

## WANGANUI SAVINGS BANK

REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 1979

	1979 \$	1978 \$
<b>Income—</b>		
<b>Investment Income—</b>		
New Zealand Government Stock	727,023	592,044
Local authority stock	14,674	19,990
Mortgages	1,480,395	1,054,680
Personal loans	67,758	28,781
Fixed and call deposits	253,316	191,943
Total investment income	2,543,166	1,887,438
<b>Other income—</b>		
Sundry income	124,368	123,721
<b>Total income</b>	2,667,534	2,011,159
<b>Less Expenditure—</b>		
<b>Interest on depositors accounts—</b>		
Savings paid and credited	568,484	457,622
Investment—paid and accrued	833,506	506,276
Total interest	1,401,990	963,898
<b>Other expenses—</b>		
Audit fees	7,467	6,952
Depreciation	30,135	25,429
Management and staff expenses	646,003	525,390
General operating expenses	229,674	201,068
Office equipment expenses	107,481	100,384
Promotional expenses	40,057	28,447
Property expenses	29,105	28,283
Trustees fees	7,720	6,633
Total other expenses	1,097,642	922,586
<b>Total expenditure</b>	2,499,632	1,886,484
<b>Net profit before taxation</b>	167,902	124,675
<b>Income taxation</b>	63,400	44,920
<b>Net profit after taxation</b>	104,502	79,755
<b>Net profit from revenue account</b>	104,502	79,755
<b>Provision for donations</b>	20,000	16,000
<b>Provision for loss on sale of statutory investments</b>	21,762	21,762
<b>1977/78 taxation underprovided</b>	104	334
<b>Balance to reserve fund</b>	\$62,636	\$41,659

## WANGANUI SAVINGS BANK

## STATEMENT OF ACCOUNTING POLICIES

The general accounting principles as 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:

1. **Government Stock**—(a) Government stock is recorded at face value. Where parcels of Stock have been purchased at a discount the discount is written off to revenue over the period of the investment. Where contracts exist for the resale of parcels of stock at less than face value, the future loss is provided by an annual charge against the appropriation account.

Unexpired discounts and accumulated provisions for losses are deducted from the face values.

(b) **Values:**

	1979 \$	1978 \$
Face Value	11,562,870	9,416,870
Less: Unexpired discounts	71,332	..
Accumulated provision for future loss..	140,399	118,637

Book value	11,351,139	9,298,233
Market value	9,510,626	7,363,452

2. **Other Investments**—(a) All investments, other than Government stock are shown at cost price, and all are expected to realise the reported amounts at maturity.

3. **Interest**—(a) Interest on investments. Interest on investments and mortgages is brought into revenue during the period in which it is earned, rather than the period during which it is received.

(b) **Personal loans.** The policy is to add interest to the full advance at the commencement of the loan, and this amount is brought into revenue during the appropriate financial year by applying the "Rule of 78".

(c) **Investment Accounts.** Interest accrued on depositors' investment accounts has been calculated at the full rate payable on the assumption that all deposits go through to maturity.

4. **Depreciation**—(a) Depreciation is calculated on a straight line basis. The principal write off periods in use for fixed assets are:

Buildings	..	..	..	10 to 50 years
Office equipment	..	..	..	10 years
Furniture	..	..	..	10 years
Vehicles	..	..	..	5 years

(b) Head Office land and buildings were revalued in 1975 and depreciation is written off the buildings on the basis of that valuation. All other fixed assets are included at cost.

5. **Taxation**—The liability for deferred taxation arises from timing differences related to:

- (a) Accrued interest;
- (b) Depreciation allowances;
- (c) Discounts on Government Stock;
- (d) Computer landing charges.

The full amount of taxation on the recorded profit is charged against the revenue account. The portion of that tax payable during the current financial year is shown as a current liability and the balance is included in a provision for future taxation.

6. **Computer Equipment**—Landing charges paid during the year have been written off against revenue.

7. **Stock on Hand**—The stock on hand shown in the balance sheet represents bulk stationery supplies which have been valued at cost.

8. **Contingent Liabilities**—There are outstanding letters of credit totalling \$55,000 held by various trading banks to facilitate day to day transactions of our branches.

9. **Commitments**—Mortgages approved but not yet paid out totalled \$760,930 at 31 March 1979.

S. G. LAURENSEN, President.

## AUDITORS' REPORT

We have audited the books and accounts of the Wanganui Savings Bank for the year ended 31 March 1979, in accordance with generally accepted auditing standards, and have carried out such procedures as we considered necessary.

In our opinion the above balance sheet and revenue account, together with the notes thereon, are properly drawn up so as to give respectively a true and fair view of the financial position of the Wanganui Savings Bank as at 31 March 1979, and the financial result of its transactions for the year ended on that date, in accordance with section 29 (2) of the Trustee Savings Banks Act 1948.

Wanganui, 30 April 1979.

CLARKE MENZIES and Co., Chartered Accountants.

## GENERAL PUBLICATIONS

## FOREST WILDLIFE

By P. Morrison, *Wildlife Service, Department of Internal Affairs* and L. H. Harris, *Environment Forestry Division, New Zealand Forest Service*

Illustrated by P. F. Scaife

48 p., colour plates and drawings. 1974.

\$1

In this informative booklet there is a description of 72 of the higher forms of animal life, both native and introduced, which may be seen in New Zealand forests. The main purpose of this booklet is to provide those people who seek recreation in forests with a guide to the wildlife they may see. It is hoped that this will stimulate interests in forest wildlife and supply those unaware of the abundance of animals that live in New Zealand's forest. (Published jointly by Wildlife Service, Department of Internal Affairs, New Zealand Forest Service.)

## FREDERICK THATCHER AND ST. PAUL'S

By Margaret Alington

50 p. eighteen illustrations.

75c

The story of Frederick Thatcher and the Colonial Gothic structure he built. This book fills in some gaps in his personal life and his original design for St. Paul's.

## THE FUTURE FOR NEW ZEALAND AGRICULTURE—

Economic Strategies for the 1980's

By Ian McLean

NEW ZEALAND PLANNING COUNCIL

74 p. 1978.

\$4.50

The publication discusses the economic setting, then considers agricultural policy, and next presents alternative economic strategies with particular attention to the agricultural sector.