

THE COMMERCIAL BANK SAVINGS BANK (N.Z.) LIMITED

BALANCE SHEET AS AT 30 JUNE 1977

(Expressed in New Zealand Currency)

	1977 \$NZ	1976 \$NZ		1977 \$NZ	1976 \$NZ
Authorised capital— 250,000 ordinary shares of \$2 each	500,000	500,000	Deposits— With the Commercial Bank of Australia Ltd. ..	1,716,331	1,459,870
Issued and fully paid-up capital— 250,000 ordinary shares of \$2 each	500,000	500,000	With the official short-term money market ..	300,000	—
Revenue Reserves— General reserve .. 750,000		650,000	Investments New Zealand Government stock—		
Profit and loss account .. 543,685		410,723	3½ percent special ..	16,415,000	15,780,000
	1,293,685	1,060,723	Other	7,187,141	6,465,850
Total shareholders funds	1,793,685	1,560,723	7 percent special ..	1,100,000	1,100,000
Current liabilities and provisions— Depositors' balances—			Local authority securities	1,568,796	1,539,787
Ordinary accounts .. 27,555,580		26,266,635	Other investments (at cost)	141,000	141,000
Thrift accounts .. 332,155		335,864		26,411,937	25,026,637
Home lay-by accounts .. 117,702		115,844	Mortgages and other loans less provisions for bad and doubtful debts ..	13,686,075	12,372,066
Investment accounts .. 12,015,727		10,241,490		40,098,012	37,398,703
	40,021,164	36,959,833	Other assets including accrued interest on investments ..	349,240	266,978
Other liabilities including accrued interest and home lay-by subsidies 564,343		475,843			
Provision for taxation .. 84,391		129,152			
	40,669,898	37,564,828			
Deposits guaranteed by the Commercial Bank of Aus- tralia Ltd.					
	42,463,583	39,125,551		42,463,583	39,125,551

On behalf of the board : T. L. WEBB, Chairman.

AUDITORS' REPORT TO THE MEMBERS OF THE COMMERCIAL BANK SAVINGS BANK (N.Z.) LTD.

In our opinion the accompanying balance sheet and profit and loss account give a true and fair view of the state of affairs of the Commercial Bank Savings Bank (N.Z.) Ltd., at 30 June 1977, and of its results for the year ended on that date.

We have obtained all the information and explanations we have required. In our opinion the Company has kept proper books, and the balance sheet and profit and loss account give, in the prescribed manner the information required by the Companies Act 1955.

15 July 1977, Wellington, New Zealand.

B. W. McDONALD, C. STEWART, Chartered Accountants.

THE COMMERCIAL BANK SAVINGS BANK (N.Z.) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1977

(Expressed in New Zealand Currency)

	1977 \$NZ	1976 \$NZ		1977 \$NZ	1976 \$NZ
Interest to depositors	1,464,054	1,152,967	Income from— New Zealand Government stock and local authority securities	1,155,033	1,085,976
Management and operating expenses ..	482,000	422,000	Other investments	1,215,700	963,676
Provision for taxation	192,242	213,847	Other sources	525	1,213
Net profit for the year	232,962	262,051		\$2,371,258	\$2,050,865
	\$2,371,258	\$2,050,865			
Transfer to general reserve	100,000	100,000	Balance brought forward from previous year	410,723	248,672
Balance carried forward	543,685	410,723	Net profit for the year as above ..	232,962	262,051
	\$643,685	\$510,723		\$643,685	\$510,723

NOTES TO THE ACCOUNTS

Statement of Accounting Policies

1. (a) *Amortisation of public Securities*: Book values of New Zealand Government and local authority securities which are purchased at a discount or a premium, are being amortised annually so as to attain their redemption values by maturity date.

(b) *Profits and losses on realisation of public Securities*: The difference between the book value and proceeds on realisation of New Zealand Government and Local Authority Securities is taken to Profit and Loss Account in equal annual instalments over a period of 5 years commencing with the year in which they arise.

2. *Investments*: The New Zealand Government and local authority securities 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.

As at 30 June 1977.

Book Value: \$26,411,936.

Market Value: \$24,895,725.