

**58th
Annual Report
and Accounts
1997**



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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-eight Annual General Meeting of the Members of the New Building Society Limited will be held at 5:00 p.m. on Monday, 20th April, 1998 at the Hotel Tower Lira, 74-75 Main Street, Georgetown.

AGENDA

1. To consider the Accounts, Balance Sheet and the Reports of the Directors and Auditors for the year 1997.
2. To confirm the appointment by the Board of Directors of Mr. L. O. Rockcliffe as a Director.
3. To fix the remuneration of the Directors for the year 1998.
4. To appoint Auditors for the year 1998 and to authorise the Board to fix their remuneration for the year 1998.
5. (a) To approve the sum of \$6,000,000 to be donated for Charitable and Educational Purposes for the year 1998.
(b) To approve the sum of \$50,000,000 to be donated for the restoration of the Palms to be allocated in equal instalments in 1998 and 1999.
6. Any Other Business of which due notice shall have been given.

By Order of the Board
Samuel A. Ramdeen
Director/Secretary

NEW BUILDING SOCIETY LIMITED

DIRECTORS

J.A. King Esq., S.C., - Chairman
J.G. Carpenter Esq., BSc., - Vice Chairman
L.C. Ram Esq., F.C.C.A., A.C.M.A., A.C.I.S., M.B.I.M.
L. Eytte (Mrs)
R. Bhookmohan Esq.
L.O. Rockcliffe Esq.
S.A. Ramdeen Esq.

MANAGEMENT

S.A. Ramdeen Esq. - Director/Secretary
M.L. Arjoon Esq. - Assistant Secretary/Accountant
N. Mohamed Esq. - Assistant Accountant
M. Majeed Esq. - Information Technology Controller
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,
Broek,
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-eighth Annual Report and Financial Statement of the Society for the year ended 31st December, 1997.

SHARES AND DEPOSIT ACCOUNTS

During the year 6,388 new accounts were opened (1996 - 7,025). Investors Funds moved from \$6,700,003,926 to \$8,156,665,693 an increase of \$1,456,661,767 (1996 - \$1,694,546,153). Invested funds represent 86.61% of Total Assets at year-end. (1996 - 86.58%).

MORTGAGES

The total amount advanced during the Financial year as loans on the security of freehold and leasehold properties was \$1,306,696,724 and the total number of mortgages executed was 655 (1996 - \$1,101,883,177 was advanced and 497 mortgages executed).

At 31st December, 1997 there were 2,339 Mortgages in force totalling \$3,602,570,348 which is 38.25% of Total Assets (1996 \$1,101,883,117 - 34.3%).

Five Mortgage Accounts were more than twelve months in arrear at the end of the year. The total amount outstanding was \$12,085,615.

ASSETS

Total Assets increased by \$1,679,715,313 during the year to \$9,418,233,423 representing a growth of 21.71% (1996 - 31.5%).

LIQUIDITY AND RESERVES

At 31st December, 1997 Liquid Assets (i.e. Cash and Short Term Investments) stood at \$2,785,189,245 representing 30% of Total Assets (1996 - 27%).

At the end of the year Total Reserves amounted to \$1,215,354,111 which is 12.90% of total assets (1996 - 12.86%).

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 and these were sold during 1996. Title will be passed during 1998.

DIRECTORATE

Mr. Jules de Cambra, C.C.H. died on 6th June, 1997. Mr. Leon Rockcliffe 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).

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
18th March, 1998

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 6 to 29. 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, 1997, and of the results of its operations and the source and application of its funds for the year ended December 31, 1997 in accordance with Approved Accounting Standards.

JACK A. ALLI, SONS & CO.
Correspondents of Price Waterhouse

145 Crown Street,
Queenstown,
Georgetown,
March 17, 1998

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.
 Inspection fees
 Gain on exchange rate

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 Transferred to
 Distributable Reserves**

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

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1997

	1997 \$	1996 \$
	409,660,991	310,853,132
	213,830	412,030
	11,859,661	21,326,350
	559,114,605	577,076,788
	20,293,374	25,848,277
	5,018,900	3,882,462
	469,988	368,687
	35,079,081	-
	<u>1,041,710,430</u>	<u>939,767,726</u>
	124,487,984	114,265,840
	1,942,500	1,950,000
	1,942,500	1,950,000
	838,337	480,000
	1,200,000	1,000,000
	1,797,885	980,461
	6,000,000	4,000,000
	8,619,430	7,526,795
	<u>146,828,636</u>	<u>132,153,096</u>
	<u>894,881,794</u>	<u>807,614,630</u>
	-	8
	414,730,315	464,717,491
	240,929,867	136,508,522
	19,252,026	20,542,004
	<u>674,912,208</u>	<u>621,768,025</u>
	<u>219,969,586</u>	<u>185,846,605</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

J. A. King) CHAIRMAN

J. G. Carpenter) VICE-CHAIRMAN

S. A. Ramdeen) DIRECTOR/SECRETARY

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

NEW BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1997

NOTES	1997 \$	1996 \$
1	7,871,209,637	6,439,679,742
	285,456,056	260,324,184
	46,213,619	43,129,659
2	<u>1,215,354,111</u>	<u>995,384,525</u>
	<u>9,418,233,423</u>	<u>7,738,518,110</u>
3	3,609,273,767	2,663,045,933
4	5,649,405,534	4,948,552,533
5	134,416,493	123,341,607
	<u>25,137,629</u>	<u>3,578,037</u>
	<u>9,418,233,423</u>	<u>7,738,518,110</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

Net receipts from shareholders and depositors (including interest capitalised)

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

(Increase)/decrease in creditors and accruals

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

NEW BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1997

	\$ 1997		\$ 1996	
	\$	\$	\$	\$
		219,969,586		185,846,605
		8,619,430		7,526,795
		<u>1,456,661,767</u>		<u>1,694,546,153</u>
		1,685,250,783		1,887,919,553
	(946,227,834)		(800,389,165)	
	(19,694,316)		(5,447,197)	
			<u>(12,000,000)</u>	
		<u>(965,922,150)</u>		<u>(817,836,362)</u>
		<u>719,328,633</u>		<u>1,070,083,191</u>
	853,001		1,056,363,493	
	21,559,592		1,211,119	
	<u>(3,083,960)</u>		<u>12,508,579</u>	
		<u>719,328,633</u>		<u>1,070,083,191</u>

NEW BUILDING SOCIETY LIMITED
FUNDS ADMINISTERED BY THE SOCIETY

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

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

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1997

NOTE	1997 \$	1996 \$
	<u>732,060</u>	<u>717,762</u>
	561,443	547,145
	170,617	170,617
	<u>732,060</u>	<u>717,762</u>
	<u> </u>	<u>9,932</u>
	<u> </u>	<u>9,932</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 an integral part of these financial statements.

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1997

NOTES	1997 \$	1996 \$
	57,490	57,490
	61,422	61,422
	<u>(3,932)</u>	<u>(3,932)</u>
	344	344
	41,743	39,420
	<u>38,155</u>	<u>35,832</u>
7	38,049	35,726
	106	106
	<u>38,155</u>	<u>35,832</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1997

	1997 \$	1996 \$
1. SHARES		
Fully paid investing shares	-	756
Fixed dollar shares	5,109,969,604	4,714,710,058
Save and prosper shares	2,761,240,033	1,724,968,931
	<u>7,871,209,637</u>	<u>6,439,679,742</u>
2. RESERVES		
Non-Distributable		
Balance at January 1, 1997	95,586,629	107,586,629
Less		
Amount utilised for donation	-	12,000,000
Balance at December 31, 1997	<u>95,586,629</u>	<u>95,586,629</u>
Distributable		
Balance at January 1, 1997	899,797,896	713,951,291
Add		
Unappropriated income for the year	219,969,586	185,846,605
Balance at December 31, 1997	<u>1,119,767,482</u>	<u>899,797,896</u>
Total Reserves	<u>1,215,354,111</u>	<u>995,384,525</u>

NEW BUILDING SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

3. LOAN ASSETS

Mortgage accounts (Note 6)
 Temporary loans
 Properties in possession

1997 \$	1998 \$
3,602,570,348	2,653,805,958
1,659,691	4,255,977
5,043,728	4,983,998
<u>3,609,273,767</u>	<u>2,663,045,933</u>

4. INVESTMENTS AND CASH

Foreign Investments

Final Redemption Date in

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

109,207,709	37,007,484
55,066,247	80,187,722
45,158,479	67,564,605

Local Investments

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

2,670,473,756	1,939,040,199
2,384,248,000	2,399,935,600

Cash at Bank and in Hand

Repayable in not more than 6 months

114,715,487	153,290,454
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Interest Accrued (Gross)

270,595,856	271,526,469
<u>5,649,405,534</u>	<u>4,948,552,533</u>

Market Value of Investments

5,682,325,450	5,010,713,451
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Maturity Value of Investments

<u>6,186,449,633</u>	<u>5,555,124,051</u>
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NEW BUILDING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. FIXED ASSETS

(a) Book Values

At December 31, 1997

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

			1997 \$	1996 \$
	Cost/ Valuation \$	Accumulated Depreciation \$	Net Book Value \$	Net Book Value \$
	20,288,000	-	20,288,000	20,288,000
	89,629,842	6,716,370	82,913,472	80,143,021
	28,828,210	11,822,895	17,005,315	8,934,312
	3,705,552	841,752	2,863,800	1,867,070
	22,935,194	13,920,366	9,014,828	10,191,926
	2,331,078	-	2,331,078	1,917,278
	<u>167,717,876</u>	<u>33,301,383</u>	<u>134,416,493</u>	<u>123,341,607</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.

(b) Movements to Fixed Assets

Completed

Cost / Valuation at January 1, 1997

Additions at Cost

Freehold buildings
Motor vehicles
Furniture and equipment
Machinery and equipment

Cost / Valuation at December 31, 1997

Construction-in-Progress

Cost at January 1, 1997

Additions at Cost
Furniture and equipment

Cost at December 31, 1997

Total cost/Valuation at December 31, 1997

146,106,282

4,504,613
11,913,281
1,263,187
1,599,435

19,280,516

165,386,798

1,917,278

413,800

2,331,078

167,717,876

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

At Cost

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

Cost / Valuation at December 31, 1997

(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 BUILDING SOCIETY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 1997

	1997 \$	1996 \$
	20,288,000	20,288,000
	80,927,000	80,927,000
	8,702,842	4,198,229
	28,828,210	16,914,929
	3,705,552	2,442,365
	22,935,194	21,335,759
	2,331,078	1,917,278
	<u>167,717,876</u>	<u>148,023,560</u>
	<u>50,000,000</u>	<u>40,000,000</u>
	<u>-</u>	<u>-</u>

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, 1997

	1997		1996	
	No. of Securities	Amount \$	No. of Securities	Amount \$
	6	1,611	9	2,322
	2	1,369	5	3,978
	10	15,880	10	14,891
	5	11,294	13	33,039
	9	30,314	11	38,285
	13	57,365	7	30,929
	38	278,177	56	424,886
	20	240,899	38	476,920
	15	261,689	20	348,368
	6	131,689	17	373,078
	12	334,407	15	406,855
	40	1,551,625	41	1,622,683
	84	6,087,978	97	7,205,212
	102	15,658,912	126	18,864,814
	46	10,123,878	56	12,520,293
	<u>408</u>	<u>34,787,087</u>	<u>521</u>	<u>42,366,553</u>

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 exceeding \$35,000
but not \$40,000

NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1997

1997		1996	
No. of Securities	Amount \$	No. of Securities	Amount \$
408	34,787,087	521	42,366,553
250	94,270,789	222	82,620,732
222	137,878,614	213	133,731,222
198	173,407,605	148	128,874,153
336	417,937,645	268	334,972,246
252	442,152,264	195	348,888,884
162	361,828,525	124	278,270,576
141	390,569,947	84	235,546,992
147	514,555,063	106	368,637,476
186	845,134,331	136	628,130,104
37	190,048,478	14	71,767,020
<u>2,339</u>	<u>3,602,570,348</u>	<u>2,031</u>	<u>2,653,805,958</u>
<u>1</u>	<u>38,049</u>	<u>1</u>	<u>35,726</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

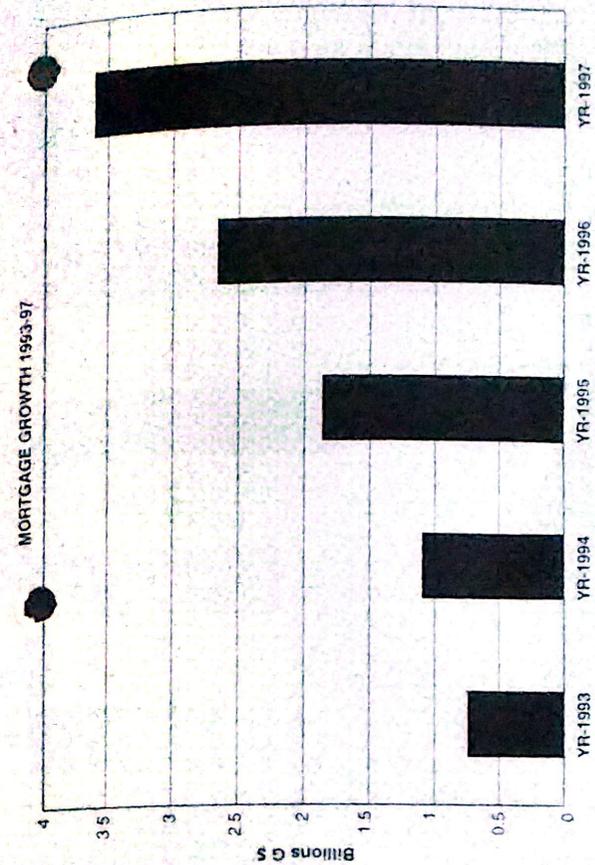
Investments are stated at cost to the Society.

(c) Foreign Currencies

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

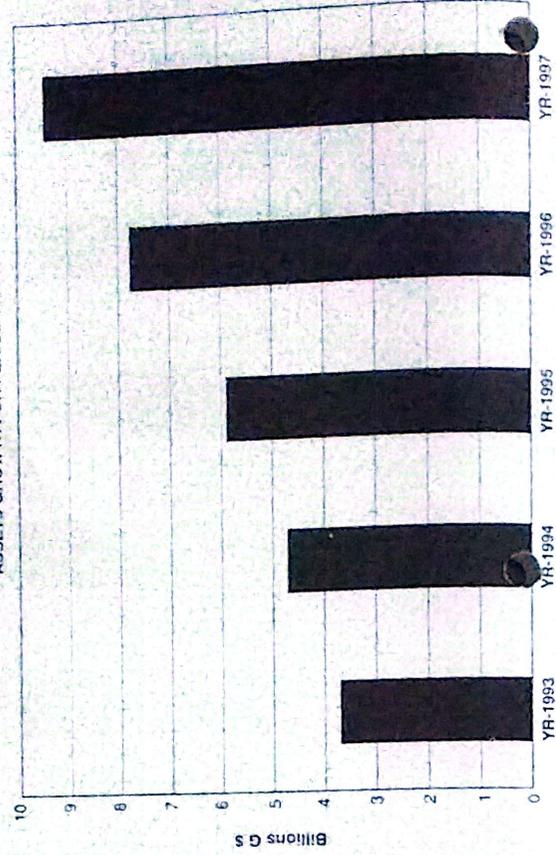
At balance sheet date all amounts denominated in foreign currencies, except investments, are converted to Guyana dollars at the exchange rate ruling at that date, but the resultant gain or loss is recognised in the financial statements only if it would materially affect the financial statements.

NEW BUILDING SOCIETY LIMITED



NEW BUILDING SOCIETY LIMITED

ASSETS GROWTH FOR PERIOD 1993-97



NEW BUILDING SOCIETY LIMITED
FOR THE YEAR ENDED DECEMBER 31, 1997