

Current assets:

Cash on hand and at bank	516,907
Fixed deposits	950,000
Short term investments	1,000,000
Interest accrued on investments	864,957
Owing by other trustee banks	54,890
Pre-payments	5,320
Sundry debtors	4,432
	<u>3,396,506</u>

Investments:

New Zealand Government stock (note 3)	21,026,159
Local authority securities (note 4)	221,663
Mortgages	24,126,055
Personal loans (note 5)	434,553
Debentures—Northern Trustee Computerbank Ltd.	33,000
Shares—Northern Trustee Computerbank Ltd. (note 6)	63,892
	<u>45,905,322</u>

Fixed assets:

	Cost \$	Depreciation \$	Book Value \$
Land and buildings	341,177	14,150	327,027
Vehicles, equipment, furniture, etc.	381,517	199,874	181,643
	<u>722,694</u>	<u>214,024</u>	<u>508,670</u>

Total fixed assets:	<u>508,670</u>
	<u><u>\$49,810,498</u></u>

NOTES TO THE ACCOUNTS

Note 1: Accounting Principles—The accounts have been prepared in accordance with general accounting principles, consistent with previous years, based on historical cost, and there have been no changes to accounting policy during the year.

Note 2: Depreciation—The fixed assets have been depreciated at ordinary rates as allowed by the Inland Revenue Department. All assets still in use are included in the Bank's books and it is calculated that the depreciation rates being used will write off the items over the period of their useful lives.

Note 3: Government Stock—It has been the Bank's policy to amortise discounts and premiums on Government stock securities over the term of the investment on a straight line basis, and to show the value of the stock in the balance sheet at cost price plus amortised discount to date. In accordance with this policy the sum of \$269 has been credited to the profit and loss account for this financial year. This amount relates to stocks held at 31 March 1975. Following a ruling from the Inland Revenue Department the cost price of stocks purchased since 1 April 1975 at a discount or premium is the price paid for the stock, and no deduction from interest receivable is allowed for the interest content of the purchase. The Bank has decided to make provision over the term of the stock for losses or gains on maturity. In accordance with this policy the sum of \$124 has been debited to the Profit and Loss Account for this financial year. The nominal value of the Bank's Government stock holding is \$21,090,140.

Note 4: Local Authority Securities—Securities with a nominal value of \$1,130,267 were sold during the year, with a contract to repurchase. The funds released by the sales have been invested in first mortgages to produce a higher income. It is anticipated that these securities will be repurchased during the 1977-1978 financial year.

Note 5: Personal Loans—The Bank's policy is to add interest on the loan to the principal sum at the date of advance. The interest is brought into revenue on the basis of the rule of 78.

Note 6: Shares—Northern Trustee Computerbank Ltd—These shares have been treated using the standard accounting practice adopted by the New Zealand Society of Accountants for an Associated Company.

	\$
Purchase price of 80,000 \$1 ordinary shares	80,000
Less shares of accumulated loss of Northern Trustee Computerbank Ltd.	16,108
	<u>\$63,892</u>

Note 7: Mortgages—Mortgages approved but not advanced at 31 March 1977 1,079,626

Note 8: Capital Commitment—Expenditure committed to property development 71,500

Note 9: Taxation Provision—The amount provided for income tax is the amount of the calculated tax liability in respect of the accounting profit shown for the year in the profit and loss account. The provision for deferred taxation represents the tax liability on accrued interest on investments included in income but not received as at 31 March, 1977.

T. H. MUIR, President.
P. D. MUNN, General Manager.

AUDITOR'S CERTIFICATE

I report that I have examined the balance sheet of the Bay of Plenty Savings Bank at 31 March 1977, and the related revenue account for the year ended on that date and have received all the information and explanations I have required.

In my opinion the accompanying balance sheet and revenue account presents fairly the financial position of the Bank as at the 31st day of March 1977, and the results of the operations for the year ended on that date, and were in general conformity with generally accepted accounting principles applied on the basis consistent with that of the preceding year.

J. L. GREGORY, F.C.A., Auditor.

Tauranga, 23 May 1977.
1922

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