

Total current assets			
Investments—(see notes a and 1)			
New Zealand Government stock (nominal value \$21,544,123) .. .. .	21,645,113		20,193,305
Local authority securities (nominal value \$469,046)	473,791		1,696,076
Mortgages .. .. .	20,015,674		17,756,005
Personal loans .. .. .	495,990		439,709
Less interest (unearned) .. .. .	43,760	452,230	40,207
Total investments			
Fixed assets at cost less depreciation (see notes b, c, and 2)			
Land and buildings .. .. .	457,479		326,198
Leasehold improvements .. .. .	48,197		47,737
Furniture and fittings .. .. .	50,785		45,004
Office machinery .. .. .	176,090		74,952
Data capturing equipment—landing charges .. .. .	31,432		9,571
Security equipment .. .. .	37,516		38,935
Motor vehicles .. .. .	13,920		13,820
Medal and coin collection .. .. .	5,262		5,233
Goodwill .. .. .	1,850		3,700
	822,531		565,150
Prepayment—data capturing equipment .. .. .	110,719		
	\$48,024,816	\$43,666,333	

### EASTERN AND CENTRAL SAVINGS BANK REVENUE ACCOUNT

YEAR ENDED 31 MARCH 1976

	1976	1975
	\$	\$
Interest to depositors—		
On open accounts .. .. .	819,819	774,540
Closed accounts and matured investment accounts .. .. .	316,684	274,721
Accrued on investment accounts .. .. .	328,377	275,018
	1,464,880	1,324,279
Administration expenses—		
Trustee's honoraria .. .. .	1,288,933	1,048,503
Depreciation .. .. .	5,489	5,719
Amortization—		
Government stock and local authority stock .. .. .	11,883	15,690
Provision for taxation—	62,250	90,706
Tax paid profit—(carried down) .. .. .	69,773	135,821
	2,964,866	2,633,601
Interest on investments—		
From New Zealand Government stock .. .. .	1,134,728	1,073,508
From local authority stock .. .. .	102,598	92,832
From mortgages and personal loans .. .. .	1,491,682	1,274,231
From other sources .. .. .	155,805	151,097
	2,884,813	2,591,668
Income from other sources—		
Commissions .. .. .	36,449	34,730
Rents .. .. .	9,622	9,631
Sundries .. .. .	33,220	27,170
Realisation of assets—profit (net) .. .. .	762	402
	2,964,866	2,663,601

### APPROPRIATION ACCOUNT

Year Ended 31 March 1976

	1976	1975
	\$	\$
Provision for donations .. .. .	14,000	18,000
Transfer to general reserve .. .. .	55,773	117,821
	69,773	135,821
	1976	1975
	\$	\$
Net profit—brought down .. .. .	69,773	135,821
	69,773	135,821

NOTE a: *Mortgages*—Mortgages approved but not yet uplifted total .. .. . \$2,358,011

NOTE b: *Fixed assets*—  
 Cost price .. .. . 1,076,678  
 Depreciation to date .. .. . 254,147  
 Book value .. .. . 822,531

NOTE c: *Capital commitments*;  
 Premises development .. .. . 225,000

### STATEMENT OF ACCOUNTING POLICIES

1. *Amortization*—*New Zealand Government Stock and Local Authority Stock*: It is the bank's policy to amortize the discounts, premiums, and variations in exchange rates on Government

stock and local authority securities over the term of the investment on a straight-line basis and to show the value of the securities in the balance sheet at cost price adjusted by the amortized amounts to date. In accordance with this policy a net sum of \$11,883 has been debited to the Revenue Account for this financial year.

2. *Depreciation*: Previously, depreciation on assets was written off in accordance with the Inland Revenue Department schedule of ordinary rates. This year, depreciation has been charged using the straight-line method based on the economic life of the assets. The economic lives and residual values (where applicable) have been estimated for all Assets.

3. *Stationery Stock on hand*: This has been valued at the lower of cost or net realisable value on a FIFO basis after due allowance for damaged and obsolete stock.

### 4. *Taxation Allocation*:

(a) The taxation provided in the revenue account is based on the pre-tax accounting profit for the year.

(b) Special depreciation and first year allowances where applicable and accrued interest on investments are deductible from the accounting profit in arriving at the assessable income for the year.

(c) The differences between the taxation provided and the actual charge for each year are accounted for as provisions for deferred taxation.

R. J. BURNS, President.

EWING ROBERTSON, General Manager.

### AUDITORS' REPORT

We have examined the balance sheet of the Eastern and Central Savings Bank as at 31 March 1976, and the related revenue account for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet with notes attached and revenue account present fairly the financial position of the Eastern and Central Savings Bank as at 31 March 1976, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on the basis consistent with that of the preceding year, except for depreciation as noted in the statement of accounting policies.

Hastings, 17 May 1976.

BROWN WEBB AND COMPANY,  
Chartered Accountants.

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