

3. New Zealand Government Stock Revaluation Reserves Arising from Adjustment of Book Value of Securities purchased at a discount or a premium and still held.

	\$	\$
Balance (including taxation payable thereon) 31 October 1976 .. .. .	603,471	
Add net appreciation for year .. .. .	156,700	
	<u>760,171</u>	
Less appreciation on maturities and sales .. .. .	(20,529)	
	<u>739,642</u>	
Less deferred tax liability .. .. .	332,839	406,803
<i>Realised losses yet to be taken to Profit and Loss Account</i>		
Balance at 31 October 1976 of net losses for the years ended that date .. .. .	41,332	
Plus losses for the year .. .. .	232,237	
	<u>273,569</u>	
Less proportion of net loss charged to Profit and Loss Account .. .. .	69,099	
	<u>204,470</u>	
Less taxation thereon .. .. .	73,411	
Balance 31 October 1977 .. .. .		<u>131,059</u>
Per balance sheet .. .. .		<u>275,744</u>

Whereas in prior years the deferred tax liability on the appreciation of New Zealand Government stock has been retained in the revaluation reserve, it is now included in the provision for taxation-deferred.

The 1976 figures have likewise been restated for comparative purposes.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDING 31 OCTOBER 1977

1976 \$N.Z.		1977 \$N.Z.
3,008,025	Interest to depositors .. .. .	3,700,597
1,883,392	Management and operating expenses .. .. .	2,260,060
	Directors fees—	
4,891,417	Total expenses .. .. .	5,960,657
265,733	Provision for taxation .. .. .	302,608
324,787	Net profit after taxation .. .. .	369,855
<u>5,481,937</u>		<u>6,633,120</u>
1976 \$N.Z.		1977 \$N.Z.
2,572,600	Income from Investments—	
2,856,620	New Zealand Government stock and local authority securities .. .. .	2,952,693
	Other investments .. .. .	3,632,371
5,429,220		6,585,064
52,717	Other income .. .. .	48,056
<u>5,481,937</u>		<u>6,633,120</u>
1976 \$N.Z.		1977 \$N.Z.
92,706	Transfer to New Zealand Government stock revaluation reserve .. .. .	156,700
41,718	Less tax adjustment .. .. .	70,515
50,988		86,185
200,000	Transfer to general reserve .. .. .	200,000
120,000	Provision for dividend .. .. .	120,000
149,003	Balance carried forward .. .. .	123,964
<u>519,991</u>		<u>530,149</u>
101,036	Balance brought forward .. .. .	149,003
324,787	Net profit for period .. .. .	369,855
171,215	Transfer from New Zealand Government Stock revaluation reserve of stock matured or sold during period .. .. .	20,529
77,047	Less Tax Adjustment .. .. .	9,238
<u>94,168</u>		<u>11,291</u>
<u>519,991</u>		<u>530,149</u>