

Investments—

New Zealand Government stock at face value (see note (1) below) ..	44,369,195	
Local authority securities at cost ..	7,633,605	
Mortgages ..	61,756,377	
Personal loans (<i>less</i> interest yet to mature) ..	1,509,128	
Shares in Allied Computer Processors Limited at cost ..	13,750	
		115,282,055

National savings securities—

New Zealand Government stock at cost ..	88,385	
Cash on hand and at bank ..	1,744	
		90,129
Total national savings securities		

Fixed Assets—

	Cost price	Depreciation to date	Book value	
Land and Buildings ..	2,603,306	615,836	1,987,470	
Vehicles, equipment, furniture, etc. ..	829,563	448,389	381,174	
Total fixed assets				2,368,644
				<u>\$130,167,066</u>

Note (1):

New Zealand Government stock at cost price—\$44,453,268.
W. P. WELLINGTON, President.
A. L. FLEURY, General Manager.

AUDITORS' REPORT

We report that we have examined the books and accounts of the Otago Savings Bank for the year ended 31 March 1980 and have received all the information and explanations we have required.

In our opinion, the accompanying balance sheet and profit and loss account together with the notes thereon, present fairly the financial position of the bank at 31 March 1980 and the result of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HUTCHISON HULL AND CO.,
GILFILLAN MORRIS AND CO.,
Chartered Accountants.

Dunedin, 2 May 1980.

NOTES TO THE ACCOUNTS

Accounting policies

The accounting policies which the bank considers appropriate for the measurement of its results and financial position under the historical cost convention are as follows:

(a) *Recognition of income*—Income shown in the profit and loss account is earned in the current year. In the case of personal loans the policy is to add interest to the advance at the commencement of the loan, and to bring this interest into revenue during the appropriate financial years in accordance with the "Rule of 78".

(b) *Expenditure*—(1) Interest credited to depositors—Interest on open accounts at 31 March represents the interest paid for the year. Accounts which are credited with interest during the year have had an appropriate adjustment made for the interest accrued to 31 March.

(2) Other expenses—Other expenses, including expenditure on computer programme development, are charged to the accounts in the year in which the expenditure is incurred.

(3) Depreciation—Fixed assets, other than freehold land, are generally depreciated on a straight line basis at rates estimated to write off the cost less residual value over the useful life of each class of asset. The principal annual rates in use are:

Buildings 1 percent to 2.5 percent.
Office furniture and equipment 10 percent to 15 percent.

(4) Taxation—Taxation charged against profits for the year is the estimated expense for the year. Tax allocation accounting has been adopted by the bank for significant timing differences in respect of accrued investment income, depreciation, and capital profits and losses on Government stock purchases and sales.

(c) *Valuation of assets*—Current assets and investments—All current assets and investments are shown at cost with the exception of New Zealand Government stock.

On the basis that Government stock will normally be held to maturity, the bank considers it appropriate to record such stock at face value. Differences between cost and face value are transferred to the reserve fund at the date of purchase.

Capital expenditure—Capital commitments at balance date totalled \$1,055,000.
2139

IN the matter of Answer Access Ltd. and in the matter of debentures issued by Answer Access Limited (hereinafter called "the debtor") in favour of Geoffrey William Aldridge and Antonius Josephus Maria Verhaaren, both of Auckland, company managers (hereinafter called "the lenders"):

WHEREAS the debtor company issued debentures for fifteen thousand dollars (\$15,000) each to the lenders bearing the date the 23rd day of October 1980 in favour of the lenders, and whereas the principal sum secured by the debentures is payable if default is made in the observance or performance of any of the covenants conditions agreements or stipulations contained or implied in the debentures.

And whereas the debtor company has defaulted in the payment of principal and interest upon demand which principal and interest is due and owing in terms of the debentures.

And whereas the debentures provide that at any time after the principal sum or any other sum become payable the lender may appoint by writing any person (whether an officer of the company or not) to be a receiver and manager of all or any of the property of the company thereby charged.

Now therefore in pursuance of the powers conferred by the debentures the lenders doth both of them appoint James Douglas Sjogren Strong, of Auckland, chartered accountant, to be the receiver and manager of the property charged by the said debentures with all and every the powers conferred upon a receiver and manager under the provisions of the debentures and the lenders, doth both of them hereby agree that the receiver and manager shall be entitled to a fee at a rate not exceeding 5 percent on the gross amount of all monies received.

Dated this 26th day of May 1981.

A. J. M. VERHAAREN and G. W. ALDRIDGE,
by their Solicitors.

Kendall Sturm and Strong, Auckland.

2364

IN the matter of section 346 (1) of the Companies Act 1955, and in the matter of a debenture issued by Skatopia Projects Ltd. in favour of (now) Bruce James Maiden and Robert Michael Dolan:

TAKE notice that in exercise of the powers contained in a debenture, dated the 12th day of May 1978, issued by Skatopia Projects Ltd. to the Bank of New Zealand and subsequently transferred to Bruce James Maiden and Robert Michael Dolan on the 22nd day of July 1980, the debenture holders appointed Peter Denis Lane and Barrie McKechnie Brown, both of Auckland, chartered accountants, jointly and severally as receivers and receiver of all the property charged by the said debenture with all the powers conferred on receivers under the provisions of the said debenture and by law.

The address for service of the receivers is at the offices of Barr Burgess and Stewart, chartered accountants, C.M.L. Building, Queen Street, Auckland.

Dated this 27th day of May 1981.

2348

MANGERE LAWN CEMETERY (ENLARGEMENT) BILL

THE trustees of the Mangere Cemetery are promoting a private bill for purposes of conferring power on the trustees to extend the boundaries of the Mangere Lawn Cemetery and for related purposes. The proposed bill provides that the trustees are authorised and empowered to acquire land for the purposes of the cemetery. The proposed bill also confers power on the trustees to borrow money for the purposes of their powers.