

## PROFIT AND LOSS ACCOUNT FOR YEAR ENDING 31 OCTOBER 1980

	1980 \$NZ	1979 \$NZ
<b>Expenditure—</b>		
Interest to depositors .. ..	11,395,347	6,632,683
Management and operating expenses .. ..	3,939,469	3,333,553
Directors fees .. ..	..	..
<b>Total expenses .. ..</b>	<b>15,334,816</b>	<b>9,966,236</b>
Provision for taxation .. ..	1,146,243	1,002,534
Net profit after taxation .. ..	1,400,964	1,225,319
	<b>\$17,882,023</b>	<b>\$12,194,089</b>
	1980 \$NZ	1979 \$NZ
<b>Income—</b>		
<b>Investments—</b>		
New Zealand Government stock and local authority securities .. ..	8,402,647	5,001,509
Other investments .. ..	9,334,603	6,990,240
	<b>17,737,250</b>	<b>11,991,749</b>
Other Income .. ..	144,773	202,340
	<b>\$17,882,023</b>	<b>\$12,194,089</b>

## PROFIT AND LOSS APPROPRIATION ACCOUNT

	1980 \$NZ	1979 \$NZ
Transfer to New Zealand Government stock		
Revaluation reserve 97,067		143,356
Less Tax Adjustment 43,680		64,510
	53,387	78,846
Transfer to general reserve ..	600,000	400,000
Provision for dividend ..	750,000	750,000
Balance carried forward ..	332,681	335,104
	<b>\$1,736,068</b>	<b>\$1,563,950</b>
Balance brought forward ..	335,104	229,438
Net profit for period .. ..	1,400,964	1,225,319
Transfer from New Zealand Government stock		
Revaluation reserve on account of stock matured or sold during period .. ..	..	198,532
Less tax adjustment .. ..	..	89,339
	..	109,193
	<b>\$1,736,068</b>	<b>\$1,563,950</b>

## NOTES TO THE ACCOUNT

## 1. Statement of Accounting Policies

- (a) *General*—The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method have been followed.

The following specific accounting policies have been consistently applied.

- (b) *Tax Allocation*—The charge for taxation in the profit and loss account is the amount of the estimated tax liability at current company taxation rates in respect of the net profit reported for the year. Timing differences arising from income receivable which has been accrued but not received in the current period and unrealised appreciation on investments (see note 3) are accounted for in the deferred taxation account.

- (c) *New Zealand Government and Local Authority Securities*—These are all redeemable at par at fixed dates. Whilst in the ordinary course of business some realisation of the Bank's investment in these securities may take place at prices below book values, it is the opinion of the directors that existing reserves are sufficient to cover any losses that are likely to arise on sales undertaken in the normal course of business.

The book values of securities purchased at a discount or a premium are adjusted through New Zealand Government Stock Revaluation Reserve so as to obtain their redemption values by maturity dates (see note 3 below).

The difference between book values and proceeds on realisation of New Zealand Government stock is taken to profit and loss account in the year incurred.

2. As at 31st October 1980, the redemption value of New Zealand Government and local authority securities was \$98,345,331, book value was \$97,909,806 and market value (exclusive of accrued interest) was \$94,558,247.

3. *New Zealand Government Stock Revaluation Reserves*—Arising from adjustment of book value of securities purchased at a discount or a premium and still held.

	NZ\$	NZ\$
Balance (including taxation payable thereon)		
31 October 1979 .. ..	554,498	
Add net appreciation for year .. ..	97,067	
	651,565	
Less appreciation on maturities and sales .. ..	..	
	651,565	
Less deferred tax liability .. ..	293,204	
Per balance sheet .. ..	..	358,361
4291		

## THE NEW ZEALAND GAZETTE

The *New Zealand Gazette* is published on Thursday evening of each week, and notices for insertion must be received by the Government Printer before 12 o'clock of the day preceding publication.

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