

The grounds of the application are:

- (1) That the trusts upon which the board holds its property are uncertain.
- (2) That it appears that the board holds its property upon trust for a charitable purpose and the administration of its property and the carrying out of the trusts upon which it is held could be facilitated by extending and varying the powers of the trustees of the board.

The purpose of the scheme is to clarify the objects and powers of the board and to make provision as to the trustees of the board.

A copy of the scheme and the other papers filed by the board may be inspected at both the Wellington and Napier Registries of the Supreme Court upon application to the Registrars there.

The board's application is set down for hearing in the Supreme Court at Wellington, on Wednesday, the 16th day of March 1977, at 10 o'clock in the forenoon.

Any person desiring to oppose the scheme is required to give written notice of his intention to do so to the Registrar of the Supreme Court at Wellington, to the board's solicitors, Messrs Bell Gully & Co., P.O. Box 1291, Wellington, and to the Attorney-General at the Crown Law Office, P.O. Box 5012, Wellington, at least 7 clear days before the above-mentioned date of hearing.

J. D. DALGETY, Solicitor for the Board.

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| NATIONAL BANK OF NEW ZEALAND SAVINGS BANK LTD. | | | |
|--|---|--------------|---------------|
| BALANCE SHEET AS AT 31 OCTOBER 1976 | | | |
| 1975 NZ\$ | | 1976 NZ\$ | |
| 2,000,000 | Shareholders' funds Authorised and issued Ordinary shares of \$2 each | 1,000,000 | 2,000,000 |
| | Paid up capital—1,000,000 ordinary shares of \$2 each paid up to 40 cents | 400,000 | |
| 1,565,000 | General reserve | 1,765,000 | |
| 101,036 | Profit and loss Appn a/c. | 149,003 | |
| 2,066,036 | | | 2,314,003 |
| 633,655 | N.Z. Government stock revaluation reserves (note 3) | | 562,139 |
| | Current liabilities and provisions— Depositors' Balances: | | |
| 63,553,350 | Ordinary accounts | 71,725,027 | |
| 587,876 | Home lay-by accounts | 512,186 | |
| 1,226,143 | 6 month Investment a/cs. | 2,163,432 | |
| 11,303,132 | 1 year Investment a/cs. | 11,603,614 | |
| 4,747,084 | 2 year Investment a/cs. | 5,423,054 | |
| 1,214,340 | 3 year Investment a/cs. | 6,048,044 | |
| 82,631,925 | | | 97,475,357 |
| 33,926 | Provision for taxation— Current | 88,279 | |
| 314,669 | Deferred | 426,144 | |
| 348,595 | | 514,423 | |
| 120,000 | Provision for Dividend | 120,000 | |
| 1,053,178 | Other liabilities including interest accrued | 1,384,061 | |
| 1,521,773 | | | 2,018,484 |
| \$86,853,389 | | | \$102,369,983 |

| 1975 NZ\$ | | 1976 NZ\$ | |
|--------------|--|--------------|---------------|
| 3,985,466 | Deposits at the National Bank of New Zealand Ltd. | | 4,550,299 |
| 11,451,053 | Investments (note 2) | | |
| | N.Z. Government stock | 14,229,245 | |
| 38,300,000 | 3.3/4% N.Z. Government special stock at cost | 43,400,000 | |
| 2,600,000 | 7% N.Z. Government special stock at cost | 3,400,000 | |
| 2,382,812 | Local authorities' securities at cost | 2,519,896 | |
| 54,733,865 | | | 63,549,141 |
| 27,434,794 | Mortgages and other loans | 33,323,556 | |
| 699,264 | Income accrued | 946,987 | |
| \$86,853,389 | | | \$102,369,983 |

The notes annexed form part of these accounts.

On behalf of the board

S. T. RUSSELL, Director.
B. D. JACKSON, Secretary.

NATIONAL BANK OF NEW ZEALAND SAVINGS BANK LTD.

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES:

(a) General: The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method have been followed.

(b) Tax allocation: The charge for taxation in the profit and loss account is the amount of the estimated tax liability at current company taxation rates in respect of the net profit reported for the year. A timing difference arising from income receivable which has been accrued but not received in the current period is accounted for in a deferred taxation account.

(c) New Zealand Government and local authority securities: These 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 take place at prices below book values, it is the opinion of the Directors that existing reserves are sufficient to cover any losses that are likely to arise on sales undertaken in the normal course of business. The book values of securities purchased at a discount or a premium are adjusted through New Zealand Government stock revaluation reserve so as to obtain their redemption values by maturity dates. (see note 3 below).

The difference between book values and proceeds on realisation of N.Z. Government stock is taken to profit and loss account in equal annual instalments over a period of 5 years commencing with the year in which it arises. The balance yet to be taken to profit and loss account is held in New Zealand Government stock revaluation reserve. (See note 3 below).

2. As at 31 October 1976, the redemption value of New Zealand Government and local authority securities was \$64,147,186, book value was \$63,549,141, and market value (exclusive of accrued interest) was \$61,816,000.

3. New Zealand Government stock revaluation reserves (see note 1 (c) above): Arising from Adjustment of Book Value of Securities purchased at a discount or a premium and still held:

| | | |
|---|-----------|---------------|
| Balance (including taxation payable thereon) | \$ | \$ |
| 31/10/75 | 681,980 | |
| Add net appreciation for year | 92,706 | |
| Less appreciation on maturities and sales | (171,215) | |
| Balance (including taxation payable thereon) | | \$603,471 Cr. |
| 31/10/76 | | |
| Realised losses yet to be taken to profit and loss account | | |
| Balance at 31/10/75 of net losses for the years ended that date | 87,864 | |
| Plus losses for the year | 9,932 | |
| | 97,796 | |
| less proportion of net loss charged to profit and loss account | 22,645 | |
| | 75,151 | |
| less taxation thereon | 33,819 | |
| Balance 31/10/76 | | \$41,332 Dr. |
| Per balance sheet | | \$562,139 |

AUDITORS' REPORT TO MEMBERS OF NATIONAL BANK OF NEW ZEALAND SAVINGS BANK LTD.

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 and proper returns adequate for the purpose of our audit have been received from the branches. 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, together with the notes above, 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 October 1976 and 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 together with the notes above give the information required by the Companies Act 1953, in the manner so required.

14 December 1976, Wellington, New Zealand.

HUTCHISON HULL & Co., Chartered Accountants.

NATIONAL BANK OF NEW ZEALAND SAVINGS BANK LTD.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDING 31 OCTOBER 1976

| 1975 NZ\$ | | 1976 NZ\$ | |
|--------------|--|--------------|-------------|
| 2,350,815 | Interest to depositors | | 3,008,025 |
| 1,343,813 | Management and operating expenses | | 1,883,392 |
| | Directors fees | | |
| 3,694,628 | Total expenses | | 4,891,417 |
| 283,852 | Provision for taxation | | 265,733 |
| 346,931 | Net profit after taxation | | 324,787 |
| \$4,325,411 | | | \$5,481,937 |
| | Income from investments | | |
| | New Zealand Government stock and local authority Securities | | |
| 2,088,130 | | | 2,572,600 |
| 2,210,733 | Other investments | | 2,856,620 |
| 4,298,863 | | | 5,429,220 |
| 26,548 | Other income | | 52,717 |
| \$4,325,411 | | | \$5,481,937 |

PROFIT AND LOSS APPROPRIATION ACCOUNT

| 1975 NZ\$ | | 1976 NZ\$ | |
|--------------|---|--------------|-----------|
| 95,279 | Transfer to New Zealand Government stock— Revaluation reserve | 92,706 | |
| 42,876 | Less tax adjustment | 41,718 | |
| | | | 50,988 |
| 52,403 | Transfer to general reserve | | 200,000 |
| 300,000 | Provision for dividend | | 120,000 |
| 120,000 | Balance carried forward | | 149,003 |
| 101,036 | | | \$519,991 |
| \$573,439 | | | |
| 226,057 | Balance brought forward | | 101,036 |
| 346,931 | Net profit for period | | 324,787 |
| | Transfer from New Zealand Government stock. Revaluation reserve on account of stock matured or sold during period | 171,215 | |
| 820 | Less tax adjustment | 77,047 | |
| 369 | | | 94,168 |
| 451 | | | \$519,991 |
| \$573,439 | | | |
| \$517 | | | |