

Personal loans .. .. .	622,105	546,598
Total ordinary investments .. .. .	68,636,023	58,863,084
Company shares and debentures .. .. .	113,000	113,000
Fixed assets—		
Land and buildings .. .. .	1,677,292	962,558
Vehicles, equipment, furniture, etc. .. .. .	556,084	295,066
Total fixed assets .. .. .	2,233,376	1,257,624
	<u>\$77,125,210</u>	<u>\$66,028,562</u>
	1978	1977
	\$	\$
Capital commitments—		
Mortgages approved, but not yet advanced .. .. .	2,762,050	1,341,492
Local body loans approved but not yet advanced .. .. .		109,900
New Head Office building .. .. .	716,763	1,380,000

L. C. REID, President.  
S. R. McROBIE, General Manager.

## AUDITORS' REPORT

The above balance sheet and attached profit and loss account are in agreement with the books which, in our opinion, have been properly kept. We have obtained all the information and explanations we required. In our opinion, according to the best of our information and the explanations given to us, the above balance sheet and profit and loss account present fairly the financial position of the Waikato Savings Bank as at 31 March 1978 in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HUTCHISON, HULL & CO., Chartered Accountants.

1985

## OTAGO SAVINGS BANK

## PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 MARCH 1978

Interest to depositors—	\$
On open accounts .. .. .	1,264,048
Closed accounts, matured investment accounts and term deposits .. .. .	731,567
Accrued on investment accounts and term deposits .. .. .	1,141,302
Accrued on other depositors funds .. .. .	18,048
Home lay-by accounts—suspensory free deposits .. .. .	429
	<u>3,155,394</u>
Administrative expenses .. .. .	2,159,816
Trustees' honoraria .. .. .	6,588
Depreciation .. .. .	77,288
Provision for taxation .. .. .	326,303
Net profit carried down .. .. .	414,301
	<u>\$6,139,690</u>

Interest on investments—	
From New Zealand Government stock .. .. .	2,131,301
From local authorities stock .. .. .	211,750
From mortgages .. .. .	2,899,929
From other sources .. .. .	710,861
Income from other sources .. .. .	185,849
	<u>\$6,139,690</u>

## PROFIT AND LOSS APPROPRIATION ACCOUNT

Provision for donations .. .. .	95,000
Transfer to reserve .. .. .	319,301
	<u>\$414,301</u>
Net profit, brought down .. .. .	414,301
	<u>\$414,301</u>

## OTAGO SAVINGS BANK

## BALANCE SHEET AS AT 31 MARCH 1978

Depositors' accounts—	\$	\$
Ordinary accounts .. .. .	44,203,013	
Thrift accounts .. .. .	1,186,136	
Special purpose accounts .. .. .	5,963,346	
Home lay-by accounts .. .. .	71,436	
Home and farm ownership accounts .. .. .	1,264,613	
	<u>52,688,544</u>	

Investment accounts, term deposits, and housing bonds .. .. .	31,494,360
Total liability to depositors .. .. .	84,182,904
National savings accounts .. .. .	117,185
Add interest suspense account .. .. .	2,823
	<u>120,008</u>
Other liabilities—	
Interest accrued on investment accounts, and term deposits .. .. .	1,141,303
Interest accrued on other depositors funds .. .. .	18,048
Staff provident fund .. .. .	377,980
Sundry creditors .. .. .	149,355
Total other liabilities .. .. .	1,686,686
Provision for donations .. .. .	95,000
Provision for taxation .. .. .	524,899
Reserve fund .. .. .	3,331,416
	<u>\$89,940,913</u>

Current assets—	\$	\$
Cash on hand and at bank .. .. .	638,179	
Fixed deposits .. .. .	8,437,000	
Interest accrued on investments .. .. .	1,213,999	
Sundry debtors .. .. .	44,960	
Total current assets .. .. .		10,334,138

Investments—	
New Zealand Government stock at face value (see note (i) below) .. .. .	34,149,935
Local authority securities at cost .. .. .	3,765,927
Mortgages .. .. .	38,988,083
Personal loans (less interest yet to mature) .. .. .	657,043
Shares in Allied Computer Processors Limited at cost .. .. .	13,750

Total ordinary investments .. .. .	77,574,738
National savings securities—	
New Zealand Government stock at cost .. .. .	117,185
Cash on hand and at bank .. .. .	2,823
Total national savings securities .. .. .	120,008

Fixed assets—	Cost	Depn. to Date	Book Value
Land and buildings .. .. .	2,135,530	533,860	1,601,670
Vehicles, equipment, furniture, etc. .. .. .	655,926	345,567	310,359
Total fixed assets .. .. .			1,912,029
			<u>\$89,940,913</u>

A. H. H. PEARCE, President.

A. L. FLEURY, General Manager.

Note (i)—New Zealand Government stock at cost price—  
\$34,342,481

## Notes to the Accounts

## NOTE 1—ACCOUNTING POLICIES

The accounting policies which the Bank considers appropriate for the measurement of its results and financial position under the historical cost convention are as follows:

## A. Recognition of income—

Income shown in the Profit and Loss Account is earned in the current year. In the case of personal loans the policy is to add interest to the advance at the commencement of the loan, and to bring this interest into revenue during the appropriate financial years in accordance with the "Rule of 78".

## B. Expenditure—

1. *Interest Credited to Depositors*—Interest on open accounts at the 31st March represents the interest paid for the year. Accounts which are credited with interest during the year have had an appropriate adjustment made for the interest accrued to 31 March.

2. *Other Expenses*—Other expenses, including expenditure on computer programme development, are charged to the accounts in the year in which the expenditure is incurred.

3. *Depreciation*—Fixed assets, other than freehold land, are generally depreciated on a straight line basis at rates estimated to write off the cost less residual value over the useful life of each class of asset. The principal annual rates in use are: