

BALANCE SHEET AS AT 31 MARCH 1982

<i>Liabilities</i>	1982	1981
	\$	\$
Deposits in cheque accounts, savings accounts, payment service—		
Accounts, term investments, home and farm ownership accounts, etc. ..	178,309	141,258
Creditors	644	728
Provisions	1,614	427
Reserves	4,112	3,024
	<u>\$184,679</u>	<u>\$145,437</u>
<i>Investments</i>		
Cash in hand and on deposit	15,268	19,437
Debtors	1,344	1,130
New Zealand Government securities ..	64,237	50,440
Local authority securities	917	1,225
Mortgages	86,115	64,297
Personal loans, overdrafts and visa advances	12,432	4,663
Associated company	202	202
Fixed assets	4,164	4,043
	<u>\$184,679</u>	<u>\$145,437</u>

N. J. CLARKE, President.
S. R. McROBIE, General Manager.

CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 1982

<i>Source of Funds</i>	1982	1981
	\$	\$
Deposit increases	34,254	27,594
Repayments—		
Mortgages	10,942	9,625
Personal loans	4,716	2,673
Local authority securities	124	437
Short term deposits, etc.	4,089	..
Sales—		
Local authority securities	635	1,018
New Zealand Government stock	1,332	2,494
Fixed assets	35	57
Net profit after taxation	1,064	923
Non-cash adjustments depreciation, etc. ..	4,057	622
	<u>\$61,248</u>	<u>\$45,443</u>

<i>Investment of Funds</i>	1982	1981
Mortgage advances	32,775	15,045
New Zealand Government stock	14,989	11,197
Local authority securities	460	564
Personal loans, overdrafts and visa advances	12,537	6,057
Fixed assets	487	1,031
Short-term deposits, etc.	11,549
	<u>\$61,248</u>	<u>\$45,443</u>

AUDITOR'S REPORT TO THE TRUSTEES OF THE WAIKATO SAVINGS BANK

We have obtained all the information and explanations that we have required. In our opinion proper accounting records have been kept by the Bank so far as appears from our examination of these records.

In our opinion the accompanying cash flow statement, profit statement and balance sheet together with the notes thereto give, using the historical cost method, a true and fair view of the changes in the financial position and the results of the business of the bank for the year ended 31 March 1982 and the financial position as at that date.

HUTCHISON HULL AND CO., Chartered Accountants.
Hamilton, 17 May 1982.

NOTES

1. Statement of Accounting Policies—

The general accounting principles as recommended by the New Zealand Society of Accountants for the measurement and reporting of profit and financial position on an historical cost basis have been followed by the Bank. The following particular accounting principles which materially affect the measurement and reporting of profit and financial position have been applied.

(A) Revenue and Expense Recognition—

- (a) Personal Loan interest has been recognised on the sum of digits basis.
- (b) Losses associated with dealings in securities have been deferred on a *pro rata* basis to the years during which the revenue from the corresponding deals will be recognised during the normal course of business.
- (c) The charge for income tax is the amount of tax liability in respect of the accounting profit for the current year. Timing differences between accounting and taxation records are included under the heading "Provision for Deferred Taxation", with the exception of differences which, on the basis of reasonable probability, are expected to continue in the future.

(B) Investments—

- (a) The Bank's one quarter shareholding in the Northern Trustee Computerbank Ltd., as at the company's 31 May 1981 balance date has been treated on an equity accounting basis.
- (b) New Zealand Government securities have been valued on a purchase yield basis.
- (c) Other investments have been recorded at cost plus interest accrued to balance date less provision for doubtful debts.

(C) Fixed Assets and Depreciation—

Land is recorded at the higher of original cost or the 1976 Government Valuation. All other assets are recorded at cost less depreciation to date. The cost of lease goodwill has been spread evenly over the terms of the leases. Straight-line depreciation as recommended by the New Zealand Society of Accountants Statement of Standard Accounting Practice No. 3 has not otherwise been applied and maximum rates of depreciation as approved by the Commissioner of Inland Revenue have been used. This is not considered to have a significant effect on the financial statements for the year ended 31 March 1982.

(D) Changes—

There have been no changes in accounting principles used that would significantly affect profit or financial position.

	1982	1981
	\$	\$
2. Total Income—		
Government and local authority securities ..	5,781	4,526
Mortgages, personal loans, etc.	14,262	7,639
Associated company	5	8
Other income	493	2,215
	<u>\$20,541</u>	<u>\$14,388</u>

3. Expenses—

Audit fee	20	15
Depreciation	355	381
Rentals	173	160
Hire purchase interest	7	20
Deposit interest	12,407	8,591
Trustees fees	18	15
Doubtful debts	68	10
Other expenses	5,254	4,240
	<u>\$18,302</u>	<u>\$13,432</u>

4. Loss on Trading Securities—

	1982	1981
	\$	\$
Amortisation of loss on trading Government stock	(75)	(75)
Other trading profits	26	20
	<u>\$(49)</u>	<u>\$(55)</u>

5. Reserve Fund Changes—

Capital profit on sale of assets	10	..
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