

Current liabilities—			
Sundry creditors	123,473	101,558	
Provision for donations	35,000	30,000	
Provision for taxation (note 6)	77,448	55,980	
Mortgages secured	11,900	7,400	
Total current liabilities—	247,821	194,938	
Other liabilities—			
Mortgages (secured)	110,425	126,825	
Provision for deferred taxation (note 7)	322,928	264,668	
Total other liabilities—	433,353	391,493	
Reserve fund—			
Balance 31 March 1981	634,756	379,806	
Add balance appropriation account	336,273	254,950	
Balance 31 March 1982	971,029	634,756	
Property revaluation	327,847	133,934	
Total reserve fund—	1,298,876	768,690	
	<u>\$54,762,320</u>	<u>\$45,925,783</u>	
	1982	1982	1981
Current assets—			
Cash on hand and at bank	\$ 556,234	\$ 494,253	
Fixed deposit & short term investment	2,148,000	1,748,000	
Interest accrued on investments	672,075	536,932	
Sundry debtors and pre-payments	247,205	105,687	
Stationery on hand	71,028	56,418	
Total current assets—	3,694,542	2,941,290	
Investments—			
Government stock (note 2)	18,349,186	16,075,681	
Local authorities	22,000	470,900	
Mortgages	28,389,564	23,430,190	
Personal loans	2,593,433	1,809,438	
Shares NTC bank (note 8)	169,203	169,244	
Depositors overdrafts	384,723	119,864	
Debentures (note 8)	33,000	—	
Total investments—	49,941,109	42,075,317	
Fixed assets—(at cost or valuation)			
Land	237,515	190,976	
Bldg. & improvements	693,850	34,887	
Less Depr. to date	101,220	377,945	
Furniture & fittings	155,276	—	
Less Depr. to date	84,144	62,683	
Vehicles	46,366	—	
Less Depr. to date	15,131	33,885	
Office equipment	367,710	—	
Less Depr. to date	173,553	243,687	
Total fixed assets—	1,126,669	909,176	
	<u>\$54,762,320</u>	<u>\$45,925,783</u>	

To be read in conjunction with the Notes to the Accounts, which form part of the Financial Statements.

P. M. HANKINS (Deputy) President

G. I. C. McDouall (General Manager)

WANGANUI SAVINGS BANK

REVENUE ACCOUNT FOR YEAR ENDED 31 MARCH 1982

	1982	1982	1981	1981
	\$	\$	\$	\$
Income:				
Investment Income				
New Zealand government stock	1,804,279		1,380,934	
Local authority	46,153		34,887	
Mortgages	3,763,484		2,814,199	
Personal loans	392,524		227,871	
Fixed and call deposits	389,652		268,386	
Total investment income—	6,396,092		4,726,277	
Other Income—				
Sundry income	294,164		199,454	
Total Income—	6,690,256		4,925,731	
Less expenditure—				
Interest on depositors accounts				
Savings paid and credited	934,981		803,728	
Investment—paid and accrued	2,759,692		1,926,410	
Total interest—	3,694,673		2,730,138	
Other expenses—				
Audit fees	11,381		12,902	
Depreciation	97,716		79,453	
Management & staff expenses	1,295,549		969,282	
General operating expenses	665,160		533,123	
Office equipment expenses	57,165		36,046	
Promotional expenses	110,031		77,115	
Property expenses	54,053		56,575	
Trustees fees	20,123		12,675	
Total other Expenses—	2,311,178		1,777,171	
Total Expenditure—	6,005,851		4,507,309	
Net profit before taxation	684,405		418,422	
Income taxation (note 6)	303,943		186,136	
Net Profit after Taxation—	380,462		232,286	

APPROPRIATION ACCOUNT

Net profit from revenue account	380,462	232,286
Provision for donations	(35,000)	(30,000)
1980/81 taxation underprovided	(9,148)	(232)
Deferred tax adjustment	—	52,896
Share of profit/(loss) associate company (note 8)	(41)	—
Balance to Reserve Fund—	<u>\$336,273</u>	<u>\$254,950</u>

WANGANUI SAVINGS BANK

NOTES TO THE ACCOUNTS

1. *Statement of Accounting Policies*—The general accounting principles as 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 effect the measurement of the Bank's profit and its financial position are set out below:

2. Government Stock—

(a) Government Stock is recorded at face value, adjusted by any premium paid or discount received, which is amortised or credited to Revenue over the term of the investment.

(b) Values of Government Stock:

	1982	1981
	\$	\$
Face value	18,581,660	15,922,870
Less: Unexpired discounts	354,851	2,941
Add: Premiums paid not yet written off	122,377	155,752
Book value	18,349,186	16,075,681
Market value	16,480,761	13,431,155

3. *Other Investments*—All investments, other than Government Stock are shown at cost price, and all are expected to realise the reported amounts at maturity.

4. Interest—

(a) *Interest on Investments*—Interest on Investments and Mortgages is brought into revenue during the period in which it is earned, rather than the period during which it is received.

(b) *Personal Loans*—The policy is to add interest to the full advance at the commencement of the loan, and this amount is brought into revenue during the appropriate financial year by applying the "Rule of 78".

(c) *Investment Accounts*—Interest accrued on depositors' investment accounts has been calculated at the full rate payable on the assumption that all deposits go through to maturity.

5. Depreciation—

(a) Depreciation is calculated on a straight line basis. The principal write off periods in use for fixed assets are:

Buildings	10 to 50 years
Office equipment	10 years
Furniture	10 years
Vehicles	5 years

(b) Land and buildings were revalued in 1982 by \$193,913 and depreciation is written off the buildings on the basis of that valuation. All other fixed assets are included at cost.

6. *Taxation*—Taxation charged against net profit recognises the effect of both current and deferred taxation as follows:

	1982	1981
Tax expense in Profit and Loss Account	303,943	186,136
Less: Deferred Tax for year	58,260	130,156
Less: Provision Tax paid	168,235	—
Taxation Payable per Balance Sheet	<u>\$77,448</u>	<u>\$55,980</u>

7. Deferred Taxation—

	1982	1981
	\$	\$
Balance brought forward	264,668	187,408
Plus: 1982 Deferred Tax	58,260	130,156
Less: Prior year adjustments made for items no longer required	—	(52,896)
Balance 31 March 1982	<u>\$322,928</u>	<u>\$264,668</u>