

We report that we have examined the balance sheet of the Bay of Plenty Savings Bank as at 31 March 1980 and the profit and loss accounts for the year ended on that date, and have received all the information and explanations we have required. In our opinion, the above balance sheet and profit and loss accounts present fairly the financial position of the bank as at 31 March 1980 and the results of the operations for the year ended on that date, and were in general conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

GRANGER CRAIG TUNNICLIFFE AND CO.,  
Chartered Accountants, Tauranga.

Tauranga, 15 May 1980.

The notes following form part of, and should be read in conjunction with, the above financial statements.

#### NOTES TO THE ACCOUNTS

**A. Statement of Accounting Policies**—The general accounting principles recommended by the New Zealand Society of Accountants for the measurement and reporting of results on an historical cost basis, consistent with previous years, have been used in the preparation of the financial accounts.

The following particular principles have been applied:

1. **Depreciation**—Straight-line depreciation has been applied to the bank's E.D.P. equipment to write it off over the period of its expected useful life. All other assets have been depreciated at the rates allowable by the Inland Revenue Department. The difference between these rates, and the straight-line method, is not considered to be material.

2. **Government Stock**—It is the bank's policy to amortise discounts and premiums on Government stock securities over the term of the investment on a straight-line basis and to show the value of the stock in the balance sheet at its cost price adjusted by the amortised discount to date.

3. **Personal Loans**—The bank's policy is to add total interest due to the loan when advanced and interest is brought into revenue on the basis of the "Rule of 78".

#### 4. Taxation—

(a) The provision for income tax charged in the profit and loss account is the calculated tax liability in respect of the accounting profit after adjusting for permanent differences.

(b) The provision for deferred taxation arises from timing differences relating to income accrued into the accounts but not received as at balance date.

**B. Shares**—Northern Trustee Computerbank Limited—These shares have been shown in the accounts according to the standard accounting practice adopted by the New Zealand Society of Accountants for an associate company.

Shares issued to the bank (100 000 shares at \$1 per share) .. .. .	\$100,000
Shares paid-up by the bank (100 000 shares paid up to 80 cents per share) .. .. .	\$80,000
Plus share of accumulated profit of Northern Trustee Computerbank Ltd. .. .. .	81,662
Less dividend received .. .. .	6,400
	<u>75,262</u>
	<u>\$155,262</u>

The bank has a contingent liability for uncalled capital of 100 000 shares at 20 cents per share .. .. .

\$20,000

#### C. Commitments—

**Mortgages**—Mortgages approved but not advanced as at 31 March 1980 .. .. .

\$1,649,963

**Capital**—Capital commitments in respect of plant, land, and buildings as at 31 March 1980 totalled .. .. .

\$6,430

1745

#### WESTLAND SAVINGS BANK

##### BALANCE SHEET AS AT 31 MARCH 1980

	1980	1980	1979
	\$	\$	\$
Depositors accounts—			
Ordinary ** .. .. .	8,759,609		9,619,140
Special .. .. .	1,669,306		1,346,039
	<u>10,428,915</u>		<u>10,965,179</u>
Investment accounts	11,900,894		7,845,377
	<u>22,329,809</u>		<u>18,810,556</u>

	1980	1980	1979
	\$	\$	\$
Other liabilities—			
Interest accrued on investment accounts .. .. .	301,765		248,129
Sundry creditors .. .. .	27,282		12,115
	<u>329,047</u>		<u>260,244</u>
Provision for donations		329,047	260,244
Provision for taxation—			
Current .. .. .	33,826		40,016
Deferred .. .. .	52,479		40,016
	<u>86,305</u>		<u>40,016</u>
Reserve Fund			
Balance 1 April 1979	556,835		518,306
Transfer from appropriations .. .. .	45,250		38,529
	<u>602,085</u>		<u>556,835</u>
	<u>\$23,372,246</u>		<u>\$19,679,651</u>
Current assets—			
Cash on hand and at banks .. .. .	931,623		816,006
Interest bearing deposits .. .. .	716,700		551,100
Interest accrued on investments .. .. .	159,502		118,606
Prepaid taxation .. .. .	..		29,302
	<u>1,807,825</u>		<u>1,515,014</u>
Investments—			
New Zealand Government stock .. .. .	7,849,217		6,778,841
Local authority securities .. .. .	312,779		286,526
Mortgages .. .. .	12,564,999		10,335,408
Personal loans .. .. .	311,503		352,339
	<u>21,038,498</u>		<u>17,753,114</u>
Fixed assets—			
Land and buildings—			
cost price .. .. .	466,249		304,025
Depreciation to date .. .. .	34,458		30,042
	<u>431,791</u>		<u>273,983</u>
Furniture and Equipment—			
Cost price .. .. .	235,530		217,126
Depreciation to date .. .. .	141,398		79,586
	<u>94,132</u>		<u>137,540</u>
	<u>525,923</u>		<u>411,523</u>
	<u>\$23,372,246</u>		<u>\$19,679,651</u>

P. ROSELLI, President.

J. J. LESLIE, General Manager.

#### WESTLAND SAVINGS BANK

##### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1980

	1980	1980	1979
	\$	\$	\$
Interest to depositors .. .. .			
On open accounts .. .. .	252,109		252,257
On closed accounts .. .. .	21,538		16,003
On matured investment accounts .. .. .	629,153		326,920
Accrued on investment accounts .. .. .	301,765		249,058
	<u>1,204,565</u>		<u>844,238</u>
Administration expenses .. .. .	605,633		461,365
Trustee honoraria .. .. .	9,980		6,575
Depreciation .. .. .	66,228		31,592
Provision for taxation .. .. .	78,919		38,035
	<u>760,760</u>		<u>537,567</u>
Net profit .. .. .		70,250	49,969
		<u>\$2,035,575</u>	<u>\$1,431,774</u>