

FIXED ASSETS 31 MARCH 1975

	Cost	Revaluation	Accumulated Depreciation	Book Value 31 March 1975
	\$	\$	\$	\$
Land—				
Head office	29,234.00	..	..	29,234.00
Revaluation .. .. .	..	25,766.00	..	25,766.00
Patea	3,572.90	..	..	3,572.90
Castlecliff	2,000.00	..	..	2,000.00
Wanganui East	7,000.00	..	..	7,000.00
Mid Avenue	91,063.10	..	..	91,063.10
	<u>132,870.00</u>	<u>25,766.00</u>	<u>..</u>	<u>158,636.00</u>
Buildings and alterations—				
Head office	37,782.15	..	4,062.15	33,720.00
Head office alterations	75,622.32	..	24,710.32	50,912.00
Revaluation .. .. .	..	108,168.00	..	108,168.00
Castlecliff	2,852.00	..	749.00	2,103.00
Patea	15,578.11	..	1,133.11	14,445.00
Patea alterations	200.00	..	29.00	171.00
Wanganui East	10,088.40	..	160.40	9,928.00
Wanganui East alterations	4,851.62	..	1,014.62	3,837.00
Mid Avenue	31,006.11	..	310.11	30,696.00
	<u>177,980.71</u>	<u>108,168.00</u>	<u>32,168.71</u>	<u>253,980.00</u>
Leasehold premises—				
Upper Avenue	674.65	..	466.65	208.00
Aramoho	321.19	..	275.19	46.00
Marton	2,345.63	..	1,623.63	722.00
Bulls	401.76	..	170.76	231.00
Castlecliff	511.64	..	319.64	192.00
Taihape	2,923.16	..	1,787.16	1,136.00
Springvale	213.17	..	21.17	192.00
	<u>7,391.20</u>	<u>..</u>	<u>4,664.20</u>	<u>2,727.00</u>
Office equipment—				
General	43,632.65	..	20,321.65	23,311.00
Vehicles	12,043.64	..	3,065.64	8,978.00
	<u>55,676.29</u>	<u>..</u>	<u>23,387.29</u>	<u>32,289.00</u>
Furniture and fittings	57,154.98	..	31,656.98	25,498.00
	<u>\$431,073.18</u>	<u>\$133,934.00</u>	<u>\$91,877.18</u>	<u>\$473,130.00</u>

STATEMENT OF ACCOUNTING POLICIES

THE following particular accounting principles which materially affect the measurement of profit and of financial position have been applied:

1. Amortisation Policy—

- Government Stock—Several parcels of low yielding Government stock were switched between 1971 and 1973 with stocks yielding a higher rate of interest resulting in an increased income over the period of the investment. These stocks when ultimately realised will incur a loss for which provision is being made on a straight-line basis and charged against the reserve fund in accordance with section 27 (1) (b) of the Trustee Savings Bank Act 1948.
- Computer Landing Charges—The bank has paid landing charges on certain items of computer equipment and these have been capitalised and are being written off on a straight-line basis over the term of the lease.
- Establishment Costs (Personal Cheques)—Certain costs of introducing personal cheque facilities, as from 31 October 1974, are being written off during 2 financial years.

2. Interest—

- Personal Loans—The policy is to add interest to the full advance at the commencement of the loan. This amount is brought into revenue during appropriate financial years by applying the "Rule of 78".
- Investment Accounts—Accrued interest on investment accounts is calculated at the full rate payable and an adjustment is then made, acknowledging that some accounts will be closed before maturity. The adjustment is based on past experience of early maturities.
- Interest on Investments—Interest on investments is brought into revenue during the period in which it is earned, rather than the period during which it is received.

3. Depreciation—The rates of depreciation allowable for company tax purposes have been applied.

4. Taxation Allocation—

- Investment Allowances—These have been claimed where allowable.
- Accrued Interest—Accrued interest on investments is deducted from income to establish the short-term liability for taxation. Taxation payable on the amount of accrued interest is charged against the revenue account and transferred to a reserve for future taxation.

5. Computer Lease—The major part of the equipment used by the Data Processing Department is subject to a lease which expires in March 1979. The annual-lease rentals are being charged directly to the revenue account.

6. Valuation of Stock on Hand—The stock on hand shown in the balance sheet represents bulk stationery supplies. These have been valued at cost.

NOTES TO THE ACCOUNTS—

- Head office land and buildings were revalued on the basis of a report dated 5 May 1975, prepared by an independent valuer.
- Bulk supplies of stationery were purchased during the year to take advantage of quantity price concessions.