

50,000	Transfer to General Reserve	100,000
75,310	Balance carried forward	95,275
<u>\$125,310</u>		<u>\$195,275</u>
1972		1973
\$		\$
	Income from—	
	New Zealand Government stock and	
891,355	local authority securities	908,487
307,237	Other investments	462,715
1,010	Other sources	14,648
<u>1,199,602</u>		<u>1,385,850</u>
	Balance brought forward from previous	
51,895	year	75,310
73,415	Net profit for the year as above	119,965
<u>\$125,310</u>		<u>\$195,275</u>

NOTES TO THE ACCOUNTS

1. Book values of New Zealand Government and local authority securities which were purchased at a discount or a premium, are being amortised annually so as to attain their redemption values by maturity date.

2. The New Zealand Government and local authority securities are all redeemable at par at fixed dates. Whilst in the ordinary course of business, some realisation of the bank's investment in these securities may prove advantageous at prices less than book values shown, it is the opinion of the directors that existing reserves would be more than adequate to cover any contingency that may arise.

3. Commencing with the year ended 30 June 1973 the difference between the book value and proceeds on realisation of New Zealand Government and local authority securities is taken to Profit and Loss Account in equal annual instalments over a period of 5 years commencing with the year in which they arise.

4. Investments—1973

Book Value	Nominal Value	Market Value
\$22,501,387	\$22,510,648	\$22,276,445

On behalf of the Board:

T. L. WEBB, Director.

AUDITORS' REPORT TO THE MEMBERS OF THE
COMMERCIAL BANK SAVINGS BANK (N.Z.) LIMITED

In our opinion the accompanying balance sheet and profit and loss account give a true and fair view of the state of affairs of the Commercial Bank Savings Bank (N.Z.) Limited, at 30 June 1973, and of its results for the year ended on that date.

We have obtained all the information and explanations we have required. In our opinion the company has kept proper books and the balance sheet and profit and loss account give, in the prescribed manner, the information required by the Companies Act 1955.

G. L. ALLARD }
B. W. McDONALD } Chartered Accountants.

Wellington, 16 August 1973.

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BANK OF NEW ZEALAND SAVINGS BANK LTD.

Deposits Guaranteed by Bank of New Zealand

BALANCE SHEET AS AT 31 MARCH 1973

1972	Liabilities	1973
(\$000)		(\$000) (\$000)
	Depositors' balances, including	
	interest credited—	
72,360	Ordinary accounts	93,660
1,020	Thrift accounts	1,136
423	Home lay-by accounts	402
49,752	Investment accounts	42,785
		<u>137,983</u>
128	Provision for 1972 taxation	
	Provision for 1973 taxation	3
713	Provision for future taxation on	
	profits accrued	838
1,893	Other liabilities, including interest	
	accrued	1,423
		<u>2,264</u>
	Shareholders' Funds—	
	Authorised and issued capital—	
2,000	1,000,000 ordinary shares of \$2	2,000
	each	

1,000	Paid-up capital—\$1 per share ..	1,000
1,470	Reserves	1,945
		<u>2,945</u>
<u>\$128,759</u>		<u>\$143,192</u>
1972		1973
(\$000)		(\$000)
4,663	Assets	4,103
	Deposits at Bank of New Zealand ..	
	Investments—	
	New Zealand Government stock—	
49,725	3½ percent special	57,700
51,148	Other	46,010
3,883	Local authority securities—	11,058
		<u>114,768</u>
17,982	Mortgages and other loans	21,728
	Australian Government securities ..	301
	Other investments	800
1,358	Income accrued on investments	1,492
		<u>139,089</u>

The redemption value of the New Zealand Government stock and local authority securities appearing in the balance sheet is \$115,368,000 and the market value \$114,188,000.

The book values of securities purchased at a discount or at a premium are adjusted annually so as to attain their redemption values by maturity date.

\$128,759\$143,192PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 MARCH 1973

1972		1973
(\$000)		(\$000) (\$000)
	Trading income—	
	Income from New Zealand Government	
5,083	Stock and local authority securities ..	5,089
1,426	Income from other investments	1,699
8	Other income	26
<u>6,517</u>		<u>6,814</u>
	Less operating expenses—	
4,318	Interest to depositors	4,310
1,152	Management and operating expenses	
	(includes payroll tax \$15,520)	1,358
		<u>5,668</u>
1,047	Net profit before taxation	1,146
476	Less provision for taxation	516
<u>571</u>		<u>630</u>
75	Adjustment to provision for future taxation ..	5
<u>\$646</u>		<u>\$625</u>
	This income was distributed as follows—	
150	Dividend paid	150
496	Transfer to reserve	475
<u>\$646</u>		<u>\$625</u>

On behalf of the Board:

J. F. EARNSHAW, General Manager.

D. O. WHYTE, Director.

G. A. CHAPMAN, Director.

AUDITORS' REPORT TO MEMBERS OF BANK OF NEW ZEALAND
SAVINGS BANK LIMITED

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 statement 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 1973, 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 statement, give the information required by the Companies Act 1955, in the manner so required.

HUNT, DUTHIE, AND CO.,
Chartered Accountants, Auditors.

Wellington, 17 May 1973.

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