

Current assets—			
Cash on hand and at			
Banks	1,282,117	931,623	
Interest bearing deposits	692,100	716,700	
Interest accrued on investments	259,358	159,502	
Debtors & prepayments	86,138		
	<u>2,319,713</u>	<u>1,807,825</u>	
Investments—			
N.Z. Government stock	9,731,448	7,849,217	
Local authority securities	298,552	312,779	
Mortgages	14,900,635	12,564,999	
Personal loans	618,559	311,503	
	<u>25,549,194</u>	<u>21,038,498</u>	
Fixed assets—			
Land and buildings			
Cost price	477,746	466,249	
Depreciation to date ..	38,880	34,458	
	<u>438,866</u>	<u>431,791</u>	
Furniture and Equipment—			
Cost price	396,464	235,530	
Depreciation to date ..	111,924	141,398	
	<u>284,540</u>	<u>94,132</u>	
	723,406	525,923	
	<u>\$28,592,313</u>	<u>\$23,372,246</u>	

P. ROSELLI, President.
J. J. LESLIE, General Manager.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1981

	1981	1980
	\$	\$
Interest to depositors—		
On open accounts	245,103	252,109
On closed accounts	19,918	21,538
On matured investment accounts	1,106,872	629,153
Accrued on investment accounts	425,194	301,765
	<u>1,797,087</u>	<u>1,204,565</u>
Administration expenses		
Trustees honoraria	897,989	605,633
Depreciation	8,345	9,980
Provision for taxation ..	51,360	66,228
	<u>957,694</u>	<u>78,919</u>
		<u>760,760</u>
Net profit	30,909	70,250
	<u>\$2,785,690</u>	<u>\$2,035,575</u>
Interest on investments—		
From N.Z. Government stock	813,203	604,900
From local authorities	25,120	21,921
From mortgages	1,698,745	1,216,024
From personal loans	79,980	40,980
From other sources	93,002	98,440
	<u>2,710,050</u>	<u>1,982,265</u>
Income from other sources—		
Commission	62,878	40,642
Rents	12,762	12,668
	<u>75,640</u>	<u>53,310</u>
	<u>\$2,785,690</u>	<u>\$2,035,575</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31 MARCH 1981

	1981	1980
	\$	\$
Donations	7,000	25,000
Balance transferred to Reserve Fund ..	23,909	45,250
	<u>\$30,909</u>	<u>\$70,250</u>
	1981	1980
	\$	\$
Net profit	30,909	70,250
Donations overprovision in previous year		
	<u>\$30,909</u>	<u>\$70,250</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1981

Statement of Accounting Policies

1. (a) *General Accounting Policies*—The General Accounting Policies recognised as appropriate for the measurement and reporting of results and financial position under this historic cost method of accounting have been adopted on a basis consistent with the previous year, except as explained in note 2 below.

(b) *Recognition on Income*—The income earned is recorded on an accrual basis. Interest on personal loans is calculated according to the rule of 78.

(c) *Valuation of Investments*—All 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 nominal value. Differences between cost and nominal value are immaterial and have been transferred to interest received or interest paid at the date of purchase.

(d) *Fixed Assets and Depreciation*—Fixed assets are valued at cost less accumulated depreciation. Depreciation has been charged using the straight line method based on the economic life of the assets.

(e) *Taxation*—No taxation is payable on this year's profit. The income tax effect of all timing differences between accounting and taxation records is included under the heading "deferred taxation" with the exception of those timing differences, the reversal of which are not expected to give rise to a liability for some considerable period ahead.

2. *Changes in Accounting Policy*—Interest accrued on investment accounts has been calculated at the full rate payable on the assumption that deposits will continue unbroken to maturity. In previous years interest accrued had been calculated at a lower rate which allowed for investments that did not reach maturity. The effect of this policy change is that \$12,125 has been added to the interest expense and interest accrued on investment accounts. Net profit has been decreased by a similar amount.

3. *Prepayments*—In previous years prepaid expenditure has been taken into account but not disclosed separately because the amounts were not material. This year prepayments have increased significantly and accordingly are shown separately.

4. *Commitments*—Mortgages approved, but not yet uplifted \$304,829.

REPORT OF THE AUDITORS

We report that we have audited the books and accounts of the Westland Savings Bank of the year ended 31st March 1981, and have obtained all the information and explanations we have required.

In our opinion the accompanying profit and loss account, balance sheet and notes presents fairly the financial position of the bank at 31st March 1981, and the results of the year ended on that date, determined in accordance with the historical cost basis of accounting and in accordance with section 29 (2) of the Trustee Savings Bank Act 1948.

MARSHALL AND HEAPHY,
Chartered Accountants.

12 May 1981.