

57<sup>th</sup>

Annual Report  
and Accounts

1996



**nbs**

THE NEW BUILDING SOCIETY LIMITED

CONTENTS

|  | PAGES |
|--|-------|
| Notice of Meeting and Agenda                 | 2     |
| Directors and Bankers                        | 3     |
| Report of the Directors                      | 4     |
| 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            | 16-20 |

## NEW BUILDING SOCIETY LIMITED

### NOTICE OF MEETING

Notice is hereby given that the Fifty-Seventh Annual General Meeting of the Members of the New Building Society Limited will be held at 5.00 p.m. on Monday, 14th April, 1997 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 1996.
2. To appoint Directors for the period 1997-1999.
3. To fix the remuneration of the Directors for the year 1997.
4. To appoint Auditors for the year 1997.
5. To fix the remuneration of the Auditors for the year 1997.
6. To approve the sum of \$6,000,000 to be donated to Charity and for Educational Purposes for the year 1997.
7. Any Other Business of which due notice shall have been given.

BY ORDER OF THE BOARD,

SAMUEL A. RAMDEEN  
DIRECTOR/SECRETARY  
10TH MARCH, 1997

## NEW BUILDING SOCIETY LIMITED

### DIRECTORS

Jules de Cambre 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. Eytte (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. McDoom & 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 seventh Annual Report and Financial Statement of the Society for the year ended 31st December, 1996.

### SHARES AND DEPOSIT ACCOUNTS

During the year 7,025 new accounts were opened (1995 - 7,938). Investors Funds moved from \$5,005,457.73 to \$6,700,003.926 an increase of \$1,694,546.193 (1995 - \$962,265.357). Investors funds represent 86.58% of Total Assets at year-end. (1995 - 85.09%)

### MORTGAGES

The total amount advanced during the Financial year loans on the Security of Freehold and Leasehold properties was \$1,101,883.177 (1995 - \$965,477.013). The total number of mortgages executed was 662 (1995 - 496).

At 31st December, 1996 there were 2,031 Mortgages in force totalling \$2,653,805.958 which is 34.3% of total Assets (1995 - 31.64%).

Two Mortgage Accounts were more than twelve months in arrear at the end of the year. (Section 17(i)c of the Society's Ordinance). The total amount outstanding was \$838,905.

### ASSETS

Total Assets increased by \$1,855,884,179 during the year to \$7,738,518,110 representing a growth of 31.5% (1995 - 25.25%).

### LIQUIDITY AND RESERVES

At 31st December, 1996 Liquid Assets (i.e. Cash and Short Term Investments) stood at \$2,092,330,653 representing 27% of Total Assets (1995 - 53.6%).

At the end of the year Total Reserves amounted \$995,384,525 which is 12.86% of total assets (1995 - 13.97%).

### ANNUAL VALUATION

The Annual Valuation of the Assets and Liabilities of the Society as required by the Board revealed no likely loss.

There were two properties-in-possession which were sold during 1996. Title will be passed during 1997.

### DIRECTORATE

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

|                               |                        |
|-------------------------------|------------------------|
| J. G. Carpenter, Esq., B.Sc.  | G. E. Eytte, (Mrs.)    |
| J. A. Chin, Esq.              | J. A. King, Esq., S.C. |
| Jules de Cambra, Esq., C.C.H. | L. C. Ram, Esq.        |

## NEW BUILDING SOCIETY LIMITED

### 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 March, 1997

### 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, 1996, and of the results of its operations and the source and application of its funds for the year ended December 31, 1996 in accordance with Approved Accounting Standards.

JACK A. ALLI, SONS & CO  
Correspondents of Price Waterhouse  
145 Crown Street,  
Queenstown,  
Georgetown,  
March 7, 1997



**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 Cambra ) CHAIRMAN

J. A. King ) VICE-CHAIRMAN

S. A. Ramdeen ) DIRECTOR/SECRETARY

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

**NEW BUILDING SOCIETY LIMITED**

**DECEMBER 31, 1996**

| NOTE | 1996<br>\$           | 1995<br>\$           |
|------|----------------------|----------------------|
| 1    | 6,439,679,742        | 4,766,451,787        |
|      | 260,324,184          | 239,005,986          |
|      | 43,129,659           | 55,638,238           |
| 2    | <u>995,384,525</u>   | <u>821,537,920</u>   |
|      | <u>7,738,518,110</u> | <u>5,882,633,931</u> |
| 3    | 2,663,045,933        | 1,862,656,768        |
| 4    | 4,948,552,533        | 3,892,189,040        |
| 5    | 123,341,607          | 125,421,205          |
|      | <u>3,578,037</u>     | <u>2,366,918</u>     |
|      | <u>7,738,518,110</u> | <u>5,882,633,931</u> |

**NEW BUILDING SOCIETY LIMITED**  
**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**SOURCE OF FUNDS**

**Operations**

Unappropriated income after deducting interest on shares and deposits  
 Adjustments for items not involving the movement of funds  
 Depreciation  
 Profit on disposal of fixed assets

Net receipts from shareholders and depositors (including interest capitalised)  
 Proceeds on disposal of fixed assets

**APPLICATION OF FUNDS**

Increase in loan assets  
 Purchase of fixed assets  
 Payment of donation

Increase in available funds

**Represented by:**

Increase in investment and cash  
 Increase in debtors and prepayments  
 Decrease/(increase) in creditors and accruals

**NEW BUILDING SOCIETY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

|  | 1996                 | 1995                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| Unappropriated income after deducting interest on shares and deposits          | 185,846,605          | 205,235,988          |
| Adjustments for items not involving the movement of funds                      |                      |                      |
| Depreciation   |                      | 6,324,298            |
| Profit on disposal of fixed assets   | 7,526,795            | (550,000)            |
|  | <u>7,526,795</u>     | <u>5,774,298</u>     |
| Net receipts from shareholders and depositors (including interest capitalised) | 1,894,546,153        | 962,265,357          |
| Proceeds on disposal of fixed assets   |                      | 550,000              |
|  | <u>1,887,919,553</u> | <u>1,173,828,643</u> |
| Increase in loan assets  | (800,389,165)        | (765,475,190)        |
| Purchase of fixed assets   | (5,447,197)          | (8,287,431)          |
| Payment of donation  | (12,000,000)         |                      |
|  | <u>(817,836,362)</u> | <u>(773,762,621)</u> |
| Increase in available funds  | <u>1,070,083,191</u> | <u>400,066,022</u>   |
| Increase in investment and cash  | 1,056,363,493        | 418,660,508          |
| Increase in debtors and prepayments  | 1,211,119            | 824,483              |
| Decrease/(increase) in creditors and accruals                                  | 12,508,579           | (39,418,969)         |
|  | <u>1,070,083,191</u> | <u>400,066,022</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**

**A. BREZINA-GUYANA HOUSING PROJECT**

**LIABILITIES**

U.S. Investors

Represented by:

**ASSETS**

Sundry debtors

External payment deposits

**B. LINDEN COMMUNITY DEVELOPMENT ASSOCIATION**

**LIABILITIES**

Linden Community Development Association

Represented by:

**ASSETS**

Properties in possession

**NEW BUILDING SOCIETY LIMITED**  
**FOR THE YEAR ENDED DECEMBER 31, 1996**

| NOTE | 1996<br>\$     | 1995<br>\$     |
|------|----------------|----------------|
|      | <u>717,762</u> | <u>700,150</u> |
|      | 547,145        | 529,533        |
|      | <u>170,617</u> | <u>170,617</u> |
|      | <u>717,762</u> | <u>700,150</u> |
|      |                |                |
|      | <u>9,932</u>   | <u>9,932</u>   |
|      |                |                |
|      | <u>9,932</u>   | <u>9,932</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, 1996**

| NOTE | 1996<br>\$    | 1995<br>\$     |
|------|---------------|----------------|
|      | 57,490        | <u>57,490</u>  |
|      | <u>61,422</u> | <u>61,422</u>  |
|      | (3,932)       | <u>(3,932)</u> |
|      | 344           | 344            |
|      | <u>39,420</u> | <u>37,240</u>  |
|      | <u>35,832</u> | <u>33,652</u>  |
|      |               |                |
| 7    | 35,726        | <u>33,546</u>  |
|      | <u>106</u>    | <u>106</u>     |
|      | <u>35,832</u> | <u>33,652</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**

**1. SHARES**

Fully paid investing  
Five dollar shares  
Save and proper shares

|  | 1996<br>\$           | 1995<br>\$           |
|--|----------------------|----------------------|
|  | 756                  | 748                  |
|  | 4,714,710,055        | 4,256,629,073        |
|  | 1,724,968,931        | 509,821,966          |
|  | <u>6,439,679,742</u> | <u>4,766,451,787</u> |

**2. RESERVES**

**Non-Distributable**  
Balance at January 1, 1996  
Revaluation reserves

|  |             |            |
|--|-------------|------------|
|  | 107,586,629 | 95,586,629 |
|--|-------------|------------|

**Add**

Amount reserved for donation

12,000,000

**Less**

Amount utilised for donation

12,000,000

Balance at December 31, 1996

95,586,629

107,586,629

**Distributable**

Balance at January 1, 1996

713,951,291

520,712,303

**Add**

Unappropriated income for the year

185,846,605

193,238,968

Balance at December 31, 1996

899,797,896

713,951,291

**Total Reserves**

995,384,525

821,537,920

At the fifty sixth Annual General Meeting of the Society the members approved an amount of \$12,000,000 for the purpose of a donation to the Guyana Police Force. The amount was disbursed during the year.

**NEW BUILDING SOCIETY LIMITED**

**FOR THE YEAR ENDED DECEMBER 31, 1996**

|  | 1996<br>\$           | 1995<br>\$           |
|--|----------------------|----------------------|
|  | 756                  | 748                  |
|  | 4,714,710,055        | 4,256,629,073        |
|  | 1,724,968,931        | 509,821,966          |
|  | <u>6,439,679,742</u> | <u>4,766,451,787</u> |
|  | 107,586,629          | 95,586,629           |
|  |                      | 12,000,000           |
|  | 12,000,000           |                      |
|  | <u>95,586,629</u>    | <u>107,586,629</u>   |
|  | 713,951,291          | 520,712,303          |
|  | 185,846,605          | <u>193,238,968</u>   |
|  | <u>899,797,896</u>   | <u>713,951,291</u>   |
|  | <u>995,384,525</u>   | <u>821,537,920</u>   |

**NEW BUILDING SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. LOAN ASSETS**

Mortgage accounts (Note 6)  
Temporary loans  
Properties in possession

| 1996<br>\$           | 1995<br>\$           |
|----------------------|----------------------|
| 2,653,805,958        | 1,861,383,667        |
| 4,255,977            | 1,273,101            |
| 4,983,998            |                      |
| <u>2,663,045,933</u> | <u>1,862,656,768</u> |

**4. INVESTMENTS AND CASH**

Foreign Investments  
Final Redemption Date in

Not more than 5 years  
5 - 10 years  
10 - 20 years

|            |            |
|------------|------------|
| 37,007,484 | 37,007,484 |
| 80,187,722 | 32,600,121 |
| 67,564,605 | 98,534,077 |

**Local Investments**

(a) Repayable in not more than 6 months  
(b) Final redemption date in not more than 5 years

|               |               |
|---------------|---------------|
| 1,939,040,199 | 2,801,049,315 |
| 2,399,935,600 | 433,551,157   |

**Cash at Bank and in Hand**

Repayable in not more than 6 months

|             |             |
|-------------|-------------|
| 153,290,454 | 352,556,365 |
|-------------|-------------|

Interest Accrued (Gross)

|                      |                      |
|----------------------|----------------------|
| 271,526,469          | 136,890,521          |
| <u>4,948,552,533</u> | <u>3,892,189,040</u> |

Market Value of Investments

|               |               |
|---------------|---------------|
| 5,010,713,451 | 3,882,478,922 |
|---------------|---------------|

Maturity Value of Investments

|               |               |
|---------------|---------------|
| 5,555,124,051 | 3,936,873,391 |
|---------------|---------------|

**NEW BUILDING SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**5. FIXED ASSETS**

**(a) Book Values**

At December 31, 1996

|                          |  |
|--------------------------|--|
| Freehold land            |  |
| Freehold buildings       |  |
| Motor vehicles           |  |
| Furniture and equipment  |  |
| Machinery and equipment  |  |
| Construction-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, 1996**

|                    |                             | 1996               | 1995               |
|--------------------|-----------------------------|--------------------|--------------------|
|                    |                             | \$                 | \$                 |
| Cost/<br>Valuation | Accumulated<br>Depreciation | Net Book<br>Value  | Net Book<br>Value  |
| \$                 | \$                          | \$                 | \$                 |
| 20,288,000         | -                           | 20,288,000         | 20,288,000         |
| 85,125,229         | 4,982,209                   | 80,143,021         | 81,845,525         |
| 16,914,929         | 7,980,615                   | 8,934,312          | 12,072,557         |
| 2,442,365          | 575,296                     | 1,867,070          | 466,042            |
| 21,335,759         | 11,143,833                  | 10,191,926         | 9,885,783          |
| 1,917,278          | -                           | 1,917,278          | 864,255            |
| <u>148,023,560</u> | <u>24,681,953</u>           | <u>123,341,607</u> | <u>125,421,205</u> |

**NEW BUILDING SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

(b) Movements to Fixed Assets

Completed

Cost/Valuation at January 1, 1996

141,712,105

Additions and Transfers from  
construction in-Progress at Cost

Furniture and equipment  
Machinery and equipment

1,523,746  
2,870,431

4,394,177

146,106,282

Cost / Valuation at December 31, 1996

Construction-in-Progress

Cost at January 1, 1996

664,258

Additions at cost  
Furniture and equipment

1,053,020

Cost at December 31, 1996

1,917,278

Total Cost / Valuation at December 31, 1996

148,023,560

**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 of valuation 1993  
Freehold buildings - year of valuation 1993

|            |            |
|------------|------------|
| 20,288,000 | 20,288,000 |
| 80,927,000 | 80,927,000 |

**At Cost**

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

|            |            |
|------------|------------|
| 4,198,229  | 4,198,229  |
| 16,914,929 | 16,914,929 |
| 2,442,365  | 918,615    |
| 21,335,759 | 18,465,328 |
| 1,917,278  | 864,258    |

Cost at December 31, 1996

|                    |                    |
|--------------------|--------------------|
| <u>148,023,560</u> | <u>142,576,363</u> |
|--------------------|--------------------|

**(d) Capital Commitment**

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

Authorised but not contracted for

|                   |                   |
|-------------------|-------------------|
| <u>40,000,000</u> | <u>          </u> |
|-------------------|-------------------|

Authorised and contracted for

|                   |                   |
|-------------------|-------------------|
| <u>          </u> | <u>          </u> |
|-------------------|-------------------|

**NEW BUILDING SOCIETY LIMITED**

**FOR THE YEAR ENDED DECEMBER 31, 1996**

|      |      |
|------|------|
| 1996 | 1995 |
| \$   | \$   |

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

**6. 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, 1996**

|  | 1996              |                   | 1995              |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | No. of Securities | Amount \$         | No. of Securities | Amount \$         |
|  | 9                 | 2,322             | 9                 | 2,296             |
|  | 5                 | 3,978             | 10                | 7,332             |
|  | 10                | 14,891            | 11                | 19,016            |
|  | 13                | 33,039            | 22                | 58,147            |
|  | 11                | 38,285            | 15                | 51,500            |
|  | 7                 | 30,929            | 12                | 52,314            |
|  | 56                | 424,886           | 59                | 433,491           |
|  | 38                | 476,920           | 60                | 721,958           |
|  | 20                | 348,368           | 32                | 564,461           |
|  | 17                | 373,078           | 23                | 515,454           |
|  | 15                | 406,855           | 20                | 551,245           |
|  | 41                | 1,622,683         | 48                | 1,940,100         |
|  | 97                | 7,205,212         | 91                | 6,689,705         |
|  | 126               | 18,864,814        | 161               | 23,978,831        |
|  | 56                | 12,520,293        | 68                | 15,446,129        |
|  | <u>521</u>        | <u>42,366,553</u> | <u>641</u>        | <u>51,031,979</u> |



**NEW BUILDING SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**8. SIGNIFICANT ACCOUNTING POLICIES**

(a) Depreciation

Freehold buildings are written 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.

**NEW BUILDING SOCIETY LIMITED**

**FOR THE YEAR ENDED DECEMBER 31, 1996**