

Auditors' Report

We have obtained all the information and explanations that we have required. In our opinion proper books of account have been kept by the company so far as appears from our examination of those books. In our opinion, according to the best of our information and the explanations given to us and as shown by the said books, the balance sheet and the profit and loss account are properly drawn up so as to give respectively a true and fair view of the state of the company's affairs as at 31 March 1967 and of the results of its business for the year ended on that date.

According to such information and explanations, the accounts, the balance sheet and the profit and loss account give the information required by the Companies Act 1955 in the manner so required.

ERNEST HUNT, TURNER AND CO.
Public Accountants, Auditors.

Wellington, 17 May 1967.

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NATIONAL BANK OF NEW ZEALAND SAVINGS
BANK LTD.

PROFIT AND LOSS ACCOUNT FOR 13 MONTHS ENDED 31 OCTOBER
1967

6 Months to 5 Oct. 1966 \$(N.Z.)		13 Months to 31 Oct. 1967 \$(N.Z.)
389,586	Interest to depositors	1,100,265
76,146	Management and operating ex- penses	215,312
..	Directors' fees
465,732	Total expenses	1,315,577
70,618	Provision for taxation	166,714
72,872	Net profit for period	169,002
<u>\$609,222</u>		<u>\$1,651,293</u>

6 Months to 5 Oct. 1966 \$(N.Z.)		13 Months to 31 Oct. 1967 \$(N.Z.)
405,742	Income from investments— New Zealand Government stock and local authority securities	1,141,635
199,452	Other investments	500,891
605,194		1,642,526
4,028	Other income	8,767
<u>\$609,222</u>		<u>\$1,651,293</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT

\$(N.Z.)		\$(N.Z.)	\$(N.Z.)
..	Transfer to New Zealand Government stock revaluation reserve— In respect of previous periods	47,882	
..	In respect of this period	57,083	
..	Less: Tax adjustment	104,965	52,482
..	Transfer to general re- serve	50,000	
..	Provision for dividend (Note 2)	60,000	
101,064	Balance carried forward	107,598	
<u>\$101,064</u>		<u>\$270,080</u>	

\$(N.Z.)		\$(N.Z.)
28,192	Balance brought forward	101,064
72,872	Net profit for period	169,002
..	Transfer from New Zealand Government stock revaluation reserve on account stock matured during period	28
..	Less: Tax adjustment	14
<u>\$101,064</u>		<u>\$270,080</u>

BALANCE SHEET AS AT 31 OCTOBER 1967

5 Oct. 1966 \$(N.Z.)		31 Oct. 1967 \$(N.Z.)
\$2,000,000	Shareholders' funds— Authorised and issued capital — 1,000,000 ordinary shares of \$2 each	2,000,000
400,000	Paid up capital— 1,000,000 ordinary shares of \$2 each paid up to 40c each	400,000
40,000	General reserve	90,000
101,064	Profit and loss appro- priation account	107,598
<u>541,064</u>		<u>597,598</u>
..	New Zealand Govern- ment stock revalu- ation reserve (in- cluding taxation payable thereon)	104,937
15,770,432	Current liabilities and provisions— Depositors' balances— Ordinary accounts	20,541,338
54,760	Thrift accounts	116,085
541,792	Home lay-by ac- counts	758,327
10,152,280	Investment accounts	14,934,498
<u>26,519,264</u>		<u>36,350,248</u>
150,522	Provision for taxation Less: Provisional tax paid	272,256
..		31,778
..	Provision for dividend (Note 2)	240,478
296,600	Other liabilities including interest accrued	60,000
<u>\$27,507,450</u>		<u>457,825</u>
		758,303
		<u>\$37,811,086</u>
5 Oct. 1966 \$(N.Z.)		31 Oct. 1967 \$(N.Z.)
1,773,630	Contingent liability— subsidy—Home lay- by accounts \$10,000	..
10,600,000	Deposits at the National Bank of New Zealand Ltd.	2,312,551
9,123,448	Investments (Note 1)— New Zealand Govern- ment stock 3½% special	14,090,000
680,000	Other (marketable)	13,252,979
120,700	Advance subscriptions	1,500,000
20,524,148	Local authority securi- ties	293,700
4,974,898		29,136,679
234,774	Mortgages and other loans (less Provision for bad and doubt- ful debts)	6,005,789
<u>\$27,507,450</u>	Income accrued on investments	356,067
		<u>35,498,535</u>
		<u>\$37,811,086</u>

NOTES—(1) The redemption value of the New Zealand Government stock and local authority securities appearing in the balance sheet is \$30,156,480 and the market value \$29,033,770.

The book values of securities purchased at a discount or a premium are adjusted through New Zealand Government stock revaluation reserve at balance dates so as to attain their redemption values by maturity dates.

(2) Owing to the change in balance date, the dividend relates to the period of 19 months since 31 March 1966, and is the equivalent of an annual rate of 9.5 percent.

On behalf of the Board—

JOHN MOWBRAY, Director.
E. A. CARR, Secretary.