

(4) *Taxation*—Taxation charged against profits for the year is the estimated expense for the year. Tax allocation accounting has been adopted by the Bank for significant timing differences in respect of accrued investment income, depreciation, and capital profits and losses on Government stock purchases and sales.

C. Valuation of Assets:

(1) *Current Assets and Investments*—All current assets and investments are shown at cost with the exception of New Zealand Government stock. On the basis that Government stock will normally be held to maturity, the bank considers it appropriate to record such stock at face value. Differences between cost and face value are transferred to the reserve fund at the date of purchase.

NOTE 2: The taxation provision includes a tax benefit of \$105,700 arising from switches to higher yielding Government stock, and as a result profit after taxation transferred to the profit and loss appropriation account is increased by this amount.

The capital loss on these transactions has been charged to the reserve fund.

T. K. S. SIDEY, President.

A. L. FLEURY, General Manager.

GILFILLAN & CO. } Chartered Accountants.
HUTCHISON, HULL & CO. }

Dunedin

29 April 1977.

SOUTHLAND SAVINGS BANK

BALANCE SHEET AS AT 31 MARCH 1977

	\$	\$
Depositors' accounts		
Ordinary accounts	54,072,786	
Thrift club accounts	76,981	
(Sub-total)	54,149,767	
Investment accounts	8,381,150	
Home ownership accounts	232,439	
Farm ownership accounts	39,109	
Housing bonds	98,320	
Total liability to depositors		62,900,785
National savings accounts	38,699	
Add interest suspense account	1,008	
		39,707
(Sub-total)		62,940,492
Other liabilities		
Interest accrued on investment accounts	301,937	
Interest accrued on housing bonds	2,681	
Mortgages		
Owing to other trustee banks		
Remittances in transit		
Staff provident fund		
Sundry creditors	1,920	
Others (detail)		
Total other liabilities		306,538
Provision for donations		50,000
Provision for taxation		
Current	106,060	
Deferred	59,944	
		166,004
Reserve fund		4,362,926
		67,825,960

	\$	\$
Current assets		
Cash on hand and at bank	1,800,290	
Fixed deposits	4,900,000	
Interest accrued on investments	911,096	
Remittances in transit		
Sundry debtors	5,984	
		7,617,370
Investments		
New Zealand Government stock	28,646,093	
Local authority securities	6,971,130	
Mortgages	21,658,313	
Personal loans	583,879	
Total ordinary investments		57,859,415

National savings securities		\$	\$
New Zealand Government stock	39,707		
Cash on hand and at banks			
Total national savings securities			39,707
Fixed assets:	Cost	Depreciation	Book
	Price	To Date	Value
Land and	2,468,656	268,371	2,200,285
Buildings			
Vehicles			
Equipment			
Furniture etc.	552,239	443,056	109,183
Total fixed assets			2,309,468
			67,825,960

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 MARCH 1977

Interest to depositors			
On open accounts			1,307,262
Closed accounts, matured			
Investment accounts and redeemed housing bonds ..			244,515
Accrued on investment accounts and housing bonds			304,618
Home layby accounts—suspensory free deposits ..			
(Subtotal)			1,856,395
Administration expenses			1,308,260
Trustees' honoraria			7,338
Depreciation			42,331
Provision for taxation			342,918
Net profit carried down			525,465
			4,082,707
Interest on investments			
From New Zealand Government stock			1,555,665
From local authorities stock			430,029
From mortgages			1,529,131
From personal loans			41,621
From other sources			406,687
(Subtotal)			3,963,133
Income from other sources			119,574
			4,082,707

APPROPRIATION ACCOUNT

Provision for donations			50,000
Transfer to reserve			475,465
			525,465
Net profit brought down			525,465
			525,465

GORDON G. GRIEVE, President.
L. R. D. PAYNE, General Manager.

We, the undersigned, being the auditors of the Southland Savings Bank, appointed in terms of section 29 (3) of the Trustee Savings Banks Act 1948, report:—

1. That we have examined the books, accounts and vouchers of the bank and have received all the information and explanations we have required.

2. We have verified the cash, investments, securities and assets of the bank as at 31 March 1977.

3. The general manager has certified that to the best of his knowledge and belief, all requirements of the Trustee Savings Banks Act 1948, and regulations thereunder, have been complied with.

In our opinion, the above balance sheet and profit and loss account are properly drawn up so as to give respectively a true and fair view of the state of the Southland Savings Bank's affairs