

<i>Other expenses—</i>		
Audit fees	14,000	11,381
Depreciation	119,130	97,716
Management and staff expenses	1,482,419	1,295,549
General operating expenses	859,688	665,160
Office equipment expenses	70,911	57,165
Promotional expenses	164,821	110,031
Property expenses	67,167	54,053
Trustees fees	21,593	20,123
Total other expenses	2,799,729	2,311,178
Total expenditure	7,557,865	6,005,851
Net profit before taxation	805,213	684,405
Taxation expense (note 7)	355,690	303,943
Net profit after taxation	<u>\$449,523</u>	<u>\$380,462</u>

APPROPRIATION ACCOUNT

	\$	\$
Net profit from revenue account	449,523	380,462
Provision for donations	(40,000)	(35,000)
Prior years tax overprovided	450	(9,148)
Share of profit/(loss) associate company (note 9).	263	(41)
Balance to reserve fund:	<u>\$410,236</u>	<u>\$336,273</u>

To be read in conjunction with the notes to the accounts, which form part of the financial statements.

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:

	1983	1982
	\$	\$
Face value	21,059,660	18,581,660
Less: Unexpired discounts	688,457	354,851
Add: Premiums paid not yet written off		122,377
Book value	20,371,203	18,349,186
Market value	18,286,571	16,480,761

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 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) Accrued Interest on Investment Accounts—Interest accrued on depositor's investment accounts has been calculated at the full rate payable on the assumption that all deposits go through to maturity.

5. *Fixed Assets—*

Land and buildings are shown at a registered valuers current valuation less accumulated depreciation. All other assets are shown at cost less accumulated depreciation.

6. *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

7. *Taxation—*

The taxation expense charged against net profit recognises the effect of both current and deferred taxation as follows:

	1983	1982
	\$	\$
Tax expense in profit and loss account	355,690	303,943
Less: Deferred tax for year	28,672	58,260
Less: Provisional tax paid	245,232	168,235
Provision for taxation as per balance sheet	<u>\$81,786</u>	<u>\$77,448</u>

8. *Deferred Taxation—*

	1983	1982
	\$	\$
Balance brought forward	322,928	264,668
Plus: Deferred tax for year	28,672	58,260
Balance end of year	<u>\$351,600</u>	<u>\$322,928</u>

9. *Northern Trustee Computerbank Ltd—*

The investment has been shown using the equity accounting basis

	1983	1982
	\$	\$
Debentures	33,000	33,000
Shares (par value)	80,000	80,000
Contributed to share premium reserve	89,244	89,244
Accumulated profits to year ended 31/3/82 (Less deferred taxation)	(41)	..
Share of profit for year ended 31/3/83	1,780	
Less provision for taxation	1,517	263
	<u>\$202,466</u>	<u>\$202,203</u>

10. *Stock—*

This represents bulk stationery supplies which have been valued at cost.

11. *Commitments—*

Mortgages approved but not yet paid out totalled \$70,650 at 31 March 1983. (\$595,010 31 March 1982).

FUNDS STATEMENT

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR YEAR ENDED 31 MARCH 1983

	1983
	\$
<i>Funds were provided—</i>	
<i>From Operations:</i>	
Net profit before tax	805,213
Share of net profit associate company	263
Plus adjustments not involving movement of funds:	
Depreciation	119,130
	924,606
<i>From other sources—</i>	
Increase in depositors funds	3,048,699
Savings accounts	268,126
Personal cheque accounts	2,232,896
Investment accounts	5,017,440
Housing bond accounts	<u>\$11,491,767</u>
<i>Funds were applied to—</i>	
Increase in investments	2,900,000
Short-term deposits	2,022,017
Government stock	164,000
Local authority stock	1,022,506
Personal loans to depositors	3,910,068
Mortgage advances to depositors	263
NTC Investment	11,900
Repayment of mortgage borrowing	314,571
Net increase in fixed assets	322,230
Payment of taxes	35,000
Donations	789,212
Net increase in working capital	<u>\$11,491,767</u>
Increase/(decrease) in working capital	761,322
Cash and Bank	156,974
Receivables	37,310
Stock	(166,394)
Payables	<u>\$789,212</u>

AUDITORS' REPORT

WE have audited the books and accounts of the Wanganui 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.