

Fixed Assets—		
Land .. .. .	299,555	275,194
Buildings .. .. .	3,253,403	3,031,793
Vehicles, office equipment and furniture .. .. .	2,166,846	1,652,444
	5,719,804	4,959,431
Less depreciation to date .. .. .	981,404	745,131
Total Fixed Assets .. .. .	4,738,400	4,214,300
	<u>\$117,968,011</u>	<u>\$94,307,960</u>

N. H. STANLEY, President.  
B. J. RUDD General Manager.

TARANAKI SAVINGS BANK

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 MARCH 1982

	1982	1981
	\$	\$
Interest to depositors—		
On open accounts .. .. .	1,473,015	1,084,638
Closed accounts and matured term investment accounts .. .. .	4,753,245	2,790,506
Accrued on term investment accounts .. .. .	1,393,384	1,102,958
	7,619,644	4,978,102
Administrative expenses .. .. .	3,409,876	2,640,223
Trustees honoraria .. .. .	20,470	19,445
Depreciation .. .. .	252,811	178,471
Loss on sale of securities—NOTE 1 .. .. .	420,392	
Provision for taxation .. .. .	467,622	374,690
Net profit .. .. .	703,360	450,647
	<u>\$12,894,175</u>	<u>\$8,641,578</u>
Interest on Investments—		
N.Z. Government stock .. .. .	3,421,755	2,422,719
Local authority stock .. .. .	95,762	66,903
Mortgages .. .. .	6,885,491	4,173,213
Personal loans .. .. .	293,375	181,152
Other sources .. .. .	1,554,854	1,355,799
	12,251,237	8,199,786
Income from other sources .. .. .	519,372	392,944
Share of profit of associate company .. .. .	13,763	48,848
Profit on sale of property .. .. .	109,803	
	<u>\$12,894,175</u>	<u>\$8,641,578</u>

APPROPRIATION ACCOUNT FOR YEAR ENDED 31 MARCH 1982

	1982	1981
	\$	\$
Provision for donations .. .. .	75,000	60,000
Reserve account .. .. .	629,880	390,986
	<u>\$704,880</u>	<u>\$450,986</u>
	1982	1981
	\$	\$
Net profit .. .. .	703,360	450,647
Donation provision balance transferred .. .. .	1,520	339
	<u>\$704,880</u>	<u>\$450,986</u>

NOTES TO THE ACCOUNTS

*Statement of Accounting Policies:* The general accounting principles as recommended by the New Zealand Society of Accountants for the measurement and reporting of results and financial position on an historical cost basis have been followed in the preparation of these financial statements.

The following particular accounting policies which significantly affect the measurement of the Bank's profit and financial position have been applied on a basis consistent with the previous years.

*Depreciation:* Depreciable fixed assets are depreciated on a straight line basis at rates estimated to write off the cost, less residual value, over the useful life of each class of asset. The principal rates in use are:-

- Buildings 1% and 2½%
- Office Equipment, fixtures and fittings 10% and 20%
- Computer Equipment 12½%

NOTE 1—*Loss on Sale of Securities:* Low coupon Government Stock has been sold during the year to allow the Bank to purchase higher yielding Government Securities.

NOTE 2—*Investment Accounts and Term Deposits:*

	1982	1981
	\$	\$
Under and including:		
1-year .. .. .	30,858,792	26,227,200
1-2 year .. .. .	13,997,135	5,309,928
2-3 years .. .. .	5,448,303	7,063,308
3-5 years .. .. .	1,670,000	1,483,280
	<u>\$51,974,230</u>	<u>\$40,083,716</u>

NOTE 3—*Taxation:* The charge for income tax is the amount of tax liability in respect of the accounting profit for the year.

The liability 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. The significant timing differences relate to depreciation and accrued income.

Current	1982	1981
	\$	\$
Balance .. .. .	3,044	(174,396)
Total tax provided in accounts .. .. .	467,622	374,690
Less share of associate company .. .. .	12,622	33,690
	458,044	166,604
Less timing differences transferred to deferred tax .. .. .	157,455	199,467
	300,589	(32,863)
Less tax paid .. .. .	167,838	Refund 35,907
Tax payable .. .. .	<u>\$132,751</u>	<u>\$3,044</u>
<i>Deferred</i>		
Provision for Deferred Tax .. .. .	764,500	565,033
Plus movement .. .. .	157,455	199,467
Total Deferred Tax .. .. .	<u>\$921,955</u>	<u>\$764,500</u>

NOTE 4—*Fixed Deposits:* Coupon maturity dates cover the period 19 May, 1982 to 3 January 1983. As these investments can be realised as liquidity conditions dictate they have been treated as Current Assets.

NOTE 5—*New Zealand Government Stock:* New Zealand Government Stock is recorded at par value less discount which is amortised over the term of the investment on a straight line basis. The cost price as at 31st March was as follows:-

	1982	1981
	\$	\$
New Zealand Government Stock .. .. .	40,067,765	32,130,679

New Zealand Government Stock is held pursuant to the ratio requirements of the Trustee Savings Bank Act 1948 and subsequent Amendments and under normal circumstances is held to the coupon maturity date. As at 31st March, 1982, the estimated market value of the N.Z. Government Stock portfolio was \$36,050,195.27.

NOTE 6—*Personal Loans:* Interest on loans is added to the principal sum at the date of the advance. The interest revenue is recognised on the basis of the 'Rule of 78' method. Unearned interest as at 31st March was \$494,153 (1981, \$173,504).

NOTE 7—*Northern Trustee Computerbank Ltd.:* The Ordinary Share investment has been shown using the equity accounting basis:-

	1982	1981
	\$	\$
100,000 ordinary shares .. .. .	80,000	80,000
Accumulated Profits to previous year .. .. .	89,244	74,086
Share of Profit current year .. .. .	(51)	15,158
Share premium reserve .. .. .	1,192	—
	170,385	169,244
Debentures (at cost) .. .. .	33,000	33,000
	<u>\$203,385</u>	<u>\$202,244</u>

NOTE 8—*Valuation of Assets:* Fixed assets are recorded at cost:

	Cost	Accumulated Depreciation	Book Value	1982	1981
	\$	\$	\$	\$	\$
Land .. .. .	299,555	—	299,555	275,194	
Buildings .. .. .	3,253,403	194,108	3,059,294	2,860,381	
Plant, Furniture & Fittings .. .. .	2,166,846	787,296	1,379,551	1,078,725	
Total, 1982 .. .. .	5,719,804	981,404	4,738,400	4,214,300	
Total, 1981 .. .. .	4,958,431	745,131		4,214,300	