

WELLINGTON DISTRICT SAVINGS BANK

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1967

| 1966 £ | | 1967 £ |
|----------------|--|-----------------|
| 29,125 | Interest— | 58,982 |
| 7,891 | Paid and credited to depositors .. | 14,713 |
| 37,016 | Accrued on investment accounts .. | 73,695 |
| 4,817 | Administration expenses— | 5,257 |
| 657 | Advertising | 761 |
| 273 | Auditor's fees and expenses | 118 |
| 1,308 | Amortised cost of leases | 2,874 |
| 4,525 | Depreciation | 5,854 |
| 6,615 | Printing and stationery | 12,157 |
| 21,809 | Rent | 38,030 |
| 5,667 | Salaries | 13,106 |
| | Trustees' fees | |
| | Other administration expenses | |
| <u>£82,687</u> | | <u>£151,852</u> |
| 1966 £ | Investment income— | 1967 £ |
| 56,797 | Interest received, due, and accrued— | 97,387 |
| 631 | New Zealand Government stock | 1,743 |
| 1,673 | Local authorities stock | 20,399 |
| 581 | Mortgages | 1,770 |
| 195 | Fixed deposits | 289 |
| | Short term deposits | |
| 59,877 | | 121,588 |
| 2,375 | Commissions received and accrued— | 1,509 |
| 94 | Government stock | 200 |
| 854 | Local authorities stock | 3,727 |
| | Sundry income | |
| 63,200 | Total income | 127,024 |
| 19,487 | Net cost of operations for year transferred to establishment account | 24,828 |
| <u>£82,687</u> | | <u>£151,852</u> |

BALANCE SHEET AS AT 31 MARCH 1967

| 1966 £ | | 1967 £ |
|-------------------|--|-------------------|
| 1,735 | Current liabilities— | 3,650 |
| 1,543 | Creditors | 1,200 |
| 7,891 | Owing to other trustee savings banks | 14,713 |
| | Provision for accrued investment account interest | |
| 11,169 | Total current liabilities | 19,563 |
| 57,123 | Long term liabilities— | 80,449 |
| | Bank overdraft (Note 7) | 80,449 |
| | Total long term liabilities | 100,012 |
| 1,235,390 | Depositors' balances— | 2,094,735 |
| 111,557 | Savings bank | 151,483 |
| 1,346,947 | Ordinary depositors' total | 2,246,218 |
| 420,450 | Investment accounts | 732,830 |
| 1,767,397 | Total depositors' balances | 2,979,048 |
| 551 | Reserve fund (Note 2)— | 751 |
| | Discounts receivable on maturity of New Zealand Government stock | |
| | Total reserve fund | 751 |
| <u>£1,836,240</u> | | <u>£3,079,811</u> |
| 1966 £ | Current assets— | 1967 £ |
| 47,143 | Cash resources (Note 1) | 125,598 |
| 186 | Debtors | 425 |
| 5,628 | Owing by other trustee savings banks | 8,346 |
| 652 | Payments in advance | 669 |
| 27,406 | Accrued income | 35,030 |
| 81,015 | Total current assets | 170,068 |

| 1966 £ | | 1967 £ |
|-------------------|--|-------------------|
| 1,509,237 | Investments (at cost unless otherwise stated)— | |
| 20,489 | New Zealand Government stock (Note 2) | 2,170,869 |
| 134,035 | Local authorities stock | 51,315 |
| 50,000 | Mortgages (Note 3) | 569,738 |
| | Fixed deposits | 50,000 |
| 1,713,761 | Total investments | 2,841,922 |
| 5,869 | Fixed assets (Note 4)— | |
| 5,165 | Furniture and fittings, safes, office machines | 7,347 |
| 765 | Improvements to leasehold premises | 5,076 |
| 11,799 | Motor vehicles | 1,523 |
| | Total fixed assets | 13,946 |
| 1,927 | Intangible assets (cost)— | |
| 27,738 | Cost of leases (Note 5) | 1,309 |
| | Establishment account (Note 6) | 52,566 |
| 29,665 | Total intangible assets | 53,875 |
| <u>£1,836,240</u> | | <u>£3,079,811</u> |

The references in these accounts to the numbered notes, are to the notes following, which form an integral part of, and are to be read in conjunction with, these accounts.

FELIX WOOD, President.
J. W. BROWN, General Manager.

NOTES TO THE ACCOUNTS

NOTE 1: *Cash Resources*—In accordance with section 24 (3) of the Trustee Savings Banks Act 1948, in order to meet depositors' demands, the bank is required to keep immediately available in cash resources, 5 percent of its depositors' balances. For this purpose, fixed deposits are included as part of cash resources.

NOTE 2: *Government Stock*—It is the bank's policy to hold New Zealand Government stock investments until maturity. In accordance with this policy, discounts receivable or premiums paid are amortised to reserve fund over the term of the investment on a straight line basis as a capital, non-taxable item.

As at 31 March 1967, the values of the bank's holdings of New Zealand Government stock were:

| 1966 £ | | 1967 £ |
|-----------|-----------------------|-----------|
| 1,508,686 | Cost price | 2,170,118 |
| 1,519,600 | Nominal value | 2,186,300 |
| 1,472,254 | Market value | 2,067,571 |

The balance sheet valuation is as follows:

| | | |
|-------------------|---|-------------------|
| 1,508,686 | Cost price | 2,170,118 |
| 551 | Amortisation to 31 March 1966 | 551 |
| | Amortised discounts receivable for the year ended 31 March 1967 | 543 |
| 1,509,237 | | 2,171,212 |
| | Less amortised premiums paid for the year ended 31 March 1967 | 343 |
| <u>£1,509,237</u> | | <u>£2,170,869</u> |

NOTE 3: *Mortgages*—The bank advances up to two-thirds of its valuation of a property by way of first mortgage finance on freehold or leasehold property. On freehold property, advances may be for any term with a maximum of 25 years, but the term for leasehold property is subject to special conditions.

Interest rates are:

1. Home finance, 6 percent (with a maximum advance of £5,000).
2. Clubs, societies, institutions and church groups, from 6½ percent.
3. Farms and commercial, from 6¾ percent.

NOTE 4: Fixed Assets and Depreciation—

| | Furniture and Fittings, Safes, Office Machines | Improvements to Leasehold Premises | Motor Vehicles | Total |
|--|--|------------------------------------|----------------|----------|
| Cost as at 31 March 1966 | £ 6,611 | £ 5,765 | £ 956 | £ 13,332 |
| Depreciation to 31 March 1966 | 742 | 600 | 191 | 1,533 |
| Book value as at 31 March 1966 | 5,869 | 5,165 | 765 | 11,799 |
| Additions for year | 2,333 | 1,434 | 1,904 | 5,671 |
| Disposals for year | | | 650 | 650 |
| Depreciation for year | 855 | 1,523 | 496 | 2,874 |
| Balance as at 31 March 1967 | 7,347 | 5,076 | 1,523 | 13,946 |

Depreciation has been charged at rates approved by the Inland Revenue Department on some assets, while the remainder have been depreciated on a straight line basis over the estimated useful life of the assets.

NOTE 5: *Cost of Leases*—These charges are the cost of purchasing leases for branch premises. Purchases are recorded at cost and amortised to profit and loss account over the term of the various leases on a straight line basis.