

Purua School—Special Project	\$ 400
Waimate North Anglican Church—150th Anniversary Project	300
Kawakawa Public Library	300
Paihia War Memorial Hall Extensions Committee	300
Boys' Brigade Northland Group	300
Girls' Brigade (Inc.) Northland Region	300
Northland Girl Guides Association	300
Royal N.Z. Life Saving Society—Northland Branch	300
Redhill Methodist Camp Trust	300
Lifeline (Whangarei) Inc.	300
Whangarei Beneficiaries and Old Folks Association	300
Mid-Northland Playcentres Association (Inc.)	300
Young Women's Christian Association of Whangarei	300
Kaikohe Aged, Widowed and Invalid Beneficiaries Association	200
Whangarei Marriage Guidance Council	200
	<u>\$344,850</u>

EASTERN AND CENTRAL SAVINGS BANK
BALANCE SHEET AS AT 31 MARCH 1980

	1980	1979
Assets		
Current assets—		
Cash resources	4,479,366	5,197,479
Interest accrued on investments	788,724	469,989
Accounts receivable	347,003	141,241
Prepayments	63,720	36,571
Stationery stock on hand	101,326	78,500
Commissioner of Inland Revenue	166,393	..
	<u>5,946,532</u>	<u>5,923,780</u>
Investments (see note 2)—		
New Zealand Government stock and local authority stock	30,882,461	27,416,401
Mortgages	45,267,556	39,236,585
Overdraft advances	64,286	..
Personal loans	1,783,096	1,467,704
Less unearned interest	248,546	(190,718)
	<u>1,534,550</u>	<u>77,748,853</u>
Fixed assets (see note 3)—		
At cost or valuation	2,134,253	1,918,512
Less accumulated depreciation	533,944	(437,101)
	<u>1,600,309</u>	<u>1,481,411</u>
Total assets	<u>85,295,694</u>	<u>75,335,163</u>
Less: Liabilities		
Depositors' funds—		
Savings accounts	47,693,020	46,105,494
Cheque accounts	3,175,680	2,609,127
Investment accounts	7,170,304	10,613,912
Term-deposit accounts	23,072,820	12,277,412
Housing bonds	1,989,700	1,557,400
	<u>83,101,524</u>	<u>73,163,345</u>
Add accrued interest	1,117,800	819,673
	<u>84,219,324</u>	<u>73,983,018</u>
Less items in transit	1,899,439	1,244,502
Total liability to depositors	<u>82,319,885</u>	<u>72,738,516</u>
Current liabilities—		
Provision for donations	45,000	40,000
Accounts payable	215,049	208,804
Commissioner of Inland Revenue	227,727
Mortgage instalments due within 1 year	18,000	18,000
	<u>278,049</u>	<u>494,531</u>
Term liabilities—		
Mortgages	208,000	226,000
Provision for deferred taxation	353,445	234,546
Home ownership—Supplementary loan	8,764	3,990
	<u>570,209</u>	<u>464,536</u>
Total liabilities	<u>83,168,143</u>	<u>73,697,583</u>
Excess of assets over liabilities	<u>2,127,551</u>	<u>1,637,580</u>

Represented by—		
Retained earnings 1 April 1979	1,490,509	1,088,582
Add .. transferred from appropriation account	487,942	401,927
General reserve 31 March 1980	<u>1,978,451</u>	<u>1,490,509</u>
Property revaluation reserve	143,647	143,647
Personal loans reserve	5,453	3,424
	<u>\$2,127,551</u>	<u>\$1,637,580</u>

EASTERN AND CENTRAL SAVINGS BANK

REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 1980

	1980	1979
Income		
Interest—		
New Zealand Government stock	2,226,952	1,672,852
Local authority stock	35,011	21,382
Mortgages and personal loans	4,746,429	3,527,449
Term deposits	693,980	531,451
	<u>7,702,372</u>	<u>5,753,134</u>
Commissions	64,085	62,676
Rents	22,459	19,338
Sundry income	108,597	113,097
Profit on sale of assets	1,830	(866)
Gain on investment amortisation	57,479	(6,082)
Total income	<u>7,956,822</u>	<u>5,941,297</u>
Less: Expenses:		
Interest on depositors' funds	4,106,128	2,844,043
Administration expenses (see note 4)	2,933,352	2,320,773
Loss on sale of investments	16,462	(36,580)
Total expenses	<u>7,055,942</u>	<u>5,128,236</u>
Net profit before taxation	<u>900,880</u>	<u>813,061</u>
Less: Provision for taxation	<u>366,179</u>	<u>355,476</u>
Tax paid profit for year—transferred to appropriation account	<u>\$534,701</u>	<u>\$457,585</u>

APPROPRIATION ACCOUNT FOR YEAR ENDED 31 MARCH 1980

	1980	1979
Net profit for year, transferred from revenue account	<u>534,701</u>	<u>457,585</u>
Unclaimed donations—1979	<u>270</u>	<u>80</u>
	<u>534,971</u>	<u>457,665</u>
Less: Provision for donations	<u>45,000</u>	<u>40,000</u>
Personal loans reserve	<u>2,029</u>	<u>1,514</u>
Tax short provided	<u>47,029</u>	<u>14,224</u>
Balance—transferred to general reserve	<u>\$487,942</u>	<u>\$401,927</u>

NOTES TO THE ACCOUNTS

1. *Statement of Accounting Policies*—(a) *General Accounting Principles*—The general accounting principles as recommended by the New Zealand Society of Accountants for the measurement and reporting of profit and financial position under the historical cost method has been followed in the preparation of these accounts, except for the revaluation of land.

(b) *Particular Accounting Principles*—The following particular accounting principles which materially affect the measurement of profit and financial position have been applied:

(a) *Interest Income*—Interest is recognised on an accrual basis. Personal loan interest excludes unearned interest, and has been apportioned according to the "Rule of 78" method.

(b) *Fixed Assets*—All fixed assets are valued at cost less accumulated depreciation with the exception of land which has been revalued in the 1979 year to the latest Government valuations.

For accounting purposes, depreciation is calculated using straight line rates based on the economic life of the assets. The following lives have been estimated:

Buildings—40–50 years.

Furniture and fittings—7–10 years.

Office equipment—7–10 years.

Motor vehicles—3 years to estimated residual value.

(c) *Taxation*—The charge for income tax is the amount of the tax liability in respect of the accounting profit for the year and includes both current and deferred tax.

Deferred taxation arises from timing differences between accounting and taxation recognition of income and expenditure. These differences relate to depreciation and investment income.

(d) *Current Assets*—Debtors are valued at expected realisable value. Stock on hand as shown in the balance sheet represents bulk stationery supplies valued at cost, less a provision for obsolescence.

(e) *Investments*—Investments are disclosed at cost except for Government stock, which is at cost adjusted by interest accrued contained in the purchase price, and by the amortisation on a straight-line basis of premiums and exchange rate variations over the term of the investment. In accordance with this policy the amortisation credited to revenue for this financial year amounts to \$57,479. (1979, \$6082 debit).

(c) *Changes in Accounting Policies*—There have been no changes in accounting policies that would have a material effect on the determination of profit for the year.