

	1979 (\$000's)	1978 (\$000's)
Gold .. .. .	699	699
Overseas assets—		
(a) Current accounts and short-term bills .. .. .	207,755	272,750
(b) Investments (see note 1 (c)) .. .. .	8,920	57,822
(c) Holdings of special drawing rights .. .. .	48,353	48,266
	265,028	378,838
New Zealand coin .. .. .	10,361	9,687
Discounts .. .. .	243	495
Advances—		
(a) To the State .. .. .	2	..
(b) To marketing accounts .. .. .	563,002	470,395
(c) Export credits .. .. .	29,353	27,800
(d) Other .. .. .	387,742	487,220
	980,099	985,415
Investments in New Zealand—		
(a) New Zealand Government securities .. .. .	285,606	337,192
(b) Other (see note 1 (c)) .. .. .	27	14,581
	285,633	351,773
Other assets .. .. .	165,465	133,989
	\$1,707,528	\$1,860,896

NOTES

1. *Statement of Accounting Policies*—The particular accounting policies adopted by the Bank which significantly affect the measurement and the reporting of its results and financial position on an historical cost basis are as follows:

- (a) Foreign currency translations—Overseas assets and liabilities at balance date are converted to New Zealand currency using appropriate telegraphic transfer rates ruling at 31 March 1979.
- (b) Fixed assets and depreciation policy—The Bank's buildings at Wellington and Christchurch are depreciated over their estimated economic life on a straight line basis at the rate of 1 percent per annum. The Bank's existing building at Auckland has been fully written off whilst construction costs on the new building to balance date are \$3.1 million (see note 3). The cost of all land acquired has been written off in prior years. All other fixed assets are similarly treated in the year of acquisition.
- (c) Investments—Overseas investments are shown in the balance sheet at the New Zealand equivalent of foreign currency cost, NZ\$8.9 million (market value at balance date NZ\$8.8 million). New Zealand investments are shown at the lower of cost or market value (market value \$285.636 million). Since balance date an increase in New Zealand Government stock interest rates has resulted in a loss of \$7.7 million in the market value of the Bank's portfolio.
- (d) Exchange rate fluctuations—The profit or loss arising from appreciation or depreciation of the Bank's net overseas assets due to movements in basic exchange rates is settled with Treasury in terms of section 26 of the Reserve Bank of New Zealand Act 1964. The loss in respect of the year ended 31 March 1979 subject to such settlement was NZ\$14,370,737.

2. *Contingent Liability*—In respect of an investment of 250,000 £stg.1 shares in the Commonwealth Development Finance Co. Ltd. of which 50p per share is uncalled. New Zealand equivalent \$243,427.

3. *Capital Commitment*—A contract for \$9.6 million was let in May 1978 for the construction of the new building in Auckland and completion is expected to be in April 1981.

R. W. R. WHITE, Governor.  
D. L. WILKS, Deputy Governor.  
E. D. VALLANCE, Chief Accountant.

REPORT OF THE AUDITORS TO THE RESERVE BANK OF NEW ZEALAND

We have audited the accounts of the Reserve Bank of New Zealand for the year ended 31 March 1979 and have obtained all the information and explanations we have required.

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 affairs of the Bank as at 31 March 1979, and of its results for the year then ended.

CLARKE, MENZIES AND CO. }  
HUTCHISON, HULL AND CO. } Chartered Accountants.  
Wellington, New Zealand

GENERAL PUBLICATIONS

NEW ZEALAND ARCHITECTURE

By Martin Hill

DEPARTMENT OF EDUCATION

44 p. 1976 \$1.25

Beautifully illustrated with colour and black and white photographs, sketches and diagrams, this booklet shows the development of New Zealand's architecture from the time of the first settlers, the early Maoris, to present day designs in housing and commercial buildings.

Ten sections include: The pa and the natural environment; Materials and form: New colonial styles; Architecture of extravagance; Natural design; The new look.

NEW ZEALAND'S ECONOMIC TRENDS AND POLICIES

Economic Monitoring Group

49 p. 1978 \$2.25

Set up in April 1978 by the New Zealand Planning Council, the Monitoring Group was charged with the responsibility of fulfilling some of the monitoring functions previously performed by the Monetary and Economic Council.

This, the first report of the Group, is divided into 2 parts:

Part I—The Report of the Secretariat—

Chapter 1—Economic Perspective

Chapter 2—Growth and Stability.

Part II—Conclusions of the Economic Monitoring Group.

NEW ZEALAND AND ITS PEOPLE

By Errol Brathwaite

GOVERNMENT PRINTER

1974 \$10.95

Well illustrated with coloured photographs and text by Errol Brathwaite, this book is about New Zealand and New Zealanders—how and where they live, work, and play, and why they have become the people they are.

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