

National savings securities—		
N.Z. Government stock ..	471,667	
Total national savings securities ..		471,667
Fixed assets—Cost Price	Depn. Book	
	to Date Value	
Land and buildings ..	8,307,257	
Vehicles, equipment, furniture, etc. ..	3,079,439	
Total fixed assets ..		11,386,696
		<u>\$433,759,423</u>

PROFIT AND LOSS ACCOUNT

	1978	1977
	\$	\$
Interest to depositors—		
On open accounts ..	8,068,746	7,438,781
Closed accounts and matured investment accounts ..	3,900,133	2,495,331
Accrued on investment accounts ..	4,307,366	3,589,976
Accrued on term deposits ..	197,775	
Accrued on housing bonds ..	23,260	22,974
Home lay-by accounts—sus- pensory free deposits ..	50,318	56,040
(Sub-total) ..	16,547,598	13,603,102
Administrative expenses ..	10,043,017	8,174,223
Trustees' honoraria ..	6,646	6,730
Depreciation ..	783,871	550,888
Provision for taxation ..	2,109,513	1,643,462
Net profit—carried down ..	2,627,925	2,213,279
	<u>\$32,118,570</u>	<u>\$26,191,684</u>

APPROPRIATION ACCOUNT

	1978	1977
	\$	\$
Provision for donations ..	450,000	400,000
Transfer to reserve ..	2,189,055	3,006,674
	<u>\$2,639,055</u>	<u>\$3,406,674</u>

PROFIT AND LOSS ACCOUNT

	1978	1977
	\$	\$
Interest on investments—		
From N.Z. Government stock ..	11,039,574	10,086,984
From local authorities stock ..	1,818,017	1,740,161
From mortgages ..	13,806,460	11,246,513
From personal loans ..	445,078	256,191
From other sources ..	4,044,023	2,101,832
(Sub-total) ..	31,153,152	25,431,681
Income from other sources ..	965,418	760,003
	<u>\$32,118,570</u>	<u>\$26,191,684</u>

APPROPRIATION ACCOUNT

	1978	1977
	\$	\$
Net profit, brought down ..	2,627,925	2,213,279
Over provision for donations ..	11,130	5,408
Over provision for taxation ..		1,187,987
	<u>\$2,639,055</u>	<u>\$3,406,674</u>

Hon. J. RAE, President.
D. F. STEPHENS, General-Manger.

Auckland, 28 April 1978.

AUDITORS REPORT

We, the undersigned, being the auditors of the Auckland Savings Bank, appointed in terms of section 29 (3) of the Trustee Savings Banks Act 1948, report:

- (1) We have examined the books, accounts, and vouchers of the Bank and have received all the information and explanations we have required.
- (2) We have verified the cash, investments, securities, and assets of the Bank as at 31 March 1978.
- (3) The general-manager has certified that, to the best of his knowledge and belief, all requirements of the Trustee Savings Banks Act 1948, and regulations thereunder have been complied with.

(4) In our opinion, the above balance sheet and profit and loss account are properly drawn up so as to give respectively a true and fair view of the state of the Auckland Savings Bank's affairs as at 31 March 1978, and of the results of its business for the year ended on that date.

D. C. O'HALLORAN, B.COM., F.C.A.
CLARKE, MENZIES & Co., Chartered Accountants
Auditors.

STATEMENT OF ACCOUNTING POLICIES

The general accounting principles recommended by the New Zealand Society of Accountants for the measurement and reporting of profits on an historical basis have been followed. Particular accounting policies used which significantly affect the measurement of the Bank's profit and its financial position, are set out below:

- Depreciation**—Fixed assets are being depreciated on a straight line basis at rates which will write off the cost over their estimated useful lives to estimated residual values. The principal write off periods are:

Buildings ..	40–100 years.
Computer and office calculating equipment ..	10 years.
Furniture and fittings ..	10–15 years.
Other fixed assets ..	3–15 years.
- Personal loan interest**—Interest on personal loans is apportioned over the term of the loan, using the "Rule of 78" method.
- Taxation**—Taxation charged against net profit includes both current and deferred tax. Deferred taxation arises from timing differences related to:
 - Interest accrued on investments, and
 - Depreciation charges.
- Valuation of investments**—Investments are recorded at cost. Both New Zealand Government and Local Authority Securities are normally held to maturity and their value on redemption approximates cost.

PROVIDENT AND WELFARE FUNDS

During the year ended 31 March 1977, Staff Funds were separated from Bank investments and externally invested. Accordingly, no interest is payable by the Bank.

1983

BAY OF PLENTY SAVINGS BANK

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1978

	\$	\$
Interest to depositors—		
To open accounts ..	998,253	
Closed accounts and matured invest- ment accounts ..	507,748	
Accrued on investment accounts ..	600,375	
Home lay-by accounts: suspensory free deposits ..	142	
		2,106,518
Administrative expenses ..		1,762,247
Trustee honoraria ..		3,675
Depreciation (note 2) ..		79,793
Provision for taxation ..		138,041
Net profit—carried down ..		170,998
		<u>\$4,261,272</u>

	\$	\$
Interest on investments—		
From New Zealand Government stock ..	1,389,465	
From local authorities stock ..	44,038	
From mortgages ..	2,118,019	
From other sources ..	485,196	
		4,036,718
Income from other sources ..		224,554
		<u>\$4,261,272</u>