

EASTERN AND CENTRAL SAVINGS BANK  
BALANCE SHEET AS AT 31 MARCH 1979

Assets		1979	1978
		\$	\$
<b>Current assets—</b>			
Cash resources ..		5,197,479	4,943,688
Interest accrued on investments ..		469,989	511,261
Accounts receivable ..		141,241	133,219
Prepayments ..		36,571	45,193
Stationery stock on hand (note 1d) ..		78,500	63,000
		<u>5,923,780</u>	<u>5,696,361</u>
<b>Investments (see note 1e)—</b>			
New Zealand Government stock (nominal value \$27,241,721)		27,196,436	22,292,433
Local authority stock (nominal value \$219,965)		219,965	239,299
Mortgages (note 2) ..		39,236,585	29,347,873
Personal loans ..	1,467,704		704,499
Less: interest (unearned) ..		190,718	83,735
		<u>1,276,986</u>	<u>83,735</u>
		<u>67,929,972</u>	<u>52,500,369</u>
<b>Fixed assets at cost less depreciation (see notes 1b, 3, and 4)—</b>			
Land and buildings ..		868,545	799,222
Leasehold improvements ..		59,815	56,171
Furniture and fittings ..		58,314	61,462
Office machinery ..		232,116	216,032
Data capturing equipment—landing charges ..		19,050	24,211
Security equipment ..		23,934	29,638
Motor vehicles ..		27,359	29,407
Medal and coin collection ..		6,913	6,340
		<u>1,296,046</u>	<u>1,222,483</u>
Prepayment—Data capturing equipment ..		185,365	46,454
Total assets ..		<u>\$75,335,163</u>	<u>\$59,465,667</u>
<b>Less:</b>			
<i>Liabilities</i>			
<b>Depositors' Funds—</b>			
Savings accounts ..	46,105,494		40,018,131
Current accounts ..	2,609,127		1,666,589
Investment accounts ..	10,613,912		12,259,347
Term Deposit accounts ..	12,277,412		3,934,632
Housing bonds ..	1,557,400		963,900
	<u>73,163,345</u>		<u>58,842,599</u>
<b>Add:</b>			
Accrued interest on investment accounts, term deposits, and housing bonds ..		819,673	584,929
		<u>73,983,018</u>	<u>59,427,528</u>
Less: items in transit ..		1,244,502	1,779,754
Total liability to depositors ..		<u>72,738,516</u>	<u>57,647,774</u>
<b>Current liabilities</b>			
Provision for donations	40,000		30,000
Accounts payable ..	208,804		95,399
Commissioner of Inland Revenue ..	227,727		61,174
	<u>476,531</u>		<u>186,573</u>
<b>Term liabilities</b>			
Mortgages ..	244,000		262,000
Provision for deferred taxation (see note 1c)	234,546		274,222
Home ownership—supplementary loan ..	3,990		4,450
	<u>482,536</u>		<u>540,672</u>
Total liabilities ..		<u>73,697,583</u>	<u>58,375,019</u>
Excess of assets over liabilities ..		<u>1,637,580</u>	<u>1,090,648</u>
<b>Represented by—</b>			
General reserve as at 1/4/78 ..	1,088,582		808,470
Net profit for year (transferred to general reserve) ..	401,927		280,112
	<u>1,490,509</u>		<u>1,088,582</u>
Property revaluation reserve ..	143,647		-
Special reserve—Personal loans ..	3,424		2,066
	<u>\$1,637,580</u>		<u>\$1,090,648</u>

EASTERN AND CENTRAL SAVINGS BANK  
REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 1979

Income		1979	1978
		\$	\$
<b>Interest—</b>			
New Zealand Government stock ..		1,672,852	1,385,622
Local authority stock ..		21,382	15,224
Mortgages and Personal loans ..		3,527,449	2,509,000
Term deposits ..		531,451	483,623
		<u>5,753,134</u>	<u>4,393,469</u>
Commissions ..		62,676	23,384
Rents ..		19,338	26,012
Sundry income ..		113,097	102,460
Sales of Government stock and local authority stock—profit (net) ..		36,580	14,151
Total income ..		<u>5,984,825</u>	<u>4,559,476</u>
<b>Less: Expenses</b>			
<b>Interest on depositors' funds</b>			
Interest credited ..		2,024,370	1,497,606
Accrued interest on investment accounts, term deposits, and housing bonds ..		819,673	584,929
		<u>2,844,043</u>	<u>2,082,535</u>
<b>Administration—</b>			
Administration expenses ..		2,225,529	1,822,889
Depreciation ..		95,244	78,956
		<u>2,320,773</u>	<u>1,901,845</u>
<b>Amortization—</b>			
Government stock and local authority stock (net) ..		6,082	18,828
Realisation of assets—loss (net) ..		866	2,707
Total expenses ..		<u>5,171,764</u>	<u>4,005,915</u>
Net profit: before taxation ..		813,061	553,561
Less: Provision for taxation (see note 1 (c)) ..		355,476	243,544
Tax paid profit for year—transferred to appropriation account ..		<u>\$457,585</u>	<u>\$310,017</u>

APPROPRIATION ACCOUNT FOR YEAR ENDED 31 MARCH 1979

	1979	1978
	\$	\$
Net profit for year, transferred from revenue account ..	457,585	310,017
Unclaimed donations—1978 ..	80	95
	<u>457,665</u>	<u>310,112</u>
Less: Provision for donations ..	40,000	30,000
Special reserve—personal loans ..	1,514	..
Under provision for taxation ..	14,224	55,738
Balance—transferred general reserve ..	<u>\$401,927</u>	<u>\$280,112</u>

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 on profit on a historical cost basis have been followed by the bank.

The following particular accounting principles which materially affect the measurement of profit and of the financial position have been consistently applied.

(a) *Revenue*—Interest has been accrued to 31 March 1979. Personal loan interest excludes unearned interest and has been apportioned by the Rule of 78.

(b) *Depreciation*—Fixed assets have been depreciated using the straight line method based on the economic life of the assets. The principle write-off periods are:

Buildings ..	40–50 years
Furniture and fittings ..	7–10 years
Office equipment ..	7–10 years
Motor vehicles ..	3 years to estimated residual value

(c) *Taxation*—(i) The charge for income tax in the revenue account is calculated on the reported profit for the year at the present rate of taxation.

(ii) Deferred taxation arises from timing differences between accounting and taxation recognition of income and expenditure. These differences relate to depreciation and investment income.

(d) *Stationery stock on hand*—The stock on hand shown in the balance sheet represents bulk stationery supplies valued at cost less a provision for wastage.

(e) *Investments*—Investments are shown in the balance sheet at cost except for Government stock where it is the bank's policy to show the value at cost less any interest accrued contained in the purchase price and to amortise discounts, premiums, and exchange rate variations over the term of the investment on a straight line basis. In accordance with this policy the amortization debited to revenue for this financial year amounts to \$6,082.

2. *Mortgages*—Mortgages approved but not yet uplifted total \$1,925,195.

3. *Fixed assets*—

	\$
Cost price ..	1,733,147
Depreciation to date ..	437,101
Book value ..	<u>1,296,046</u>

4. *Capital Commitments*—

Premises Development	74,000
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D. H. MILLER, President.  
E. ROBERTSON, General Manager.