

55th

**Annual Report
and Accounts**

1994



nbs

THE NEW BUILDING SOCIETY LIMITED

NEW BUILDING SOCIETY LIMITED

CONTENTS

	PAGES
Notice of Meeting and Agenda	2
Directors and Bankers	3
Report of the Directors	4 - 5
Report of the Auditors	5
Revenue and Appropriation Accounts	6 - 7
Balance Sheet	8 - 9
Statement of Source and Application of Funds	10 - 11
Funds Administered by the Society	12 - 15
Notes to the Financial Statements	16 - 30

NEW BUILDING SOCIETY LIMITED

NOTICE OF MEETING

Notice is hereby given that the Fifty-fifth Annual General Meeting of the Members of The New Building Society Limited will be held at 5.00 p.m. on Monday 3rd April, 1995 at the Hotel Tower Limited, 74-75 Main Street, Georgetown.

AGENDA

1. To consider the Annual Report of the Directors and the Financial Statements for the year 1994.
2. To appoint Directors for the period 1995 - 1997.
3. To fix the remuneration of the Directors for the year 1995.
4. To appoint Auditors for the year 1995.
5. To fix the remuneration of the Auditors for the year 1995.
6. To approve the sum of \$3,000,000 to be donated to Charity and for Educational Purposes.
7. Any other business of which due notice shall have been given.

BY ORDER OF THE BOARD,

SAMUEL A. RAMDEEN,
DIRECTOR/SECRETARY
10TH FEBRUARY, 1995.

NEW BUILDING SOCIETY LIMITED

DIRECTORS

Jules de Candia Esq., C.O.H., - 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
B. Baldeo (Mrs.) - Assistant Accountant
M. Raffick Esq., A.I.C.B. - Branch Manager, New Amsterdam
K. Vincent 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-fifth Annual Report and Financial Statement of the Society for the year ended 31st December, 1994.

SHARES AND DEPOSIT ACCOUNTS

During the year 7,636 new accounts (1993 - 8,236) were opened. Investors Funds moved from \$3,191,322,905 to \$4,043,192,416 an increase of \$851,869,511 (1993 - \$785,350,816). Investors Funds represent 86.1% of Total Assets at year-end (1993 - 87.16%).

At 31st December, 1994 there were 89,032 Savings 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 \$498,069,967 (1993 - \$568,922,178). The total number of Mortgages executed was 372.

At 31st December, 1994, there were 1,697 Mortgages in force totalling \$1,096,437,431 which is 23.35% of Total Assets (1993 - 20.33%). No Mortgage Account was more than twelve months in arrear at the end of the year (Section 17(j) of the Society's Act).

ASSETS

Total Assets increased by \$1,034,299,616 during the year to \$4,695,710,617 representing a growth of 28.25% (1993 - \$994,912,829 - 37.31%).

LIQUIDITY AND RESERVES

At 31st December, 1994 Liquid Assets (i.e. Cash and Short Term Investments) stood at \$3,184,419,808 representing 67.82% of Total Assets (1993 - 63.19%).

At the end of the year, Total Reserves amounted to \$616,298,932 which is 13.12% of Total Assets (1993 - 11.92%).

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

NEW BUILDING SOCIETY LIMITED

DIRECTORATE

Under the Provisions of the Society's Rule No. 47, the Directors whose names are listed below retire after the Fifty-fifth Annual General Meeting. They are eligible and offer themselves for re-election.

J. G. Carpenter, Esq., B.Sc. M. A. Khan, Esq., J.P.
J. A. Chin, Esq. J. A. King, Esq., S.C.
H. J. de Cambra, Esq., C.C.H. L. C. Ram, Esq.

AUDITORS

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

BY ORDER OF THE BOARD

Samuel A. Ramdeen
Director/Secretary
10th February, 1995.

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 30 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, 1994 and present fairly the excess of its income over expenditure and 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,
February 10, 1995.

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

1994	1993
\$	\$
136,303,793	73,484,359
96,113	8,538
6,327,178	18,539,541
476,487,769	404,829,584
30,643,117	36,450,396
2,257,184	1,129,334
3,461	1,517
115,105	93,535
20,278,071	31,067,219
900,000	
<u>673,351,751</u>	<u>505,568,972</u>

EXPENDITURE

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

75,983,182	69,532,785
1,170,000	1,170,000
1,170,000	1,170,000
165,000	150,000
700,000	565,000
619,969	268,649
2,500,000	20,500,000
5,375,268	2,406,490
<u>87,683,419</u>	<u>95,763,924</u>

Excess of income over expenditure

<u>585,668,332</u>	<u>409,803,048</u>
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Distributed as follows:-

Interest earned on:-

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

1994	1993
\$	\$
8	7
383,150,909	326,648,684
3,090,145	3,336,880
19,712,070	18,467,450
<u>405,953,132</u>	<u>350,453,021</u>

Unappropriated income transferred to revenue reserves (Note 2)

<u>179,715,200</u>	<u>119,350,027</u>
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The notes on pages 16 to 30 form an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1994

1994	1993
\$	\$
136,303,793	73,484,359
96,113	8,538
6,327,178	18,539,541
476,487,769	404,829,584
30,643,117	36,450,396
2,257,184	1,129,334
3,461	1,517
115,105	93,535
20,278,071	31,067,219
900,000	
<u>673,351,751</u>	<u>505,568,972</u>

EXPENDITURE

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

75,983,182	69,532,785
1,170,000	1,170,000
1,170,000	1,170,000
165,000	150,000
700,000	565,000
619,969	268,649
2,500,000	20,500,000
5,375,268	2,406,490
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**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

Jules de Cambré CHAIRMAN

J. A. King VICE-CHAIRMAN

S. A. Ramdeen DIRECTOR/SECRETARY

The notes on pages 16 to 30 form an integral part of these financial statements.

**NEW BUILDING SOCIETY LIMITED
DECEMBER 31, 1994**

Note	1994 \$	1993 \$
1	3,812,579,263	3,003,771,181
	230,613,153	187,551,724
	36,219,269	33,504,364
2	616,298,932	436,583,732
	<u>4,695,710,617</u>	<u>3,661,411,001</u>

3	1,097,181,578	744,764,534
4	3,473,528,532	2,800,568,477
5	123,458,072	115,078,396
	1,542,435	999,594
	<u>4,695,710,617</u>	<u>3,661,411,001</u>

NEW BUILDING SOCIETY LIMITED
FUNDS ADMINISTERED BY THE SOCIETY

A. BREZINA-GUYANA HOUSING PROJECT

LIABILITIES

U.S. investors
Sundry creditors

1994	1993
\$	\$
280,006	280,006
414,383	382,123
<u>694,389</u>	<u>672,129</u>

Represented by:

ASSETS

Mortgages
Sundry debtors
External payment deposits

NOTE	1994	1993
	-	313
8	523,772	501,199
	170,617	170,617
	<u>694,389</u>	<u>672,129</u>

B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

LIABILITIES

Linden Community Development Association

9,932	52,293
<u>9,932</u>	<u>52,293</u>

Represented by:

ASSETS

Mortgages
Properties in possession

NOTE	1994	1993
	-	42,526
9	9,932	9,767
	<u>9,932</u>	<u>52,293</u>

The notes on pages 16 to 30 form an integral part of these financial statements.

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

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1994

NOTE	1994 \$	1993 \$
	62,964	62,964
	<u>61,422</u>	<u>61,422</u>
	1,542	1,542
	344	344
	<u>35,019</u>	<u>32,773</u>
	<u>36,905</u>	<u>34,659</u>
10	36,799	34,553
	<u>106</u>	<u>106</u>
	<u>36,905</u>	<u>34,659</u>

The notes on pages 16 to 30 form an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1994

	1994 \$	1993 \$
1. SHARES		
Fully paid investing shares	740	750
Five dollar shares	3,785,275,970	2,979,199,817
Save and prosper shares	27,302,853	26,895,528
	<u>3,812,579,263</u>	<u>3,006,791,181</u>
2. RESERVES		
Capital		
Balance at January 1, 1994	95,586,629	94,828
Surplus on revaluation of fixed assets		<u>96,230,821</u>
Balance at December 31, 1994	<u>95,586,629</u>	<u>96,230,821</u>
Revenue		
Balance at January 1, 1994	340,997,103	221,647,076
Add		
Unappropriated income for the year	<u>179,715,200</u>	<u>119,390,027</u>
Balance at December 31, 1994	<u>520,712,303</u>	<u>340,997,103</u>
Total Reserves	<u>616,298,932</u>	<u>436,989,732</u>
3. LOAN ASSETS		
Mortgage accounts (Note 7)	1,096,437,431	744,501,379
Temporary loans	744,147	262,184
	<u>1,097,181,578</u>	<u>744,764,554</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, 1994

	1994 \$	1993 \$
	13,451,251	11,845,639
	66,839,582	34,009,070
	67,564,605	67,564,605
	3,102,051,500	2,276,948,400
	30,180,124	237,287,270
	82,368,308	36,797,322
	111,073,162	136,116,175
	<u>3,473,528,532</u>	<u>2,800,568,477</u>
	<u>3,523,722,019</u>	<u>2,878,161,940</u>
	<u>3,631,784,086</u>	<u>3,116,111,237</u>

5. FIXED ASSETS

(a) Book Values

At December 31, 1994

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

	1994 Net Book Value \$	1993 Net Book Value \$
20,288,000	-	20,288,000
80,927,000	1,618,540	80,927,000
11,334,701	2,874,708	1,832,879
809,620	358,138	343,761
17,967,320	6,336,344	9,771,193
3,319,161	-	1,915,583
<u>134,645,802</u>	<u>11,187,730</u>	<u>115,078,396</u>

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

Completed

Cost/valuation at January 1, 1994

Additions and Transfer from
 Construction-in-Progress at Cost

Motor vehicles
 Furniture and equipment
 Machinery and equipment

Disposals at Cost
 Motor vehicles
 Furniture and equipment

Cost/valuation at December 31, 1994

Construction-in-Progress

Cost at January 1, 1994

Additions at Cost

Freehold buildings
 Machinery and equipment

Transfers on Completion

Machinery and equipment

Cost at December 31, 1994

Total cost/valuation at December 31, 1994

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1994

\$

119,329,170

8,183,380
 190,397
3,977,569

12,351,346

131,680,518

353,055
820

353,875

131,326,641

1,919,563

3,319,161
317,985

5,552,709

2,233,548

3,319,161

134,646,802

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS (CONTD)

**(c) Analysis of Cost or Valuation
 At Valuation**

	1994 \$	1993 \$
Freehold land - year of valuation 1993	20,288,000	20,288,000
Freehold buildings - year of valuation 1993	80,927,000	80,927,000
At Cost		
Motor vehicles	11,334,701	3,504,378
Furniture and equipment	809,620	620,548
Machinery and equipment	17,967,320	13,989,731
Work-in-progress	3,319,161	1,915,503
Cost at December 31, 1993	<u>134,645,802</u>	<u>121,244,733</u>

(d) Capital Commitment

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

Authorised but not contracted for

Nil

Nil

Authorised and contracted for

500,000

837,172

6. CHARITABLE AND EDUCATIONAL DONATIONS

The share holders 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.

In 1993, the sum \$18,000,000 representing the final instalment on the grant to the University of Guyana was included in the amount for charitable and educational donations.

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7. MORTGAGE ACCOUNTS (Cont'd)

Brought forward

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
but not \$3,000,000

Balances exceeding \$3,000,000
but not \$4,000,000

Balances exceeding \$4,000,000
but not \$5,000,000

Balances exceeding \$5,000,000

8. BREZINA-GUYANA HOUSING PROJECT

Balances not exceeding \$500

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1994

	1994		1993	
	No. of Securities	Amount \$	No. of Securities	Amount \$
Brought forward	780	54,266,184	1,022	65,705,652
Balances exceeding \$250,000 but not \$500,000	216	78,560,657	166	61,098,567
Balances exceeding \$500,000 but not \$750,000	158	97,824,246	129	80,586,606
Balances exceeding \$750,000 but not \$1,000,000	152	131,873,092	121	108,685,723
Balances exceeding \$1,000,000 but not \$1,500,000	138	174,980,183	193	114,085,524
Balances exceeding \$1,500,000 but not \$2,000,000	105	183,061,654	55	93,442,034
Balances exceeding \$2,000,000 but not \$2,500,000	119	272,723,970	77	177,661,958
Balances exceeding \$2,500,000 but not \$3,000,000	11	28,836,203	17	43,235,306
Balances exceeding \$3,000,000 but not \$4,000,000	10	35,134,879	-	-
Balances exceeding \$4,000,000 but not \$5,000,000	6	29,087,596	-	-
Balances exceeding \$5,000,000	2	10,088,767	-	-
	<u>1,697</u>	<u>1,096,437,431</u>	<u>1,780</u>	<u>744,501,370</u>
	-	-	1	313

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

Balances exceeding \$5,000
 but not \$10,000
 Balances exceeding \$35,000
 but not \$40,000

10. PUBLIC OFFICERS' HOUSING LOAN FUNDS

Balances exceeding \$1,000 but not \$2,000
 Balances exceeding \$25,000
 but not \$35,000
 Balances exceeding \$35,000
 but not \$40,000

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1994

1994		1993	
No. of Securities	Amount \$	No. of Securities	Amount \$
-	-	1	7,082
-	-	1	35,444
-	-	2	42,526
1	1,545	1	1,450
-	-	1	33,103
1	35,254	-	-
2	36,799	2	34,553

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1994

11. SIGNIFICANT ACCOUNTING POLICIES

(a) Depreciation

Freehold buildings are written off over a period of fifty years. Motor vehicles, furniture and equipment, machinery and equipment are written off by 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.