

	1980 \$	1980	1979 \$
Other income—			
Sundry income	175,490	124,368	
Total income	3,687,880	2,667,534	
Less expenditure—			
Interest on depositors accounts—			
Savings paid and credited ..	596,916	568,484	
Investment—Paid and accrued	1,459,672	833,506	
Total Interest	2,056,588	1,401,990	
Other expenses—			
Audit fees	10,000	7,467	
Depreciation	60,188	30,135	
Management and staff expenses	828,873	646,003	
General operating expenses ..	377,209	229,674	
Office equipment expenses ..	97,805	107,481	
Promotional expenses	56,282	40,057	
Property expenses	35,906	29,105	
Trustees fees	9,487	7,720	
Total other expenses	1,475,750	1,097,642	
Total expenditure	3,532,338	2,499,632	
Net profit before taxation	155,542	167,902	
Income taxation	66,898	63,400	
Net profit after taxation	88,644	104,502	
Net profit from revenue account	88,644	104,502	
Provision for donations	(20,000)	(20,000)	
Provision for loss on sale of statutory investments		(21,762)	
1978/79 taxation over-provided	464	(104)	
Balance to reserve fund	\$69,108	\$62,636	

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, adjusted by any premium paid or discount received, which is amortised or credited to revenue over the term of the investment.

(b) Values of Government stock:

	1980 \$	1979 \$
Face value	13,222,870	11,562,870
Less: Unexpired discounts	3,236	71,332
Accumulated provision for future loss		140,399
Add: Premiums paid not yet written off	189,128	
Book value	13,408,762	11,351,139
Market value	10,258,960	9,510,626

The provision for future losses was eliminated through stock movements during the year. No further provision is considered necessary.

2. *Other Investments*—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 by \$133,934 and depreciation is written off the buildings on the basis of that valuation. All other fixed assets are included at cost.

5. *Taxation*—Taxation charged against net profit recognises the affect of both current and deferred 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 \$579,025 at 31 March 1980.

S. G. LAURENSEN, President.

G. I. C. McDOUALL, General Manager.

AUDITORS' REPORT

We have audited the books and accounts of the Wanganui Savings Bank for the year ended 31 March 1980, in accordance with generally accepted auditing standards, and have carried out such procedures as we considered necessary.

In our opinion the above balance sheet, revenue account and appropriation 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 1980, 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.

CLARKE MENZIES AND CO., Chartered Accountants.

Wanganui, 28/4/80.

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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.

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