

54th

**Annual Report
and Accounts**

1993



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-fourth Annual General Meeting of the Members of The New Building Society Limited will be held at 5.00 p.m. on Monday, 18th April, 1994 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 1993.
2. To confirm the appointment by the Board of Directors of Mr. L. C. Ram as a Director.
3. To fix the remuneration of the Directors for the year 1994.
4. To appoint Auditors for the year 1994.
5. To fix the remuneration of the Auditors for the year 1994.
6. To approve the sum of \$2,500,000.00 to be donated to Charity and for Educational Purposes.
7. 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 Five Million Dollars".
8. Any other business of which due notice shall have been given.

BY ORDER OF THE BOARD
SAMUEL A. RAMDEEN
DIRECTOR/SECRETARY
2ND MARCH, 1994

NEW BUILDING SOCIETY LIMITED

DIRECTORS

Jules de Cambra Esq., A.A. - Chairman
J. A. King Esq., S.C. - Vice Chairman
J. G. Carpenter Esq., B.Sc.
J. A. Chin Esq.
Mooneer A. Khan Esq., J.P.
L. C. Ram Esq., F.C.C.A., A.C.M.A., A.C.I.S., M.B.I.M.
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. Raffick 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. Mc Doom & Co.
215 King Street,
Stabroek
Georgetown.

BANKERS

Guyana Bank for Trade and Industry Limited
National Bank of Industry and 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-fourth Annual Report and Financial Statement of the Society for the year ended 31st December, 1993.

SHARES AND DEPOSIT ACCOUNTS

During the year 8,236 new accounts (1992 - 8,425) were opened. Investors Funds moved from \$2,405,972,089 to \$3,191,322,905 an increase of \$785,350,816 (1992 - \$893,733,757). Investors Funds represent 87.16% of Total assets at year-end (1992 - 90.23%).

At 31st December, 1993 there were 83 691 accounts on the Books of the Society.

MORTGAGES

The total amount advanced during the Financial year as loans on the Security of Freehold and Leasehold properties was \$568,922,178 (1992 - \$150,229,095). This is the highest in the history of the Society. The total number of Mortgages executed was 496 (1992 - 223).

At 31st December, 1993, there were 1,780 Mortgages in force totalling \$744,501,370 which is 20.33% of Total Assets (1992 - 8.86%). No Mortgage Account was more than twelve months in arrear at the end of the year. (Section 17(i)c of the Society's Act).

ASSETS

Total Assets increased by \$994,912,829 during the year to \$3,661,411,001 representing a growth of 37.31% (1992 - 60.5%).

LIQUIDITY AND RESERVES

At 31st December, 1993 Liquid Assets (i.e. Cash and Short Term Investments) stood at \$2,313,745,722 representing 63.19% of Total Assets (1992 - 80%).

At the end of the year Total Reserves amounted to \$436,583,732 which is 11.92% of Total Assets (1992 - 8.3%).

ANNUAL VALUATION

In keeping with a decision taken by the Board, the Society's Freehold Land and Buildings were revalued by a professional Valuer at 31st December, 1993. The surplus on revaluation (\$95,530,801) has been transferred to Capital Reserves.

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.

NEW BUILDING SOCIETY LIMITED

DIRECTORATE

Mr. F. A. Eytte, A.A., J.P., died on 8th June, 1993. Mr. L. C. Ram, F.C.C.A., A.C.M.A., A.C.I.S., M.B.I.M. was appointed to fill this vacancy. This appointment which was made under the provisions of the Society's Rule 43 is to be confirmed by the Members at this Annual General Meeting (Item 2 on the Agenda).

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

2nd March, 1994

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 29 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 and buildings, give a true and correct view of the state of the Society's affairs at December 31, 1993, 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.
25th February, 1994

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

Excess of income over expenditure

Distributed as follows:-

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

**Unappropriated income transferred to
 revenue reserves**

The notes on pages 16 to 29 form part of these financial statements.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1993

1993
\$

1992
\$

73,454,333	26,724,508
6,523	4,870
18,539,541	35,298,315
404,824,584	407,992,706
36,450,386	50,526,620
1,129,334	795,033
1,517	2,742
93,535	56,290
31,067,219	32,131,457
	650,000
<hr/>	<hr/>
565,566,972	554,122,621
<hr/>	<hr/>
69,532,785	42,132,227
1,170,000	780,000
1,170,000	780,000
150,000	39,780
565,000	445,000
269,649	408,383
20,500,000	21,308,742
2,406,490	1,763,914
<hr/>	<hr/>
95,763,924	67,658,046
<hr/>	<hr/>
469,803,048	486,464,575
<hr/>	<hr/>
7	7
328,648,684	352,347,137
3,336,880	4,996,722
18,467,450	23,327,769
<hr/>	<hr/>
350,453,021	380,671,635
<hr/>	<hr/>
119,350,027	105,792,940
<hr/>	<hr/>

NEW BUILDING SOCIETY LIMITED
BALANCE SHEET

**INVESTORS' BALANCES, LIABILITIES
AND RESERVES**

Shares

Deposits

Creditors and accruals

Reserves

ASSETS

Loan assets

Investments and cash

Fixed assets

Debtors and prepayments

Approved by the Board of Directors on 22nd February
1994

Jules de Cambra

} CHAIRMAN

J. A. King

} VICE-CHAIRMAN

S. A. Ramdeen

} DIRECTOR/SECRETARY

The notes on pages 16 to 29 form part of these financial
statements.

NEW BUILDING SOCIETY LIMITED

DECEMBER 31, 1993

Note	1993 \$	1992 \$
1	3,003,771,181	2,244,914,583
	187,551,724	161,057,506
	33,504,364	38,823,179
2	436,583,732	221,702,904
	<u>3,661,411,001</u>	<u>2,666,498,172</u>
3	744,764,534	236,263,450
4	2,800,568,477	2,414,644,691
5	115,078,396	15,241,766
	999,594	348,265
	<u>3,661,411,001</u>	<u>2,666,498,172</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

The notes on pages 16 to 29 form part of these financial statements.

NEW BUILDING SOCIETY LIMITED

AT DECEMBER 31, 1993

Note	1993 \$	1992 \$
	280,006	280,006
	392,123	365,299
	<u>672,129</u>	<u>645,305</u>
8	313	4,058
	501,199	434,330
	170,617	206,917
	<u>672,129</u>	<u>645,305</u>
	52,293	60,179
	<u>52,293</u>	<u>60,179</u>
9	42,526	50,577
	9,767	9,602
	<u>52,293</u>	<u>60,179</u>

NEW BUILDING SOCIETY LIMITED
FUNDS ADMINISTERED BY THE SOCIETY

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

The notes on pages 16 to 29 form part of these financial statements.

NEW BUILDING SOCIETY LIMITED

AT DECEMBER 31, 1993

Note	1993 \$	1992 \$
	62,964	62,964
	61,422	61,422
	1,542	1,542
	344	344
	32,773	30,664
	<u>34,659</u>	<u>32,550</u>
10	34,553	32,444
	106	106
	<u>34,659</u>	<u>32,550</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1993

	1993 \$	1992 \$
1. SHARES		
Fully paid investing shares	732	725
Five dollar shares	2,978,165,913	2,220,470,695
Save and prosper shares	25,604,536	24,443,163
	<u>3,003,771,181</u>	<u>2,244,914,583</u>
2. RESERVES		
Capital		
Balance at January 1, 1993	55,828	55,828
Surplus on revaluation on fixed assets	95,530,801	-
Balance at December 31, 1993	<u>95,586,629</u>	<u>55,828</u>
Revenue		
Balance at January 1, 1993	221,647,076	115,854,136
Add		
Unappropriated income for the year	119,350,027	105,792,940
Balance at December 31, 1993	<u>340,997,103</u>	<u>221,647,076</u>
Total Reserves	<u>436,583,732</u>	<u>221,702,904</u>
3. LOAN ASSETS		
Mortgage accounts (Note 7)	744,501,370	236,242,480
Temporary loans	263,164	20,970
	<u>744,764,534</u>	<u>236,263,450</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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

Cash at Bank and in Hand
 Repayable in not more than 6 months
 Interest Accrued (gross)

Market value of investments

Maturity value of investments

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1993

1993
 \$

1992
 \$

11,845,635
 34,009,070
 67,564,605

12,833,851
 13,093,821
 45,715,651

2,276,948,400

2,086,622,500

237,287,270

88,276,157

36,797,322
 136,116,175

47,284,239
 121,018,472

2,800,568,477

2,414,644,691

2,878,161,940

2,489,806,522

3,116,111,237

2,617,711,638

5. FIXED ASSETS

(a) Book Values

At December 31, 1993

Freehold land
 Freehold buildings
 Motor vehicles
 Furniture and equipment
 Machinery and equipment
 Work-in-progress

Cost/ Revaluation \$	Accumulated Depreciation \$	Net Book Value \$	Net Book Value \$
20,288,000	-	20,288,000	94,830
80,927,000	-	80,927,000	1,761,503
3,504,376	1,671,497	1,832,879	2,463,143
620,043	276,282	343,761	238,594
13,989,751	4,218,558	9,771,193	10,683,696
1,915,563	-	1,915,563	-
121,244,733	6,166,337	115,078,396	15,241,766

The Company's freehold land and buildings were revalued by Rodrigues and Cox at December 31, 1993, on the basis of open market value.

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS (CONT'D)

(b) Movements to Fixed Assets

Cost/valuation at January 1, 1993.

19,405,480

Additions at Cost

Freehold buildings
 Furniture and equipment
 Machinery and equipment
 Work-in-progress

3,870,290
 175,666
 750,800
 1,915,563

6,712,319

Increases for Revaluation

Freehold land
 Freehold buildings

20,193,170
 74,935,497

95,128,667

121,246,466

Disposals at Cost
 Furniture and equipment

1,733

Cost/valuation at December 31, 1993

121,244,733

(c) Analysis of Cost or Valuation
 At Valuation

1993
 \$

1992
 \$

Freehold land - year of valuation 1993 (1992 - 1970)
 Freehold buildings - year of valuation 1993

20,288,000
 80,927,000

94,830

At Cost

Freehold buildings
 Motor vehicles
 Furniture and equipment
 Machinery and equipment
 Work-in-progress

3,504,376
 620,043
 13,989,751
 1,915,563

2,121,213
 3,504,376
 446,110
 13,238,951

Cost/valuation at December 31, 1993

121,244,733

19,405,480

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS (CONT'D)

(d) Capital Commitment

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

Authorised but not contracted for

Authorised and contracted for

1993
\$

1992
\$

Nil
====

Nil
====

831,172
=====

Nil
====

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 the amount for charitable and educational donations, representing the final instalment (the first instalment of \$18,000,000 was included in 1992).

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1993

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

Carried Forward

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1993

1993

1992

	No. of Securities	Amount \$	No. of Securities	Amount \$
	45	5,177	17	4,241
	12	8,523	17	13,345
	27	43,444	31	49,211
	30	74,776	41	103,384
	23	78,895	41	145,071
	16	71,033	34	154,245
	114	855,386	154	1,143,348
	102	1,272,152	117	1,414,964
	75	1,295,046	96	1,659,647
	54	1,194,124	92	2,042,712
	47	1,293,864	75	2,097,751
	88	3,395,054	132	5,035,217
	113	7,976,209	124	8,844,137
	183	27,260,471	198	29,509,648
	93	20,881,478	108	24,289,423
	<u>1,022</u>	<u>65,705,652</u>	<u>1,277</u>	<u>76,506,344</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7. MORTGAGE ACCOUNTS (Cont'd)

Brought forward	1,022	65,705,652	1,277	76,506,344
Balances exceeding \$250,000 but not \$500,000	166	61,098,567	100	35,619,337
Balances exceeding \$500,000 but not \$750,000	129	80,586,606	50	30,855,752
Balances exceeding \$750,000 but not \$1,000,000	121	108,685,723	54	48,079,652
Balances exceeding \$1,000,000 but not \$1,500,000	193	114,085,524	9	10,234,338
Balances exceeding \$1,500,000 but not \$2,000,000	55	93,442,034	7	11,678,444
Balances exceeding \$2,000,000 but not \$2,500,000	77	177,661,958	4	9,645,156
Balances exceeding \$2,500,000	17	43,235,306	5	12,625,457
	<u>1,780</u>	<u>744,501,370</u>	<u>1,506</u>	<u>236,242,480</u>

8. BREZINA-GUYANA HOUSING PROJECT

	1993		1992	
	No. of Securities	Amount \$	No. of Securities	Amount \$
Balances not exceeding \$500	1	313	-	-
Balances exceeding \$500 but not \$1,000	-	-	2	1,358
Balances exceeding \$1,000 but not \$2,000	-	-	2	2,702
	<u>1</u>	<u>313</u>	<u>4</u>	<u>4,058</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

Balances exceeding \$5,000 but not \$10,000	1	7,082	1	6,557
Balances exceeding \$10,000 but not \$15,000	-	-	1	13,636
Balances exceeding \$30,000 but not \$35,000	-	-	1	30,384
Balances exceeding \$35,000 but not \$40,000	1	35,444	-	-
	<u>2</u>	<u>42,526</u>	<u>3</u>	<u>50,577</u>

10. PUBLIC OFFICERS' HOUSING LOAN FUNDS

Balances exceeding \$1,000 but not \$2,000	1	1,450	1	1,362
Balances exceeding \$25,000 but not \$35,000	1	33,103	1	31,082
	<u>2</u>	<u>34,553</u>	<u>2</u>	<u>32,444</u>

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 in equal instalments over the estimated useful lives ranging from 4 to 10 years.

(b) Investments

Investments are stated at cost to the Society.

(c) Foreign Currencies

Transactions involving foreign currencies are converted at a standard rate of exchange.

At balance sheet date all amounts denominated in foreign currencies, except investments, 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.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1993