

Investments—			
(At cost unless otherwise stated)			
New Zealand Government Stock	42,738,213	35,264,825	
(Note 2)	..	859,210	
Local authority securities	968,044	54,578,539	
Mortgages and term loans	66,825,508	2,357,277	
Personal loans (Note 3)	3,249,434	750,501	
Other investments	2,752,416	202,244	
Associate company (Note B)	202,193		
	<u>116,735,808</u>	<u>94,012,596</u>	
Fixed Assets (Note C)			
Land	68,982	59,995	
Buildings	417,668	398,334	
	<u>486,650</u>	<u>458,329</u>	
Furniture, fittings, vehicles, office equipment, etc.	586,716	484,283	
	<u>1,073,366</u>	<u>942,612</u>	
	<u>\$124,160,548</u>	<u>\$102,240,512</u>	

Increased investment associate company	..	13,982
Reduction in term liabilities	8,000	8,000
Increase in working capital	..	435,836
Donations	70,000	50,000
Net capital expenditure	268,746	66,638
	<u>\$43,550,297</u>	<u>\$29,712,853</u>

NOTES TO THE ACCOUNTS

A. *Statement of Accounting Policies*—The general accounting principles recommended by the New Zealand Society of Accountants for the measurement and reporting of results on an historical cost basis, consistent with previous years, have been used in the preparation of the financial accounts.

The following particular principles have been applied:—

Note 1—*Depreciation*—Straight-line depreciation has been applied to the Bank's E.D.P. equipment to write it off over the period of its expected useful life. All other assets have been depreciated at the rates allowable by the Inland Revenue Department. The difference between these rates, and the straight-line method, is not considered to be material.

Note 2—*Government Stock*—It has been the Bank's policy to amortise total discounts and premiums on Government Stock Securities over the term of the investment on a straight-line basis and to show the value of the stock in the Balance Sheet at its cost price adjusted by amortised discount or premium to date. From the 1st April 1980 there has been an additional adjustment to recognise the accrued interest content as revenue in the purchase or disposal of stocks.

Note 3—*Personal Loans*—The Bank's policy is to add total interest due to the loan when advanced, and interest is brought into revenue on the basis of the "Rule of 78".

Note 4—*Taxation*—

- (a) The Provision for Income Tax charged in the Profit and Loss Account is the calculated tax liability in respect of the accounting profit after adjusting for permanent differences.
- (b) The Provision for Deferred Taxation arises from items of Income and expenditure being included in taxation calculations in periods different from those in which they are dealt with in the financial accounts.

B. *Associate Company*—The Bank's investment in Northern Trustee Computerbank Limited has been shown in the accounts according to the standard accounting practice adopted by the New Zealand Society of Accountants for an Associate Company.

The investment is made up as follows:	\$
Debentures	33,000
Paid up shares	80,000
Share of accumulated profit, less dividends received, to year ended 31 March 1981	89,244
Plus share of profit for the year ended 31 May 1981	12,571
Less share of provision for taxation	12,622
	<u>(51)</u>

Investment as per Balance Sheet .. \$202,193

C. *Fixed Assets*—

	1982	Book Value
	Cost	Accum. Depn.
	\$	\$
Land	68,982	—
Buildings	454,834	37,166
	<u>523,816</u>	<u>37,166</u>
Furniture, fittings and alterations		
Leased Premises	661,622	374,264
Office and Computer equipment	516,410	258,378
Motor vehicles	57,376	16,050
	<u>\$1,759,224</u>	<u>\$685,858</u>
		<u>\$1,073,366</u>

	1981	Book Value
	Accum. Depn.	\$
	\$	\$
Land	59,995	59,995
Buildings	433,463	35,129
	<u>493,458</u>	<u>35,129</u>
		<u>458,329</u>

PROFIT STATEMENT FOR THE YEAR ENDED 31 MARCH 1982			
Income Interest—	\$	1982	\$
N.Z. Government securities	3,805,509	2,957,106	
Local authority securities	79,955	70,534	
Mortgages and term loans	7,841,168	5,674,062	
Personal loans	505,955	309,997	
Bank and other deposits	806,865	814,351	
Other investments	378,487	72,745	
	<u>13,417,939</u>	<u>9,898,795</u>	
Rents, commissions, fees, etc.	678,957	490,446	
Total income	<u>14,096,896</u>	<u>10,389,241</u>	
Less Expenditure—			
Interest to depositors	8,366,253	6,080,719	
Administration expenses	4,252,776	3,275,469	
Depreciation (Note 1)	137,992	116,396	
Audit fees	12,439	10,298	
Trustees honoraria	17,129	16,568	
Net loss on disposal of investment securities	121,776	71,355	
	<u>12,908,365</u>	<u>9,570,805</u>	
Operating profit	1,188,531	818,436	
Less taxation (Note 4 (a))	514,566	362,081	
Net profit for year	673,965	456,355	
Add share of profit associate company (Note B)	(51)	21,982	
Net profit for year including results of associate company	673,914	478,337	
Less provision for donations	70,000	50,000	
Transfer to reserve fund	603,914	428,337	
Retained earnings brought forward	1,823,335	1,394,998	
Reserve fund as at 31 March 1982	<u>\$2,427,249</u>	<u>\$1,823,335</u>	

"The notes to the accounts form part of, and are to be read in conjunction with, these accounts."

T. K. CULLEY, President.  
P. D. MUNN, General Manager.

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
	\$	\$
Funds were Received from Operations—		
Net profit after tax	673,914	478,337
Adjustment for items not involving movement of funds:		
Depreciation	137,992	116,396
	<u>811,906</u>	<u>594,733</u>
Investment repayments—		
N.Z. Government securities	2,806,010	3,059,495
Local authority securities	476,166	838,276
Mortgages	14,572,079	9,273,781
Personal loans	2,626,033	1,498,230
	<u>20,480,288</u>	<u>14,669,782</u>
Decreased investment associate company	51	..
Increase in term liabilities	200,000	..
Decrease in working capital	1,714,454	..
Increase in depositors' funds	20,343,598	14,448,338
	<u>\$43,550,297</u>	<u>\$29,712,853</u>

These funds were applied to additional investments—			
N.Z. Government securities	10,279,397	5,256,878	
Local authority securities	585,000	283,650	
Mortgages	26,819,048	20,663,268	
Personal loans	3,518,190	2,184,100	
Other lending net	2,001,916	750,501	
	<u>43,203,551</u>	<u>29,138,397</u>	