

<i>Investments—</i>			
New Zealand Government stock	15,209,702	13,597,676	
Local authority securities	171,413	193,298	
Mortgages and personal loans	22,901,493	20,502,101	
		38,282,608	34,293,075
<i>Fixed Assets Land and Buildings—</i>			
Cost price	584,053	578,708	
Depreciation to Date	54,897	49,265	
		529,156	529,443
<i>Furniture and Equipment—</i>			
Cost price	1,062,259	861,456	
Depreciation to date	391,266	283,052	
		670,993	578,404
		<u>\$43,666,100</u>	<u>\$40,028,612</u>

W. D. BENJAMIN, President.

K. J. BEAMS, General Manager.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1984

	1984	1983
	\$	\$
<i>Interest To Depositors</i>	3,493,740	3,242,881
<i>Administration Expenses</i>	1,567,328	1,382,115
Trustees honoraria	1,650	4,013
Depreciation	155,782	110,744
Provision for taxation	157,423	75,112
	1,882,183	1,571,984
Net profit after taxation	205,931	91,002
	<u>\$5,581,854</u>	<u>\$4,905,867</u>
<i>Interest On Investments—</i>		
	1984	1983
	\$	\$
From New Zealand Government stock	1,622,383	1,341,626
From local authorities	12,667	10,551
From mortgages and personal loans	3,399,092	2,781,758
From other sources	410,881	697,132
	5,445,023	4,831,067
<i>Income From Other Sources—</i>		
Commission	113,488	54,082
Rents	23,343	20,718
	136,831	74,800
	<u>\$5,581,854</u>	<u>\$4,905,867</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1984

Donations	20,000	20,000
Balance transferred to reserve fund	185,931	71,002
	<u>\$205,931</u>	<u>\$91,002</u>
Net profit after taxation	205,931	91,002
	<u>\$205,931</u>	<u>\$91,002</u>

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

<i>Funds Were Received From—</i>			
<i>Operations:</i>			
Net profit after tax and donations	185,931		
<i>Adjustment for items not involving movement of funds:</i>			
Depreciation	155,782		
Deferred Taxation	157,423	499,136	
<i>Repayment of Principal:</i>			
Government securities	1,000,000		
Local authority securities	22,526		
Mortgages and personal loans	8,517,635	9,540,161	
<i>Increase in Liabilities:</i>			
Increase in depositors balance		2,785,247	
Increase in Working Capital		953,232	
		<u>\$13,777,776</u>	

These Funds Were Applied To—

<i>Net Capital Expenditure:</i>			
Fixed assets			248,083
<i>New Investments In:</i>			
Government securities		2,612,026	
Local authority Securities		641	
Mortgages and personal loans			
		10,917,026	13,529,693
			<u>\$13,777,776</u>
<i>Net Increase In Working Capital:</i>			
Cash resources		948,178	
Interest accrued on investments		(50,757)	
Debtors and prepayments		(54,274)	
Sundry creditors		48,192	
Interest accrued on investment accounts		61,893	
		<u>\$953,232</u>	

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1984

Statement of Accounting Policies—

- (a) *General Accounting Policies*—The accounting policies recognised as appropriate for the measurement and reporting of results and financial position under the historic cost method of accounting have been adopted on a basis consistent with the previous year.
- (b) *Recognition of Income*—The income earned is recorded on an accrual basis and includes the amortization of premiums and discounts on the purchase of Government and local authority stock. Interest on personal loans is calculated according to the Rule of 78.
- (c) *Expenditure*—Interest on depositor's accounts represents interest paid, credited or accrued for the financial year ended 31st March 1983. Other expenses, including computer development costs, are charged to the accounts in the year in which the expenditure is incurred.
- (d) *Fixed Assets and Depreciation*—Fixed assets are valued at cost less accumulated depreciation. Depreciation has been charged using the straight line method based on the economic life of the assets.
The current market value of land and buildings is \$1,492,500.
- (e) *Taxation*—Taxation charged against net profit is the estimated expense relating 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,
 - The amortization of profits and losses in respect of Government and local authority stock purchases and sales.

- (f) *Valuation of Investments*—All investments are shown at cost with the exception of New Zealand Government stock.

On the basis that Government stock will normally be held to maturity the bank considers it appropriate to record such stock at nominal value. Discounts and premiums on nominal value of Government stock are amortised over the term of the investment on a straight line basis.

REPORT OF THE AUDITORS

WE report that we have audited the books and accounts of the Westland Savings Bank for the year ended 31st March 1984 and have obtained all the information and explanations we have required.

In our opinion the accompanying profit and loss account, balance sheet, statement of changes in financial position of the bank at 31st March 1984 and the results of the year ended on that date, determined in accordance with the historical cost basis of accounting and in accordance with section 29 (2) of the Trustees Savings Bank Act 1948.

MARSHALL & HEAPHY, Chartered Accountants.

11th May 1984.