

|   |             |                          |                      |
|---|-------------|--------------------------|----------------------|
| Investments—                            |             | \$                       | \$                   |
| New Zealand Government securities       | 228,312,868 |                          |                      |
| Local authority securities ..           | 36,564,597  |                          |                      |
| Mortgages ..                            | 306,996,833 |                          |                      |
| Personal loans ..                       | 11,040,512  |                          |                      |
| Term loans ..                           | 296,711     |                          |                      |
| Overdrafts ..                           | 51,922      |                          |                      |
| Total ordinary investments ..           |             | 583,263,443              |                      |
| National savings securities—            |             |                          |                      |
| New Zealand Government securities       | 334,260     |                          |                      |
| Total national savings securities ..    |             | 334,260                  |                      |
| Fixed assets—                           | Cost        | Accumulated Depreciation | Book Value           |
| Land and buildings ..                   | 11,148,843  | 1,252,663                | 9,896,180            |
| Vehicles, equipment, furniture, etc. .. | 13,610,670  | 5,493,729                | 8,116,941            |
| Total fixed assets ..                   |             |                          | 18,013,121           |
|   |             |                          | <u>\$658,755,368</u> |

## PROFIT AND LOSS ACCOUNT

|  |                     |                     |
|--|---------------------|---------------------|
|  | 1980                | 1979                |
|  | \$                  | \$                  |
| Interest to depositors—                          |                     |                     |
| On open accounts ..                              | 9,419,093           | 8,940,455           |
| Closed accounts and matured accounts ..          | 13,699,045          | 8,318,875           |
| Accrued on term accounts ..                      | 6,123,647           | 4,629,251           |
| Accrued on housing bonds ..                      | 19,695              | 17,644              |
| Accrued on solicitor's trust ..                  | 257,771             | 46,858              |
| Home lay-by accounts—suspensory free deposits .. | 82,310              | 78,570              |
| Subtotal ..                                      | 29,601,561          | 22,031,653          |
| Administrative expenses ..                       | 14,939,394          | 11,949,912          |
| Trustees' honoraria ..                           | 10,380              | 6,862               |
| Depreciation ..                                  | 1,204,106           | 1,007,312           |
| Provision for taxation ..                        | 3,191,397           | 3,251,806           |
| Net profit—carried down ..                       | 3,961,426           | 4,286,133           |
|  | <u>\$52,908,264</u> | <u>\$42,533,678</u> |

## APPROPRIATION ACCOUNT

|                             |                    |                    |
|-----------------------------|--------------------|--------------------|
|                             | 1980               | 1979               |
|                             | \$                 | \$                 |
| Provisions for donations .. | 500,000            | 500,000            |
| Transfer to reserve ..      | 3,473,426          | 3,792,248          |
|                             | <u>\$3,973,426</u> | <u>\$4,292,248</u> |

## PROFIT AND LOSS ACCOUNT

|   |                     |                     |
|---|---------------------|---------------------|
|   | 1980                | 1979                |
|   | \$                  | \$                  |
| Interest on investments—                  |                     |                     |
| From New Zealand Government securities .. | 16,229,118          | 12,547,468          |
| From local authorities securities ..      | 2,820,555           | 2,221,516           |
| From mortgages ..                         | 25,923,460          | 20,256,917          |
| From personal loans ..                    | 1,145,826           | 627,359             |
| From term loans ..                        | 1,659               | —                   |
| From overdrafts ..                        | 638                 | —                   |
| From other sources ..                     | 5,791,272           | 6,024,974           |
| Subtotal ..                               | 51,912,528          | 41,678,234          |
| Income from other sources ..              | 995,736             | 855,444             |
|   | <u>\$52,908,264</u> | <u>\$42,533,678</u> |

## APPROPRIATION ACCOUNT

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
|                                 | 1980               | 1979               |
|                                 | \$                 | \$                 |
| Net profit, brought down ..     | 3,961,426          | 4,286,133          |
| Over provision for donations .. | 12,000             | 6,115              |
|                                 | <u>\$3,973,426</u> | <u>\$4,292,248</u> |

C. BRENTON-RULE, President.

D. F. STEPHENS, General Manager.

## STATEMENT OF ACCOUNTING POLICIES

The general accounting principles 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:

- (a) *Depreciation*—Fixed assets are being depreciated on a straight-line basis at rates which will write off the cost over their estimated useful lives to estimated residual values. The principal write-off periods are:
- |  |               |
|--|---------------|
| Buildings ..                                 | 40–100 years. |
| Computer and office calculating equipment .. | 10 years.     |
| Furniture and fittings ..                    | 10–15 years.  |
| Other fixed assets ..                        | 3–15 years.   |
- (b) *Personal Loan Interest*—Interest on personal loans is apportioned over the term of the loan, using the "Rule of 78" method.
- (c) *Taxation*—Taxation charged against net profit includes both current and deferred tax. Deferred taxation arises from timing differences related to:
- Interest accrued on investments; and
  - Depreciation charges
- (d) *Valuation of Investments*—Investments are recorded at cost. Both New Zealand Government and local authority securities are normally held to maturity and their value on redemption approximates cost.

*Valuation of Land and Buildings*—The latest Government valuation of land and buildings at 31 March 1980 totalled \$19,223,250.

## AUDITORS' REPORT

We have audited the books and accounts of the Auckland 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 balance sheet, profit and loss 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 Auckland 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.

Auditors.

Auckland, 29 April 1980.

1744

## CONTENTS

|   | PAGE       |
|---|------------|
| ADVERTISEMENTS .....                                      | 1541       |
| APPOINTMENTS .....  | 1503       |
| BANKRUPTCY NOTICES .....                                  | 1539       |
| LAND TRANSFER ACT: NOTICES .....                          | 1541       |
| MISCELLANEOUS—  |            |
| Cinematograph Films Act: Notices .....                    | 1521, 1522 |
| Customs Act: Notice .....                                 | 1521       |
| Customs Tariff: Notices .....                             | 1528       |
| Electricity Act: Notice .....                             | 1512       |
| Food and Drug Act: Notices .....                          | 1513       |
| Forests Act: Notices .....                                | 1511       |
| Indecent Publications Act: Notice .....                   | 1520       |
| Land Act: Notices .....                                   | 1518       |
| Maori Affairs Act: Notice .....                           | 1520       |
| Marriage Act: Notice .....                                | 1512       |
| National Roads Board: Notices .....                       | 1515       |
| New Zealand-Australia Free Trade Agreement: Notice .....  | 1514       |
| Post Office Act: Notice .....                             | 1512       |
| Potato Cyst Nematode Regulations: Notices .....           | 1516       |
| Private Schools Conditional Integration Act: Notice ..... | 1521       |
| Plant Varieties Act: Notice .....                         | 1527       |
| Public Works Act: Notices .....                           | 1505       |
| Regulations Act: Notice .....                             | 1526       |
| Reserves Act: Notices .....                               | 1518       |
| Reserve Bank: Summary of Trading .....                    | 1527       |
| Schedule of Contracts: Notices .....                      | 1526, 1531 |
| Standards Act: Notice .....                               | 1521       |
| Transport Act: Notice .....                               | 1512       |
| PROCLAMATIONS, ORDERS IN COUNCIL, AND WARRANTS .....      | 1501       |