rule books etc.
 Administration fees - P.O.H.L.F. and others
 Inspection fees
 Gain on foreign currency transactions
 Profit on disposals of fixed assets

EXPENDITURE

Management expenses
 Directors' fees
 Directors' traveling
 Directors' pension
 Audit fees
 Office premises
 Charitable and educational donations (Note 6)
 Depreciation

Excess of income over expenditure

Distributed as follows:-

Interest on:
 Fully paid investing shares
 Five dollars shares
 Save and prosper shares
 Deposits

Unappropriated income transferred to revenue reserves

The notes on pages 14 to 23 form part of these financial statements

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1995

	1992	1991
	\$	\$
Interest earned on:		
Mortgage loans	26,724,686	18,815,527
Temporary loans	4,870	8,721
Bank accounts	36,298,315	15,332,741
Treasury bills	407,992,705	395,882,582
Investments	50,520,620	55,131,858
Fees, commission, rule books etc.	735,033	482,216
Administration fees - P.O.H.L.F. and others	2,742	2,977
Inspection fees	56,290	31,831
Gain on foreign currency transactions	32,131,467	2,595,559
Profit on disposals of fixed assets	650,000	
	<u>554,122,621</u>	<u>378,891,894</u>
EXPENDITURE		
Management expenses	42,132,227	24,422,478
Directors' fees	780,000	390,000
Directors' traveling	780,000	390,000
Directors' pension	39,780	18,300
Audit fees	445,000	420,000
Office premises	408,383	205,294
Charitable and educational donations (Note 6)	21,308,742	600,000
Depreciation	1,763,914	832,967
	<u>67,658,046</u>	<u>37,293,337</u>
Excess of income over expenditure	<u>486,464,575</u>	<u>351,897,559</u>
Distributed as follows:-		
Interest on:		
Fully paid investing shares	7	7
Five dollars shares	352,347,137	269,807,674
Save and prosper shares	4,996,722	5,203,190
Deposits	23,327,789	18,656,090
	<u>380,671,635</u>	<u>293,767,861</u>
Unappropriated income transferred to revenue reserves	<u>105,792,940</u>	<u>57,930,280</u>

NEW BUILDING SOCIETY LIMITED
BALANCE SHEET

	NOTE
Investors' Balance	
Liabilities and Reserves	
Shares	1
Deposits	
Creditors and accruals	
Reserves	2
Assets	
Loans assets	3
Investments and cash	4
Fixed assets	5
Debtors and prepayments	

Approved by the Board of Directors on March 4th, 1993

Mooneer A. Khan - Chairman

.....

J.A. King - Vice-Chairman

.....

S.A. Ramdeen - Director/Secretary

.....

The notes on pages 14 to 23 form part of these financial statements.

NEW BUILDING SOCIETY LIMITED
AT DECEMBER 31, 1992

1992	1991
\$	\$
2,244,914,583	1,409,687,034
161,057,506	102,551,298
38,823,179	33,262,226
221,702,904	115,909,964
<u>2,666,498,172</u>	<u>1,661,410,524</u>
236,263,450	115,388,368
2,414,644,691	1,533,185,389
15,241,766	12,196,892
348,265	639,875
<u>2,666,498,172</u>	<u>1,661,410,524</u>

NEW BUILDING SOCIETY LIMITED
FUNDS ADMINISTERED BY THE SOCIETY

A. BREZINA - GUYANA HOUSING PROJECT

LIABILITIES

U.S. Investors
 Sundry creditors

Represented by:

ASSETS

Mortgages
 Sundry debtors
 External payment deposits

B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

LIABILITIES

Linden Community Development Association

Represented by:

ASSETS

Mortgages
 Properties in possession

C. PUBLIC OFFICERS HOUSING LOAN FUNDS

LIABILITIES

Advanced by Government
 Less - Accumulated overpayment of interest

Sundry creditors
 Excess of income over expenditure

Represented by:

ASSETS

Mortgages
 Cash at Bank

NEW BUILDING SOCIETY LIMITED
AT DECEMBER, 1992

NOTES	1992 \$	1991 \$
	280,006	280,006
	365,299	310,185
	<u>645,305</u>	<u>590,191</u>
8	4,058	33,489
	434,330	349,785
	206,917	206,917
	<u>645,305</u>	<u>590,191</u>
	<u>60,179</u>	<u>59,067</u>
9	50,577	49,630
	9,602	9,437
	<u>60,179</u>	<u>59,067</u>
	62,964	62,964
	61,422	61,422
	1,542	1,542
	344	344
	30,664	28,684
	<u>32,550</u>	<u>30,570</u>
10	32,444	30,464
	106	106
	<u>32,550</u>	<u>30,570</u>

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
 Balance at January 1 and December 31, 1992

Revenue
 Balance at January 1, 1992
 Add
 Unappropriated income for the year

Balance at December 31, 1992

Total Reserves

3. LOAN ASSETS

Mortgage accounts (Note 7)
 Temporary loans

4. INVESTMENTS AND CASH

Foreign Investments
 Final redemption date in:
 Not more than 5 years
 5 - 10 years
 10 - 20 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

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1992

	1992	1991
	\$	\$
	725	717
	2,220,470,695	1,387,552,011
	24,443,163	22,034,306
	<u>2,244,914,583</u>	<u>1,409,687,034</u>
	<u>55,828</u>	<u>55,828</u>
	115,854,136	57,923,846
	105,792,940	57,930,290
	<u>221,647,076</u>	<u>115,854,136</u>
	<u>221,702,904</u>	<u>115,909,964</u>
	236,242,480	115,361,088
	20,970	27,280
	<u>236,263,450</u>	<u>115,388,368</u>
	12,633,851	11,990,462
	13,093,821	3,454,291
	45,715,651	5,473,603
	2,086,622,500	1,157,681,050
	88,276,157	106,267,873
		5,086,400
	<u>2,246,341,980</u>	<u>1,289,953,679</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENTS AND CASH (CONT'D)

Brought Forward
 Cash at Bank and in Hand
 Receivable in not more than 5 months
 Interest Accrued (gross)

Market value of investments

Maturity value of investments

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1992

	1992	1991
	\$	\$
Brought Forward	2,246,341,980	1,889,952,878
Cash at Bank and in Hand	47,264,239	98,793,878
Receivable in not more than 5 months	121,018,472	146,458,138
Interest Accrued (gross)		
	<u>2,414,624,691</u>	<u>1,935,195,894</u>
Market value of investments	<u>2,489,808,522</u>	<u>1,508,204,108</u>
Maturity value of investments	<u>2,517,711,698</u>	<u>1,767,281,391</u>

5. FIXED ASSETS

(a) Book Values

At December 31, 1992

Freehold land
 Freehold buildings
 Motor vehicles
 Furniture and equipment
 Machinery and equipment

	Cost/ Valuation \$	Accumulated Depreciation \$	Net Book Value \$	Net Book Value \$
Freehold land	94,830		94,830	94,830
Freehold buildings	2,121,218	359,710	1,761,503	1,738,855
Motor vehicles	3,504,376	1,041,233	2,463,143	1,067,994
Furniture and equipment	446,110	207,516	238,594	266,132
Machinery and equipment	13,238,951	2,555,255	10,683,696	9,099,261
	<u>19,405,480</u>	<u>4,163,714</u>	<u>15,241,766</u>	<u>12,196,892</u>

(b) Movement to Fixed Assets

Cost/Valuation at January 1, 1992

Additions at Cost

Freehold building
 Motor vehicles
 Furniture and equipment
 Machinery and equipment

	14,746,189
Freehold building	64,095
Motor vehicles	1,712,365
Furniture and equipment	36,600
Machinery and equipment	<u>2,995,728</u>
	<u>4,808,788</u>
	19,554,977

Less Disposal

Motor vehicles
 Cost/Valuation at December 31, 1992

	(149,497)
	<u>19,405,480</u>

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 1970
 At Cost
 Freehold buildings
 Motor vehicles
 Furniture and equipment
 Machinery and equipment

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

6. CHARITABLE AND EDUCATIONAL DONATIONS

The shareholders at the fifty-second Annual General Meeting held on April 13, 1992 approved the allocation of the sum of \$36,000,000 as a grant to the University of Guyana to meet the cost of a Hall of Residence for students.

The sum of \$18,000,000 has been included in amount for charitable and educational donations, representing the first of two instalments.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1992

	1992	1991
	\$	\$
	94,830	94,830
	2,121,213	2,057,118
	3,504,376	1,941,508
	446,110	409,510
	13,238,951	10,243,223
	<u>19,405,480</u>	<u>14,746,189</u>
	<u>Nil</u>	<u>Nil</u>
	<u>Nil</u>	<u>Nil</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7. 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 but not \$500,000
 Balances exceeding \$500,000 but not \$750,000
 Balances exceeding \$750,000 but not \$1,000,000
 Balances exceeding \$1,000,000 but not \$1,500,000
 Balances exceeding \$1,500,000 but not \$2,000,000
 Balances exceeding \$2,000,000 but not \$2,500,000
 Balances exceeding \$2,500,000

	1992		1991	
	No. of Securities	Amount \$	No. of Securities	Amount \$
		4,241	13	3,770
	17	13,345	9	7,092
	17	49,211	45	67,249
	31	103,384	55	142,251
	41	145,071	56	198,179
	41	154,245	48	218,103
	34	1,143,348	236	1,744,245
	154	1,414,964	183	2,260,912
	117	1,659,647	127	2,187,639
	96	2,042,712	109	2,442,844
	92	2,097,751	70	1,944,312
	75	5,035,217	210	8,069,089
	132	8,844,137	150	11,139,254
	124	29,509,648	186	28,357,025
	198	24,289,423	126	28,611,507
	108	35,619,337	41	12,274,243
	100	30,855,752	13	7,988,901
	50	49,079,652	2	1,652,923
	54	10,234,338	6	6,051,550
	9	11,676,444	-	-
	7	9,645,156	-	-
	4	12,625,457	-	-
	5	-	-	-
	<u>1,506</u>	<u>236,242,480</u>	<u>1,685</u>	<u>115,361,088</u>

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

	2	1,358	3	2,032
	2	2,702	4	6,165
	-	-	2	4,759
	-	-	1	5,905
	-	-	1	14,628
	<u>4</u>	<u>4,058</u>	<u>11</u>	<u>33,489</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9 **LINDEN COMMUNITY DEVELOPMENT ASSOCIATION**
 Balances not exceeding \$500
 Balances exceeding \$500 but not \$10,000
 Balances exceeding \$10,000 but not \$15,000
 Balances exceeding \$25,000 but not \$30,000
 Balances exceeding \$30,000 but not \$35,000

10 **PUBLIC OFFICERS' HOUSING LOAN FUNDS**

Balances exceeding \$1,000 but not \$ 2,000
 Balances exceeding \$25,000 but not \$35,000

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 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.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1992

1992		1991	
No. of Securities	Amount \$	No. of Securities	Amount \$
-	-	1	185
1	6,557	1	8,888
1	13,636	1	14,288
1	-	1	26,269
	<u>30,384</u>	-	-
<u>3</u>	<u>50,577</u>	<u>4</u>	<u>49,630</u>
1	1,362	1	1,279
1	<u>31,082</u>	1	<u>29,185</u>
<u>2</u>	<u>32,444</u>	<u>2</u>	<u>30,464</u>