

APPROPRIATION ACCOUNT FOR YEAR ENDED 31 MARCH 1983

	1983	1982
	\$	\$
Net profit for year	6,142,071	6,674,833
Overprovision for donations	9,132	8,676
	<u>6,151,203</u>	<u>6,683,509</u>
Less: Provision for donations	650,000	650,000
Balance transferred to reserve fund	<u>\$5,501,203</u>	<u>\$6,033,509</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1983

1. *Statement of Accounting Policies*

The general accounting principles 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 affect the measurement of the Bank's profit and its financial position, are set out below:

- (a) Recognition of Income—Interest on investments is recognised as income for the period in which it is earned, rather than the period in which it is received. Interest charged on personal loans is apportioned over the term of the loan, using the "Rule of 78" method.
- (b) Depreciation—Fixed assets are being depreciated on a straight line basis at rates which will write off the cost over their estimated useful lives to estimated residual values. The principal write-off periods are:
- | | |
|---|--------------|
| Buildings | 40–100 years |
| Computer and Office Calculating Equipment | 5–10 years |
| Furniture and Fittings | 10–15 years |
| Other Fixed Assets | 3–15 years |
- (c) Taxation—Taxation charged against net profit is the estimated expense relating to the result of the year. It includes an amount for taxation, the payment of which is deferred to future periods, because taxation practice differs from accounting policies in the treatment of:
- Interest accrued on investments.
 - Depreciation charges.
 - Interest accrued included in the purchase price of New Zealand Government Securities.
- (d) Investments—New Zealand Government and Local authorities securities are stated at cost, excluding interest accrued at date of purchase. Such securities are normally held to maturity, and their value on redemption approximates cost.

2a. *Fixed Assets*

	1983	1982
	\$	\$
Land	4,549,102	4,422,992
Buildings	12,888,404	9,755,040
Accumulated depreciation	(1,571,632)	(1,455,278)
	<u>\$11,316,772</u>	<u>\$8,299,762</u>
Computer, other assets	21,151,625	17,551,226
Accumulated depreciation	(8,308,587)	(8,367,491)
	<u>12,843,038</u>	<u>9,183,735</u>
	<u>\$28,708,912</u>	<u>\$21,906,489</u>

(b) The above cost of land and buildings includes \$3,784,494 (1982, \$1,298,692) in respect of the bank's share of a property under development. This property is recorded at the purchase and development costs to date, including capitalised interest.

(c) Excluding (b) the bank's land and buildings stated at net book value are \$12,081,380 (1982, \$11,424,062). The latest Government valuation received in respect of properties totalled \$21,732,800 (1982, \$20,420,600).

3. *Supplemented Mortgages*

During the year supplemented mortgages were advanced in conjunction with the Housing Corporation of New Zealand. The amount invested is included in investment mortgages, and the amount contributed by the Housing Corporation of New Zealand is recorded as a liability.

	1983	1982
	\$	\$
4. <i>Commitments</i>		
Capital expenditure commitments—	4,452,000	10,130,000
Lending commitments approved but not advanced—	14,778,000	19,013,000

	1983	1982
	\$	\$
5. <i>Reserve Fund</i>		
Balance 1 April	41,741,510	35,708,001
Add: Net profit after provision for tax and donations	5,501,203	6,033,509
Balance 31 March	<u>\$47,242,713</u>	<u>\$41,741,510</u>

AUDITOR'S REPORT TO THE AUCKLAND SAVINGS BANK

WE have audited the books and accounts of the Auckland Savings Bank for the year ended 31 March 1983, in accordance with generally accepted auditing standards, and have carried out such procedures as we considered necessary. In our opinion, the balance sheet, profit and loss account, and appropriation account, together with the notes thereon, are properly drawn up so as to give under the historical cost convention, a true and fair view of the financial position of the Auckland Savings Bank as at 31 March 1983 and the financial result of its transactions for the year ended on that date, in accordance with section 29 (2) of the Trustee Savings Banks Act 1948.

McCULLOCH MENZIES, Chartered Accountants.

2592

SOUTH CANTERBURY SAVINGS BANK

BALANCE SHEET AS AT 31 MARCH 1983

	1983	1982
	\$	\$
<i>Liabilities—</i>		
<i>Depositors' balances—</i>		
3 percent Accounts	16,297,944	17,677,271
HIT accounts	4,136,895	..
Current accounts	2,275,005	1,807,210
<i>Term deposits—</i>		
30 days to 3 months	912,946	867,546
3 months to 6 months	<u>1,067,708</u>	<u>808,124</u>
	1,980,654	
<i>Investment accounts—</i>		
6 months	3,923,857	2,649,784
1 year	13,126,392	11,884,708
2 years	1,605,643	1,508,531
3 years	<u>10,406,468</u>	<u>10,208,995</u>
	29,062,360	26,252,018
Housing bonds	..	800
	<u>53,752,858</u>	<u>47,412,969</u>
<i>Other liabilities—</i>		
Interest accrued on investment accounts	815,984	688,812
Sundry creditors	121,027	129,052
Provision for taxation (note 5)	135,997	179,719
Prepaid	<u>170,733</u>	<u>117,618</u>
	34,736	62,101
Provision for grants	35,000	35,000
Premium due on redemption of Government stock	15,600	16,050
Discount due on maturity of Government stock	350,906	..
<i>Reserve fund—</i>		
Balance at 31 March 1982	1,038,193	844,067
Capital profit from sale of vehicle	..	225
Add balance of profit and loss appropriation account, 31 March 1983	<u>145,411</u>	<u>193,901</u>
	<u>1,183,604</u>	<u>1,038,193</u>
	<u>\$56,274,979</u>	<u>\$49,382,177</u>
<i>Assets—</i>		
	1983	1982
	\$	\$
<i>Current assets—</i>		
Cash resources	1,546,425	2,976,108
Fixed deposits	4,741,000	241,000
Interest accrued on bank investments	489,310	569,756
Branch items in transit	606	..
Taxation refund due (note 5)	<u>34,736</u>	<u>..</u>
	6,812,077	3,786,864