

By Interest:	1984 \$	1984 \$	1983 \$
New Zealand Government stock	2,291,499		1,832,770
Local authorities	8,910		63,764
Fixed deposits	716,826		677,578
Visa/overdrafts	92,920		53,307
Mortgages	3,571,213		3,481,069
Personal loans	322,740		265,265
Term loans	555,637		124,215
Total Investment income		7,559,745	6,497,968
To commission, brokerage, etc.		120,437	104,247
To profit on sale of Government stock			45,392
To rents received		7,370	6,640
		<u>\$7,687,552</u>	<u>\$6,654,247</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT  
FOR YEAR ENDING 31 MARCH 1984

	1984 \$	1983 \$
To provision for grants	40,000	35,000
To balance to reserve fund	250,563	145,411
	<u>\$290,563</u>	<u>\$180,411</u>
By net profit from profit and loss account	290,563	166,219
By refund of Income Tax		14,192
	<u>\$290,563</u>	<u>\$180,411</u>

A. F. McLAY, President.  
D. R. PARKER, General Manager.

TRUSTEEBANK SOUTH CANTERBURY  
(Formerly—South Canterbury Savings Bank)

NOTES TO ACCOUNTS FOR YEAR ENDED 31 MARCH 1984

NOTE 1: *Statement of Accounting Policies:*

The general accounting principles recommended by the New Zealand Society of Accountants for the measurement and reporting of profit on an historical cost basis have been followed by the bank.

The following particular accounting policies have been applied:

(a) *Recognition of Income and Expenditure—*

Investment income includes interest accrued to 31 March. Interest on personal loans is added at the commencement of the loan. This amount is brought into revenue during the appropriate financial years by applying the "Rule of 78".

Interest on savings and current accounts represents interest credited at 31 March and the interest paid on closed accounts during the year. Investment accounts which are credited with interest during the year have had an appropriate adjustment made for the interest accrued to 31 March.

Interest paid and accrued on depositors' investment accounts has been calculated at the full rate payable on the assumption that all deposits will reach maturity.

(b) *Fixed Assets and Depreciation—*

(a) The fixed assets, have been depreciated at depreciation rates approved by the Inland Revenue department. Computer equipment has been depreciated at the first year rate of 25 percent of cost price and thereafter at 20 percent of the diminishing value each year. All assets still in use are included in the books and it is calculated that the depreciation rates being used will write off the items over the period of their useful lives. In accordance with the bank's established policy no additional depreciation is provided for in the rates set by the Inland Revenue department on the purchase of assets (other than the computer equipment) have been claimed for taxation purposes.

(b) It is considered that the amount charged in the Profit and Loss Account does not differ materially from that which would result from calculating depreciation had the straight line method been adopted.

(c) *Investment—*

The New Zealand Government stock and local authority securities are recorded at face value on purchase. Premium redemptions and discounts due on maturity of Government stock purchased under par are held in reserve to be brought to account either upon maturity or sale of the stock concerned. Similarly any premium paid on the purchase of Government stock is also held in reserve to be written off as a loss on maturity or earlier sale of the particular stock.

(d) *Taxation—*

Taxation includes current tax actually payable and deferred tax in respect of accrued interest not included in assessable income until received.

NOTE 2: *Fixed Assets:*

	1984 Accumulated Depreciation \$	1984 Book Value \$	1983 Accumulated Depreciation \$	1983 Book Value \$
Land	134,973	134,973	126,273	126,273
Buildings	538,515	485,670	459,565	416,967
Leasehold premises	673,488	620,643	585,838	543,240
Office equipment and furniture	30,087	16,429	29,953	19,411
Motor vehicles	958,514	478,437	763,757	386,675
	73,080	55,502	67,244	51,042
	<u>\$1,735,169</u>	<u>\$1,171,011</u>	<u>\$1,446,792</u>	<u>\$1,000,368</u>

The bank owns property in Timaru, Temuka, Fairlie, Waimate, Ashburton, Methven and Geraldine. It leases property in Tinwald, Pleasant Point, Methven and Timaru. The leases have been negotiated to provide long-term tenancy options.

NOTE 3: *Mortgages:*

Mortgages and other loan applications approved but for which the funds have not been uplifted at 31 March 1984 amount to \$1,081,450.

STATEMENT OF CHANGES IN FINANCIAL POSITION—YEAR ENDED  
31 MARCH 1984

	1984 \$	1983 \$
Funds were received from—		
From depositors	6,646,694	6,339,889
From operations—		
Profit after taxation	290,563	166,219
Adjustment for items not involving the use of funds		
Depreciation ( <i>less</i> recovered)	135,718	265,918
	426,281	99,699
	<u>7,072,975</u>	<u>6,605,807</u>
Less grants	40,000	35,000
	<u>7,032,975</u>	<u>6,570,807</u>
Increase in other liabilities and provisions	407,761	71,238
	<u>\$7,440,736</u>	<u>\$6,642,045</u>
These funds were invested in		
Mortgages—new advances	4,760,840	4,912,550
Less repayments	3,473,200	3,813,935
	<u>1,287,640</u>	<u>1,098,615</u>
Government stock and local authority stock	2,315,223	525,611
Personal and other loans	2,090,820	1,739,123
Total Investments	<u>5,693,683</u>	<u>3,363,349</u>
Net Capital Expenditure—		
Land and Buildings	87,650	78,031
Other Assets	218,711	175,452
	306,361	253,483
Increase in cash resources and current assets	1,440,692	3,025,213
	<u>\$7,440,736</u>	<u>\$6,642,045</u>

AUDITORS' REPORT TO THE BOARD OF TRUSTEES

WE the undersigned, being the auditors of Trusteebank South Canterbury (formerly South Canterbury Savings Bank) appointed in terms of section 29 (3) of the Trustee Savings Banks' Act 1948, report that: We have examined the balance sheet and accompanying financial statements and notes to the accounts for the year ended 31 March 1984. Our examination was made in accordance with the general principles of auditing and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We have obtained all the information and explanations that we have required and in our opinion proper books of accounts have been kept by the Bank and the accompanying balance sheet together with the profit and loss account and the notes attached thereto give a true and fair view of the financial position of the bank as at 31 March 1984 and the results of its operations and the source and application of funds for the year then ended.

HUBBARD CHURCHER & CO., Chartered Accountants.

Timaru, 21 May 1984.