

WANGANUI SAVINGS BANK
BALANCE SHEET AS AT 31 MARCH 1984

	1984	1984	1983
	\$	\$	\$
Depositors Funds—			
Savings	35,085,312		26,632,131
Personal cheque	3,319,585		3,158,163
Investment	28,895,993		26,089,663
Housing bonds	6,877,000		6,877,000
Accrued interest (note 1 i)	1,081,971		1,001,895
Total liability to depositors		75,259,861	63,758,852
Current Liabilities—			
Bank overdraft	619,139		
Provision for donations	32,600		40,000
Provision for taxation (note 4)			81,786
Mortgages (payable within 12 months)			11,900
Sundry creditors	366,069		289,867
Total current liabilities		1,017,808	423,553
Other liabilities—			
Mortgages			98,525
Provision for deferred taxation (note 5)	709,400		351,600
Total other liabilities		709,400	450,125
Reserve fund—			
Profit and loss appropriation	1,381,265		971,029
Balance brought forward appropriation account balance	518,361		410,236
		1,899,626	1,381,265
Revaluation Reserve Balance brought forward	405,924		327,847
Plus annual adjustment (note 6)	22,628		78,077
Total reserve fund			405,924
		2,328,178	1,787,189
		<u>\$79,315,247</u>	<u>\$66,419,719</u>
Current assets—			
Cash on hand at bank	566,048		1,317,556
Fixed deposits and short term investments	8,500,000		5,048,000
Interest accrued on investments	1,258,003		641,063
Sundry debtors and prepayments	592,682		435,191
Stock (note 1 k)			108,338
Tax refund due (note 4)	261,765		
Total current assets		11,178,498	7,550,148
Investments—			
Government stock (note 2)	25,825,991		20,371,203
Local authority stock	123,000		186,000
Mortgages	34,817,523		32,299,632
Personal loans (note 1 h)	4,132,869		3,615,939
Investment associate company (note 3)	352,117		202,466
Depositors overdrafts	1,459,623		794,144
Total investments		66,711,123	57,469,384
Fixed assets: (note 1 f)			
Land		278,600	272,000
Building and improvements	781,054		
Less depreciation to date	130,087		637,266
Furniture and fittings	202,736		
Less depreciation to date	113,804		83,974
Vehicles	61,754		
Less depreciation to date	17,399		47,161
Office equipment	707,838		
Less depreciation to date	345,066		359,786
Total fixed assets		1,425,626	1,400,187
		<u>\$79,315,247</u>	<u>\$66,419,719</u>

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

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 MARCH 1984

	1984	1984	1983	1983
	\$	\$	\$	\$
Income—				
Investment income:				
New Zealand Government stock	2,745,035		2,163,261	
Local authority	12,074		5,988	
Mortgages	4,563,224		4,490,168	
Personal loans	794,651		657,877	
Overdrafts	161,121		102,270	
Fixed and call deposits	1,096,033		582,964	
Total investment income	9,372,138		8,002,528	
Other income—				
Sundry income	452,226		360,550	
Total income		9,824,364		8,363,078
Less expenditure—				
Interest on depositors accounts:				
Savings—paid and credited	1,627,514		1,089,340	
Investment—paid and accrued	4,063,121		3,668,796	
Total interest	5,690,635		4,758,136	
Other expenses—				
Management and staff expenses	1,630,574		1,482,419	
Trustees fees and expenses	27,823		21,593	
General operating expenses	1,050,885		859,688	
Audit fees	14,000		14,000	
Promotional expenses	166,262		164,821	
Property expenses	29,548		67,167	
Office equipment expenses	87,738		70,911	
Depreciation	168,703		119,130	
Total other expenses	3,175,533		2,799,729	
Total expenditure		8,866,168		7,557,865
Net profit before taxation		958,196		805,213
Taxation expenses (note 4)		430,139		355,690
Net profit after taxation		<u>\$528,057</u>		<u>\$449,523</u>

APPROPRIATION ACCOUNT

Net profit from profit and loss account	528,057	449,523
Provision for donations	(32,600)	(40,000)
Prior year taxation (under)over provided	(6,747)	450
Share of profit associate company (note 3)	29,651	263
Balance to reserve fund	<u>\$518,361</u>	<u>\$410,236</u>

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

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

Funds were provided—

From operations:

Net profit before tax	958,196
Share of net profit associate company	29,651
Plus adjustments not involving movement of funds—depreciation	168,703

From other sources—

Increase in depositors funds:

— Savings accounts	8,452,723
— Personal cheque accounts	161,422
— Investment accounts	2,886,864

Decrease in investments:

— Local authority stock	63,000
Net decrease in working capital	780,756

\$13,501,315

Funds were applied to—

Increase in investments:

— Short-term deposits	3,452,000
— Government stock	5,454,788
— Personal loans to depositors	516,930
— Mortgage advances to depositors	2,517,891
— Overdraft advances to depositors	665,479
— Associate company investment	149,651
Repayment of mortgage borrowing	110,425
Nett increase in fixed assets	171,514
Payment of taxes	422,637
Donations	40,000

\$13,501,315

Increase/(Decrease) in Working Capital:

Cash and bank	(1,370,647)
Receivables	774,431
Stock	(108,338)
Payables	(76,202)

NOTES TO THE ACCOUNTS

1. Statement of accounting policies:

General Accounting Policies

(a) The measurement base adopted is that of historical cost modified by the revaluation of land and buildings. Reliance is placed on the fact that the Bank is a going concern.

(b) Accrual accounting is used to match expenses and revenue.

Particular Accounting Policies

(c) Sundry Debtors are shown at expected realisable value.

(d) Government Stock and Local Authority Stock are shown at face value, adjusted by any premium paid or discount received, which is amortized or credited to revenue over the term of the investment.

(e) Investments in Associated Companies are shown at cost plus a share of increases in net assets since the date of acquisition of shares.

(f) Land and buildings are shown at a Registered Valuers current valuation less accumulated depreciation. All other Fixed Assets are shown at cost less accumulated depreciation.

(g) Depreciation is provided on a straight line basis which will write off the cost and revaluation over their estimated useful lives. The useful lives are estimated as follows:

Building	10 to 50 years
Office Equipment	5 to 10 years
Furniture	5 to 10 years
Vehicles	5 years.

(h) Interest on Personal Loans is added to the principal at the commencement of the loan, and this amount is brought into revenue during the appropriate financial year by applying the "Rule of 78". The Balance Sheet figure is net of unrecognized interest income.

(i) Interest on Investment Accounts is accrued at balance date at the full rate payable on the assumption that all investment accounts will go through to maturity.

(j) Taxation expense charged in the Profit and Loss Account recognises the effect of both current and deferred taxation.