

Note	Current Assets—	1980 (\$000)	1979 (\$000)
	Cash on hand and at bank	776	(5)
	Fixed deposits	3,319	3,119
	Short term deposits	3,908	4,272
	Prepayments (taxation)	87	106
	Sundry debtors	542	424
	Total current assets	8,632	7,916
	Investments—		
6.	New Zealand Government stock	41,375	36,473
7.	Local authority securities	2,087	2,221
	Mortgages	58,876	50,257
	Personal loans	2,182	1,560
8.	Overdrafts	15	..
	Total ordinary investments	104,535	90,511
9.	Company shares and debentures	189	153
10.	Fixed assets—	3,440	3,420
		\$116,796	\$102,000

J. R. GRACE, President.
S. R. McROBIE, General Manager.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1980

Note	Interest on Investments—	1980 (\$000)	1979 (\$000)
11.	Total interest	10,059	7,651
	Income from other sources	324	281
	Subsidiary company income	42	32
		\$10,425	\$7,964

Note	Interest to depositors—	1980 (\$000)	1979 (\$000)
	On open accounts	1,415	1,285
	Closed accounts and matured investment accounts	3,118	1,933
	Accrued on investment accounts	1,274	894
	Home lay-by accounts suspensory free deposits	1
		5,807	4,113
12.	Administrative Expenses	3,593	3,010
	Profit/Loss on securities	33	(6)
13.	Trustees' Honoraria	8	5
	Depreciation	259	229
	Provision for Taxation	322	249
	Net Profit: carried down	403	364
		\$10,425	\$7,964

Reserve funds—

	1980 (\$000)	1979 (\$000)
14. Provision for donations	50	30
Reserve fund changes	36	10
Closing balance	2,060	1,743
	\$2,146	\$1,783
Reserve fund opening balance	1,743	1,419
Net profit: brought down	403	364
	\$2,146	\$1,783

STATEMENT OF CHANGES IN FINANCIAL POSITION—YEAR ENDED 31 MARCH 1980

Source of funds—	(\$000)
Deposit Increases	14,873
Loan Repayments—	
Mortgage	7,356
Personal Loans	1,643
Local Authority Securities	849
Profit before Tax	716
Loss on Trading Securities	(380)
Dividend	7
Depreciation (non-cash item)	259
	602
	\$25,323

Use of Funds—	(\$000)
Mortgage advances	16,690
New Zealand Government stock	4,865
Personal loans	2,281
Fixed assets	361
Short term finance	1,126
	\$25,323

NOTES

1. Statement of Accounting Policies—

The general accounting principles as recommended by the New Zealand Society of Accountants for the measurement and reporting of profit and financial position on an historical cost basis have been followed by the Bank.

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

(A) Taxation:

The charge for income tax is the amount of tax liability in respect of the accounting profit for the current year. Timing differences between accounting and taxation records are included under the heading "Provision for Deferred Taxation", with the exception of timing differences which, on the basis of reasonable probability, are expected to continue in the future. (Refer Note 14).

(B) Investments:

(a) The Bank's one third shareholding in the Northern Trustee Computerbank Limited as at the company's 31 May 1979 balance date has been treated on an equity accounting basis.

(b) Discounts and premiums on the purchase of government stock have been calculated to bring the cost price less accrued interest on purchase to nominal value by maturity.

(c) Profits and losses on the sale, purchase and issue of securities have been charged in the current year, except for losses on the sale of government stock sold to invest into new issues which have been amortized over the life of the stock purchased.

(d) A prior year provision on an estimated future loss on securities has been adjusted by amortizing the difference to Reserve Funds over the next three years (Refer note 14).

(e) Other investments are recorded at cost plus accrued interest.

(C) Fixed Assets and Depreciation:

Land is recorded at the higher of original cost or the 1976 Government valuation. All other assets are recorded at cost less depreciation to date. The cost of lease goodwill has been spread evenly over the terms of the leases. Straight-line depreciation as recommended by the New Zealand Society of Accountants Statement of Standard Accounting Practice No. 3 has not otherwise been applied and maximum rates of depreciation as approved by the Commissioner of Inland Revenue have been used. This is not considered to have a significant effect on the financial statements for the year ended 31 March 1980.

(D) Changes:

There have been no changes in accounting principles used that would significantly affect profit or financial position.

2. Deposits—

	1980 (\$000)	1979 (\$000)
Call to 1 year	91,552	82,099
Up to 2 years	11,342	7,315
Up to 3 years	9,496	8,483
Accrued Interest	1,294	894
	113,664	98,791

3. Creditors — includes Hire Purchase

Balances	225	342
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4. Provisions—

Taxation—	
Current	164
Deferred	438
Donations	50
	30
	488
	472