

APPROPRIATION ACCOUNT

	1981	1980		1981	1980
	\$	\$		\$	\$
Provision for donations	500,000	500,000	Net profit, brought down ..	4,247,009	3,961,426
Transfer to reserve	3,748,737	3,473,426	Overprovision for donations ..	1,728	12,000
	<u>\$4,248,737</u>	<u>\$3,973,426</u>		<u>\$4,248,737</u>	<u>\$3,973,426</u>

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 .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	5–10 years.
Furniture and fittings .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	10–15 years.
Other fixed assets .. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	3–15 years.

In recognition of changed circumstances, certain computer equipment which was previously depreciated over 10 years, has been depreciated over 5 years to its estimated residual value at the end of that period.

(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:

- (i) Interest accrued on investments;
- (ii) Depreciation charges;
- (iii) Interest accrued included in the purchase price of New Zealand Government securities.

(d) *Valuation of Investments*—New Zealand Government and local authorities securities are stated at cost, excluding interest accrued at date of purchase. Such securities are normally held to maturity and the value on redemption approximates cost.

(e) *Valuation of Land and Buildings*—The latest Government valuation of land and buildings at 31 March 1981, totalled \$19,820,750.

C BRENTON-RULE, President.

D. F. STEPHENS, General Manager.

28 April 1981

We have audited the books and accounts of the Auckland Savings Bank for the year ended 31 March 1981, 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 1981, 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 & CO., Chartered Accountants, Auditors.

WANGANUI SAVINGS BANK

AUDITORS' REPORT

We have audited the books and accounts of the Wanganui Savings Bank, for the year ended 31 March 1981, in accordance with generally accepted auditing standards, and have carried out such procedures as we considered necessary.

In our opinion the accompanying balance sheet, revenue 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 Wanganui Savings Bank as at 31 March 1981, and the financial result of its transactions for the year ended on that date, in accordance with section 29 (2) of the Trustees savings Bank Act 1948.

McCULLOCH MENZIES,
Chartered Accountants.

Wanganui, 28 April 1981.