

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

	1983		1982	
	\$	\$	\$	\$
<i>Funds were received from—</i>				
Net profit for year		769,405		673,914
Adjustments for items not involving movement of funds—				
Depreciation	174,694		137,992	
Other	(1,371)		(20,846)	
		173,323		117,146
		942,728		791,060
Increase in depositors' funds		20,059,633		20,343,598
<i>Investment repayments—</i>				
Government securities	3,683,637		2,806,010	
Local authority securities	693,320		476,166	
Mortgages	9,466,988		14,572,079	
Personal loans	2,116,211		2,112,033	
		15,960,156		19,966,288
Decreased investment associate company		14,758		51
Increase in term liabilities				200,000
Deferred taxation		78,823		(17,882)
Decrease in working capital				1,712,336
		<u>\$37,056,098</u>		<u>\$42,995,451</u>
<i>These funds were applied to—</i>				
Government securities	10,125,408		10,279,397	
Local authority securities	158,065		585,000	
Mortgages	13,457,750		26,819,048	
Personal loans	2,449,730		3,004,190	
Other lending (net)	1,747,034		2,001,916	
		27,937,987		42,689,551
Donations		70,000		50,000
Reduction in term liabilities		208,000		8,000
Net capital expenditure		455,214		247,900
Increase in working capital		8,384,897		
		<u>\$37,056,098</u>		<u>\$42,995,451</u>
<i>Working capital increases (decreases)—</i>				
Cash resources	8,629,336		(1,161,693)	
Sundry debtors	298,309		8,861	
Interest accrued on investments	204,832		218,902	
Current mortgage liabilities			51,791	
Taxation	80,836		(79,749)	
Sundry creditors	(292,950)		(85,972)	
Interest accrued on depositors accounts	(535,466)		(664,476)	
		<u>\$8,384,897</u>		<u>\$1,712,336</u>

## NOTES TO THE ACCOUNTS

A. Statement of Accounting Policies—The general accounting principles recommended by the New Zealand Society of Accountants for the measurement and reporting of results on an historical cost basis, consistent with previous years, have been used in the preparation of the financial accounts.

The following particular principles have been applied:

Note 1: Depreciation—Straight-line depreciation has been applied to the Bank's EDP equipment to write it off over the period of its expected useful life. All other assets have been depreciated at the rates allowable by the Inland Revenue Department. The difference between these rates, and the straight-line method, is not considered to be material.

Note 2: Government Stock—It has been the Bank's policy to amortise total discounts and premiums on Government Stock Securities over the term of the investment on a straight-line basis and to show the value of the stock in the Balance Sheet at its cost price adjusted by amortised discount or premium to date.

Note 3: Personal Loans—The Bank's policy is to add total interest due to the loan when advanced, and interest is brought into revenue on the basis of the "Rule of 78".

Note 4: Taxation—

(a) The provision for income tax charged in the profit and loss account is the calculated tax liability in respect of the accounting profit after adjusting for permanent differences.

(b) The provision 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.

B. Associate Company—The Bank's investment in Northern Trustee Computerbank Ltd. has been shown in the accounts according to the standard accounting practice adopted by the New Zealand Society of Accountants for an associate company.

The investment is made up as follows—

	\$	\$
Debentures		33,000
Paid up shares		80,000
Share of accumulated profit brought forward	89,193	
Less prior period deferred tax adjustment	15,021	74,172
Plus share of profit for year	1,780	
Less share of provision for taxation	1,517	263
Investment as per balance sheet		<u>\$187,435</u>

## C. Fixed Assets—

	1983		1982			
	Cost \$	Accumulated Depreciation \$	Book Value \$	Cost \$	Accumulated Depreciation \$	Book Value \$
Land	77,082		77,082	68,982		68,982
Buildings	524,588	43,752	480,836	454,834	37,166	417,668
	601,670	43,752	557,918	523,816	37,166	486,650
Furniture, fittings and alterations	805,850	440,548	365,302	661,622	374,264	287,358
Office and computer equipment	638,982	342,624	296,358	516,410	258,378	258,032
Motor vehicles	99,472	20,715	78,757	57,376	16,050	41,326
Capital work in progress	56,922		56,922			
	<u>\$2,202,896</u>	<u>\$847,639</u>	<u>\$1,355,257</u>	<u>\$1,759,224</u>	<u>\$685,858</u>	<u>\$1,073,366</u>

The latest Government Valuations of Land and Buildings, plus subsequent additions at cost, amount to \$714,530.

## D. New Zealand Government Stock—

	1983	1982
	\$	\$
Nominal value	49,373,591	42,698,183
Book value	49,179,984	42,738,213
Market value	43,916,799	38,716,590

New Zealand Government stocks are normally held to maturity date when the nominal value will be realised. Due provision is made, as per Note 2, to account for the differences between book and nominal value.

## E. Term Investment Deposits—Maturities—

	1983	1982
	\$	\$
Up to and including one year	69,303,127	47,863,107
One to 2 years	3,916,732	7,903,455
Two to 3 years	2,497,383	5,001,998
Greater than 3 years	9,341,840	7,227,750
	<u>\$85,059,082</u>	<u>\$67,996,310</u>

## F. Commitments—

	1983	1982
	\$	\$
Mortgages		
Mortgages approved but not advanced as at 31 March	1,304,077	2,201,125
Capital		
Capital commitments in respect of plant, land and buildings as at 31 March	198,800	45,500

## AUDITORS' REPORT

We report that we have examined the balance sheet of the Bay of Plenty Savings Bank as at 31 March 1983 and the profit and loss account for the year ended on that date, and have received all the information and explanations we have required.

In our opinion, the accompanying balance sheet and profit and loss account present fairly the financial position of the Bank as at 31 March 1983 and the results of the operations for the year ended on that date, and were in general conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the statement of changes in financial position statement which, in our opinion, gives a true and fair view of the changes in financial position of the Bank for the year ended 31 March 1983.

Dated at Tauranga, May 1983.

GILFILLAN MORRIS & CO., Chartered Accountants.

## EASTERN AND CENTRAL SAVINGS BANK

## BALANCE SHEET AS AT 31 MARCH 1983

	1983	1982
	\$	\$
<i>Assets—</i>		
Current Assets—		
Cash resources	15,639,002	8,288,989
Interest accrued on investments	1,363,940	1,501,051
Sundry debtors	527,079	695,571
Stationery stock on hand	140,843	116,790
Prepayments	134,282	129,351
	<u>17,805,146</u>	<u>10,731,752</u>