

## TARANAKI SAVINGS BANK

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

	1978	1977
	\$	\$
Interest to depositors—		
On open accounts .. .. .	830,165	789,869
Closed accounts and matured investment accounts and term deposits	828,005	572,418
Accrued on investment accounts and term deposits .. .. .	343,700	247,008
Home loan suspensory free deposits	2,434	3,360
	<u>2,004,304</u>	<u>1,612,655</u>
Administrative expenses .. .. .	1,294,223	1,129,359
Trustees honoraria .. .. .	5,722	5,836
Depreciation .. .. .	68,542	47,815
Loss on disposal of securities .. .. .	14,827	578
Provision for taxation .. .. .	305,000	146,000
Net profit .. .. .	281,741	170,678
	<u>\$3,974,359</u>	<u>\$3,112,921</u>

	1978	1977
	\$	\$
Interest on investments—		
New Zealand Government stock .. .. .	1,207,245	1,115,107
Local authorities stock .. .. .	8,605	8,719
Mortgages .. .. .	1,856,902	1,483,700
Personal loans .. .. .	51,660	45,198
Other sources .. .. .	703,642	344,296
	<u>3,828,054</u>	<u>2,997,020</u>
Income from other sources .. .. .	122,350	132,009
Share of profit (loss) Northern Trustee Computerbank Ltd. .. .. .	23,955	(16,108)
	<u>\$3,974,359</u>	<u>\$3,112,921</u>

## APPROPRIATION ACCOUNT FOR YEAR ENDED 31 MARCH 1978

	1978	1977
	\$	\$
Provision for donations .. .. .	40,000	30,000
Reserve account .. .. .	362,074	141,878
	<u>\$402,074</u>	<u>\$171,878</u>
	1978	1977
	\$	\$
Net profit .. .. .	281,741	170,678
Donation reserve balance .. .. .	2,720	1,200
Profit on disposal of securities .. .. .	117,613	...
	<u>\$402,074</u>	<u>\$171,878</u>

The attached notes form part of and are to be read in conjunction with these accounts.

## NOTES TO THE ACCOUNTS

1. *Statement of Accounting Policies*—The general accounting principles as recommended by the New Zealand Society of Accountants for the measurement and reporting of results and financial position on an historical cost basis have been followed in the preparation of these financial statements.

The following particular accounting policies which significantly affect the measurement of the Bank's profit and financial position have been applied on a basis consistent with the previous year.

*Depreciation*—Depreciable fixed assets are 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 principle rates in use are:

- Buildings 1% and 2½%
- Office equipment, fixtures and fittings 10% and 20%.
- Computer equipment 12½%.

2. *Investment Accounts, Term Deposits, and Housing Bonds*—The following are the terms on which investment has been made as at 31 March

	1977	1978
	\$	\$
Under and including 1 year .. .. .	4,591,323	6,682,563
1–2 years .. .. .	4,017,426	3,797,093
2–3 years .. .. .	4,520,426	7,348,866
5 years .. .. .	331,200	421,090
	<u>\$13,460,375</u>	<u>\$18,249,612</u>

3. *New Zealand Government Stock and Transferable Certificates of Deposits*—New Zealand Government Stock and Transferable Certificates of Deposit are recorded at par value less discount which is amortised over the term of the investment on a straight line basis. The cost price as at 31 March was as follows:

	1977	1978
	\$	\$
Transferable Certificates of Deposit .. .. .	506,901	293,127
New Zealand Government Stock .. .. .	19,850,573	19,433,017

New Zealand Government stock is held pursuant to the ratio requirements of the Trustee Savings Bank Act 1948, and subsequent amendments.

4. *Personal Loans*—Interest on loans is added to the principal sum at the date of the advance. The interest revenue is recognised on the basis of the "Rule of 78" method.

5. *Northern Trustee Computerbank Ltd.*—The ordinary share investment has been shown using the equity accounting basis:

	31/3/77	31/3/78
	\$	\$
100,000 ordinary shares paid to 80c	80,000	80,000
Accumulated profits (losses) to previous year .. .. .	(1,176)	(17,284)
Share of profit (losses) current year .. .. .	(16,108)	23,955
	<u>\$62,716</u>	<u>\$86,672</u>

Debentures in Northern Trustee Computerbank Ltd. are recorded at cost \$33,000.

6. *Valuation of Assets*—Fixed assets are recorded at cost. Buildings include work in progress on the T.S.B. Centre Complex at Devon Street East of \$301,050.

7. *Contingent Liabilities and Capital Commitments*—

*Contingent Liabilities*—

Subsidy on home loan accounts.

Uncalled Capital Northern Trustee Computerbank Ltd. \$20,000.

*Capital Commitments*—

Buildings \$1,351,106.

8. *Profit on Disposal of Securities*—A profit of \$117,613 has resulted from the re-Purchase by the Reserve Bank of New Zealand of Government stock surplus to ratio requirements following a change in the regulations. As this is an extraordinary item it has not been reflected as an operating gain in the profit and loss account.

## AUDIT REPORT

We have examined the Balance Sheet of Taranaki Savings Bank as of 31 March 1978, and the related Profit and Loss Account for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Balance Sheet and Profit and Loss Account present fairly the financial position of Taranaki Savings Bank at 31 March 1978, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles which have been applied on a basis consistent with that of the preceding year.

HUTCHISON, HULL & CO., Chartered Accountants.

New Plymouth, 29th May 1978.

4074

## THE NEW ZEALAND GAZETTE

The *New Zealand Gazette* is published on Thursday evening of each week, and notices for insertion must be received by the Government Printer before 12 o'clock of the day preceding publication.

Advertisements are charged at the rate of 20c per line.

All advertisements should be written on *one* side of the paper, and signatures, etc., should be written in a legible hand.

The number of insertions required must be written across the face of the advertisement.