

56th

**Annual Report
and Accounts**

1995



nbs

THE NEW BUILDING SOCIETY LIMITED

NEW BUILDING SOCIETY LIMITED

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ERRATUM

Item 5 on the Agenda should read:-
To approve the sum of \$16,000,000: to

- (a) \$12,000,000: to the Guyana Police
acquisition of Motor Vehicles which
in the 1995 Financial Statements
- (b) \$4,000,000: ~~to be allocated~~ to
Purposes for the year 1996.

Meeting of the members of the new company society
Limited will be held at 5.00 p.m. on Monday 15th April,
1996 at the Hotel Tower Limited, 74-75 Main Street
Georgetown.

AGENDA

1. To consider the Accounts, Balance sheet and the
Reports of the Directors and Auditors for the year
1995.
2. To fix the remuneration of the Directors for the year
1996.
3. To appoint Auditors for the year 1996.
4. To fix the remuneration of the Auditors for the year
1996.
5. To approve the sum of \$4,000,000 to be donated to
Charity and for Educational Purposes.
6. Any other business of which due notice shall
have been given.

BY ORDER OF THE BOARD

SAMUEL A. RAMDEEN
DIRECTOR/SECRETARY
19TH MARCH 1996

NEW BUILDING SOCIETY LIMITED

DIRECTORS

Jules de Cambra Esq., C.C.H., - Chairman
J. A. King Esq., S.C., - Vice Chairman
J. G. Carpenter Esq., B.Sc.
J. A. Chin Esq.
L. C. Ram Esq., F.C.C.A., A.C.M.A., A.C.I.S., M.B.I.M.
G. E. Eyle (Mrs)
S. A. Ramdeen Esq.

MANAGEMENT

S. A. Ramdeen Esq. - Director/Secretary
M. L. Arjoon Esq. - Assistant Secretary/Accountant
N. Mohamed Esq. - 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 Doorn & 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. All Sons & Company
145 Crown Street, Queenstown, Georgetown.

NEW BUILDING SOCIETY LIMITED

REPORT OF THE DIRECTORS

The Directors are pleased to present the Fifty-sixth Annual Report and Financial Statement of the Society for the year ended 31st December, 1995.

SHARES AND DEPOSIT ACCOUNTS

During the year 7,938 new accounts were opened (1994 - 7,636). Investors Funds moved from \$4,043,192,416 to \$5,005,457,773 an increase of \$962,265,357 (1994 - \$851,869,811) inclusive of interest capitalised of \$453,095. Investors Funds represent 85.09% of Total Assets at year end (1994 - 86.1%).

MORTGAGES

The total amount advanced during the Financial year as loans on the Security of Freehold and Leasehold properties was \$965,477,013 (1994 - \$498,069,967). The total number of Mortgages executed was 496 (1994-372).

At 31st December, 1995, there were 1,856 Mortgages in force totalling \$1,861,383,667 which is 31.64% of Total Assets (1994 - \$23,35%). No Mortgage Account was more than twelve months in arrear at the end of the year (Section 17(i) of the Society's Act).

ASSETS

Total Assets increased by \$1,186,923,314 during the year to \$5,882,633,931 representing a growth of 25.28% (1994 - 28.25%).

LIQUIDITY AND RESERVES

At 31st December, 1995 Liquid Assets (i.e. Cash and Short Term Investments) stood at \$3,153,605,680 representing 53.61% of Total Assets (1994 - 67.82%).

At the end of the year, Total Reserves amounted to \$821,537,000 which is 13.97% of Total Assets (1994 - 13.12%).

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

AUDITORS

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

BY ORDER OF THE BOARD
Samuel A. Ramdeen
Director/Secretary
19th March, 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF THE NEW BUILDING SOCIETY LIMITED

We have audited the financial statements of The New Building Society Limited as set out on pages 16 to 30. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Approved Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have inspected the mortgage deeds, transports and other securities and title deeds and found them to be in order.

In our opinion, the financial statements, which have been prepared under the historical cost convention, modified by the valuation of freehold land and buildings, give a true and fair view of the state of affairs of the Society at December, 31, 1995, and of the results of its operations and source and application of its funds for the year ended December 31, 1995 in accordance with Approved Accounting Standards.

JACK A. ALLS SONS & CO.
Correspondents of Price Waterhouse

145 Crown Street
Queenstown,
Georgetown
19th March, 1996

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
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 after deducting interest on shares and deposits

Transfer to non-distributable reserves
Amount reserved for donation (Note 2)

Unappropriated income transferred to distributable reserves (Note 2)

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, 1996

	1996 \$	1995 \$
	204,681,965	139,204,738
	145,162	50,113
	8,336,135	2,327,175
	604,259,587	478,487,789
	28,968,909	30,843,717
	3,306,110	2,267,284
		3,407
	311,350	115,105
		20,278,071
	550,000	900,000
	<u>850,560,218</u>	<u>670,351,751</u>
	92,813,732	75,983,152
	1,560,000	1,170,000
	1,560,000	1,170,000
	430,000	165,000
	800,000	700,000
	2,024,113	819,969
	3,000,000	2,500,000
	6,324,298	5,375,268
	<u>108,512,143</u>	<u>87,683,419</u>
	<u>742,048,075</u>	<u>585,668,332</u>
	8	8
	490,525,834	383,150,909
	23,665,805	3,090,145
	22,617,440	19,712,070
	<u>536,809,087</u>	<u>405,953,132</u>
	205,238,988	179,715,200
	12,000,000	-
	<u>193,238,988</u>	<u>179,715,200</u>

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 Cambre 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, 1995

Note	1995 \$	1994 \$
1	4,706,431,787	3,672,379,253
	209,005,808	230,673,157
	55,638,238	36,219,269
2	821,537,900	618,298,937
	<u>5,882,633,931</u>	<u>4,685,710,617</u>
3	1,862,656,768	1,097,181,578
4	3,892,189,040	3,479,528,532
5	125,421,205	123,458,072
	2,366,918	1,542,435
	<u>5,882,633,931</u>	<u>4,685,710,617</u>

NEW BUILDING SOCIETY LIMITED
FUNDS ADMINISTERED BY THE SOCIETY

A. BREZINA-GUYANA HOUSING PROJECT

LIABILITIES

U.S. investors
Sundry creditors

1995	1994
\$	\$
700,150	280,600
-	414,380
<u>700,150</u>	<u>694,980</u>

Represented by:

ASSETS

Sundry debtors
External payment deposits

529,533	503,772
170,617	170,617
<u>700,150</u>	<u>674,389</u>

B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION

LIABILITIES

Linden Community Development Association

9,932	9,932
<u>9,932</u>	<u>9,932</u>

Represented by:

ASSETS

Properties in possession

9,932	9,932
<u>9,932</u>	<u>9,932</u>

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

NOTE	1995	1994
	\$	\$

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

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. SHARES

Fully paid investing shares
Five dollar shares
Save and prosper shares

	1995 \$	1994 \$
	748	740
	4,256,629,079	3,785,271,970
	509,821,966	27,302,152
	<u>4,766,451,787</u>	<u>3,812,574,203</u>

2. RESERVES

Non-Distributable

Balance at January 1, 1995:-
Revaluation reserves

	95,586,629	95,586,629
--	------------	------------

Add

Amount reserved for donation

12,000,000

Balance at December 31, 1995

107,586,629

95,586,629

Distributable

Balance at January 1, 1995

502,712,303

340,997,103

Add

Unappropriated income for the year

193,238,988

179,715,200

Balance at December 31, 1995

713,951,291

520,712,303

Total Reserves

821,537,920

616,298,932

The Directors have decided to reserve an amount of \$12,000,000 for the purpose of a donation to Guyana Police Force to assist in the acquisition of motor vehicles. The members approval for this donation will be sought at the next Annual General Meeting.

NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. LOAN ASSETS

Mortgage accounts (Note 6)
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

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, 1995

	1995 \$	1994 \$
	1,861,383,867	1,090,437,431
	<u>1,273,101</u>	<u>744,147</u>
	<u>1,862,656,768</u>	<u>1,097,181,578</u>
	37,007,484	13,451,251
	32,600,121	66,839,582
	98,534,077	67,564,605
	2,801,049,315	3,102,051,500
	433,551,157	30,180,124
	352,556,365	82,368,308
	<u>136,890,521</u>	<u>111,073,162</u>
	<u>3,892,189,040</u>	<u>3,473,528,532</u>
	<u>3,882,478,922</u>	<u>3,523,722,019</u>
	<u>3,936,873,391</u>	<u>3,531,784,086</u>

NEW BUILDING SOCIETY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS

(a) Book Values

At December 31, 1995

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

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
 FOR THE YEAR ENDED DECEMBER 31, 1995

1993		1994	
Cost Valuation \$	Accumulated Depreciation \$	Net Book Value \$	Net Book Value \$
258,000		20,298,000	20,298,000
125,229	3,279,704	61,845,525	79,308,410
18,914,929	4,842,332	12,072,597	3,458,800
918,619	453,577	465,042	461,492
18,465,328	8,579,645	9,885,783	11,690,976
864,258		864,258	3,319,151
<u>142,576,363</u>	<u>17,155,158</u>	<u>125,421,205</u>	<u>123,455,072</u>

NEW BUILDING SOCIETY LIMITED

STATEMENT OF FINANCIAL STATEMENTS

FIXED ASSETS ACCOUNT

At Movements to Fixed Assets

Completed

Contributions at January 1, 1995

Received from Transfer from
Construction-in-Progress at Cost

Freehold buildings
Motor vehicles
Furniture and equipment
Machinery and equipment

Depreciation at Year

Motor vehicles
Machinery and equipment

Contributions at December 31, 1995

Construction-in-Progress

Cost at January 1, 1995

Additions at Cost

Freehold buildings
Machinery and equipment

Transfers on Completion

Freehold buildings

Cost at December 31, 1995

Total construction at December 31, 1995

NEW BUILDING SOCIETY LIMITED

STATEMENT OF FINANCIAL STATEMENTS

£ £

197,391,400

2,798,220
4,765,671
128,996
874,430

19,782,290

140,063,206

215,444
141,475

356,919

197,712,128

3,319,161

686,426
864,258

4,869,840

4,005,587

864,258

142,576,265

NEW BUILDINGS SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. FIXED ASSETS (CONT'D)

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

Freehold land - year of valuation 1995
Freehold buildings - year of valuation 1995

At Cost

Freehold building
Motor vehicles
Furniture and equipment
Machinery and equipment
Work in progress

Cost at December 31, 1995

(d) Capital Commitment

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

Authorised but not contracted for

Authorised and contracted for

NEW BUILDINGS SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1995

	1995 \$	1994 \$
Freehold land - year of valuation 1995	20,250,000	20,250,000
Freehold buildings - year of valuation 1995	87,927,000	87,927,000
At Cost		
Freehold building	4,128,228	4,128,228
Motor vehicles	16,814,828	16,814,828
Furniture and equipment	318,819	318,819
Machinery and equipment	18,465,328	18,465,328
Work in progress	864,250	864,250
Cost at December 31, 1995	142,576,353	142,576,353
Capital Commitment		
Authorised but not contracted for		Nil
Authorised and contracted for		800,000

6. MORTGAGE ACCOUNTS

	1995		1994	
	No. of Securities	Amount \$	No. of Securities	Amount \$
Balances not exceeding \$500				
Balances exceeding \$500 but not \$1,000	9	2,296	16	4,359
Balances exceeding \$1,000 but not \$2,000	10	7,332	8	5,767
Balances exceeding \$2,000 but not \$3,000	11	19,016	17	27,637
Balances exceeding \$3,000 but not \$4,000	22	58,147	19	44,478
Balances exceeding \$4,000 but not \$5,000	15	51,500	24	83,583
Balances exceeding \$5,000 but not \$10,000	12	52,314	29	130,925
Balances exceeding \$10,000 but not \$15,000	59	433,491	86	641,102
Balances exceeding \$15,000 but not \$20,000	60	721,958	69	860,867
Balances exceeding \$20,000 but not \$25,000	32	564,461	43	741,187
Balances exceeding \$25,000 but not \$30,000	23	515,454	41	933,248
Balances exceeding \$30,000 but not \$50,000	20	551,245	34	842,043
Balances exceeding \$50,000 but not \$100,000	48	1,940,100	58	2,321,052
Balances exceeding \$100,000 but not \$200,000	91	6,689,705	103	7,529,318
Balances exceeding \$200,000 but not \$250,000	161	23,978,831	189	25,728,050
	68	15,446,129	64	14,280,858
Carried forward	641	51,031,979	780	54,266,184

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. 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

7. PUBLIC OFFICERS' HOUSING LOAN FUNDS

Balances not 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, 1996

	1995		1994	
	No. of Securities	Amount \$	No. of Securities	Amount \$
Brought forward	641	51,031,979	760	54,286,364
Balances exceeding \$250,000 but not \$500,000	209	77,916,294	216	78,580,887
Balances exceeding \$500,000 but not \$750,000	181	112,936,552	158	97,824,246
Balances exceeding \$750,000 but not \$1,000,000	173	148,455,217	152	131,674,082
Balances exceeding \$1,000,000 but not \$1,500,000	189	237,540,449	138	174,980,183
Balances exceeding \$1,500,000 but not \$2,000,000	150	260,766,452	105	183,067,654
Balances exceeding \$2,000,000 but not \$2,500,000	146	324,447,431	119	272,723,970
Balances exceeding \$2,500,000 but not \$3,000,000	43	119,251,407	11	28,836,203
Balances exceeding \$3,000,000 but not \$4,000,000	51	181,079,546	10	35,134,879
Balances exceeding \$4,000,000 but not \$5,000,000	63	292,380,340	6	29,087,596
Balances exceeding \$5,000,000	11	55,549,000	2	10,088,767
	<u>1,856</u>	<u>1,861,383,667</u>	<u>1,697</u>	<u>1,096,437,431</u>

Balances not exceeding \$1,000 but not \$2,000	-	-	1	1,545
Balances exceeding \$25,000 but not \$35,000	1	33,546	-	-
Balances exceeding \$35,000 but not \$40,000	-	-	1	35,254
	<u>1</u>	<u>33,546</u>	<u>2</u>	<u>36,799</u>

NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. 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.

be treated as follows -
Rate to assist in the
sh has been reserved
city and for structural

...ING SOCIETY LIMITED

YEAR ENDED DECEMBER 31, 1996