

NATIONAL BANK OF NEW ZEALAND  
SAVINGS BANK LTD.

## FINANCIAL ACCOUNTS

YEAR ENDED 31 OCTOBER 1981

AUDITORS' REPORT TO THE MEMBERS OF NATIONAL BANK OF  
NEW ZEALAND SAVINGS BANK LTD.

In our opinion the accompanying balance sheet, profit and loss account, profit and loss appropriation account together with notes thereon give a true and fair view of the state of affairs of the company on 31 October 1981 and of the results for the year ended on that date.

We have obtained all the information and explanations we have required. In our opinion the company has kept proper books and the accounts of the company give in the prescribed manner the information required by the Companies Act 1955.

PRICE WATERHOUSE and CO., Chartered Accountants.

Wellington, New Zealand, 19 November 1981.

## BALANCE SHEET AS AT 31 OCTOBER 1981

	1981 \$NZ	1980 \$NZ
Shareholders' funds—		
Authorised and issued capital ordinary shares of \$2 each ..	2,000,000	2,000,000
Paid up capital 1,000,000 ordinary shares of \$2 each paid up to 40 cents .. .. .	400,000	400,000
General reserve .. .. .	3,915,000	3,365,000
New Zealand Government stock revaluation reserve (note 3) ..	425,069	358,361
Profit and loss appropriation account	265,333	332,681
	5,005,402	4,456,042
Current liabilities and provisions—		
Depositors' balances:		
Ordinary accounts .. .. .	88,416,751	86,320,085
Home lay-by accounts .. .. .	489,023	253,360
6 month investment accounts ..	104,521	125,367
9 month investment accounts ..	12,701,436	6,884,293
1 year investment accounts .. ..	91,217,968	64,562,229
2 year investment accounts .. ..	2,525,599	4,703,730
3 year investment accounts .. ..	8,480,830	14,202,639
	203,936,128	177,051,703
Provision for taxation—		
Current .. .. .	374,787	103,421
Deferred (Note 1b) .. .. .	1,733,848	1,500,237
	2,108,635	1,603,658
Provision for dividend .. .. .	750,000	750,000
Other liabilities (including interest accrued) .. .. .	5,208,444	3,511,568
	5,958,444	4,261,568
	\$217,008,609	\$187,372,971

The notes annexed form part of these accounts.

	1981 \$NZ	1980 \$NZ
Deposits at the National Bank of New Zealand Ltd. .. .. .	8,552,038	5,370,549
Investments (Note 1c)		
New Zealand Government stock ..	81,426,910	66,740,115
3½ percent New Zealand Government special stock, at cost ..	26,730,000	27,200,000
Local authorities securities, at cost .. .. .	4,397,472	3,969,691
	112,554,382	97,909,806
Mortgages and other loans .. .. .	91,304,459	80,154,953
Income accrued .. .. .	4,597,730	3,937,663
	\$217,008,609	\$187,372,971

On behalf of the Board:

S. T. RUSSELL, Chairman.  
M. D. SEARANCKE, Secretary.

## PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 OCTOBER 1981

	1981 \$NZ	1980 \$NZ
Expenditure—		
Interest to depositors .. .. .	14,283,230	11,395,347
Management and operating expenses .. .. .	4,860,486	3,935,069
Audit fee .. .. .	5,000	4,400
Total expenses .. .. .	19,148,716	15,334,816
Provision for taxation—		
Current .. .. .	829,502	757,263
Deferred .. .. .	233,611	388,980
	1,063,113	1,146,243
Net profit after taxation .. .. .	1,299,360	1,400,964
	\$21,511,189	\$17,882,023

	1981 \$NZ	1980 \$NZ
Income—		
Investments—		
New Zealand Government stock and local authority securities ..	9,358,410	8,402,647
Other investments .. .. .	11,970,421	9,334,604
	21,328,831	17,737,251
Other income .. .. .	182,358	144,772
	\$21,511,189	\$17,882,023

## PROFIT AND LOSS APPROPRIATION ACCOUNT

Transfer to New Zealand—		
Government stock .. .. .		
Revaluation reserve .. .. .	126,673	97,067
Less tax adjustment .. .. .	57,003	43,680
	69,670	53,387
Transfer to general—		
Reserve .. .. .	550,000	600,000
Provision for dividend .. .. .	750,000	750,000
Balance carried forward .. .. .	265,333	332,681
	\$1,635,003	\$1,736,068

The notes annexed form part of these accounts.

	1981 \$NZ	1980 \$NZ
Balance brought forward .. .. .	332,681	335,104
Net profit for period .. .. .	1,299,360	1,400,964
Transfer from New Zealand Government stock		
Revaluation reserve on account of stock matured or sold during period .. .. .	5,385	
Less tax adjustment .. .. .	2,423	
	2,962	
	\$1,635,003	\$1,736,068

## NOTES TO THE ACCOUNTS

## 1. Statement of Accounting Policies:

## (a) General—

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method have been followed.

The following specific accounting policies have been consistently applied.

## (b) Tax Allocation—The charge for taxation in the profit and loss account is the amount of the estimated tax liability at current company taxation rates in respect of the net profit reported for the year. Timing differences arising from income receivable which has been accrued but not received in the current period and unrealised appreciation on investments (see note 3) are accounted for in the deferred taxation account.

## (c) New Zealand Government and Local Authority Securities—These are all redeemable at par at fixed dates. Whilst in the ordinary course of business some realisation of the Bank's investment in these securities may take place at prices below