

Investments (see Note 2)

New Zealand Government Stock and Local Authority Stock	64,089,744	49,913,812
Mortgages	71,413,963	64,491,378
Term loans	9,302,760	4,099,662
Overdraft advances and Trusteebank Visa	3,065,737	2,138,477
Personal Loans (net of unearned interest)	5,731,712	6,463,413
	153,603,916	127,106,742
<i>Fixed Assets</i> (see Note 3)		
At cost or valuation	5,466,955	4,742,726
Less: Accumulated depreciation	1,382,955	1,112,597
	4,084,000	3,630,129
Total Assets	\$173,691,157	\$148,542,017

	1984	1983
	\$	\$
<i>Less: Liabilities</i>		
<i>Depositors' Funds</i>		
Savings accounts	57,837,758	59,563,558
Cheque accounts	9,105,956	8,167,673
Term investments	96,548,006	73,517,176
Depositors' balances	163,491,720	141,248,407
Add: Accrued interest	3,098,163	3,099,363
	166,589,883	144,347,770
Less: Items in transit	812,907	2,580,467
Net liability to depositors	165,776,976	141,767,303
<i>Current Liabilities</i>		
Provision for Donations	80,000	70,000
Sundry Creditors	560,155	460,119
Provision for Current Taxation	813,636	621,461
Less: Provisional Tax paid	621,460	(593,331)
Mortgage instalments due within one year		41,333
	832,331	599,582
<i>Term Liabilities</i>		
Mortgages		597,333
Provision for Deferred Taxation	526,800	574,143
Housing Corporation of N.Z.	764,382	381,558
	1,291,182	1,553,034
Total Liabilities	167,900,489	143,919,919
Excess of Assets over Liabilities	\$5,790,668	\$4,622,098
Represented by—		
Retained earnings 1/4/83	4,210,922	3,552,516
Add:		
Transferred from Profit Statement	849,959	658,406
General Reserve 31/3/84		5,060,881
Property Revaluation Reserve 1/4/83	367,049	305,755
Add:		
Net Revaluation for year	287,566	654,615
Special Reserve Term and Personal Loans		75,172
		44,127
Total Reserve Fund	\$5,790,668	\$4,622,098

S. J. CUSHING, President.
E. ROBERTSON, General Manager.

EASTERN AND CENTRAL SAVINGS BANK

STATEMENT OF CHANGES IN FINANCIAL POSITION YEAR ENDED 31 MARCH 1984

	1984	1983
	\$	\$
<i>Funds were provided:</i>		
From Operations		
Tax Paid Profits	960,935	748,356
Adjustment for items not involving movement of funds:		
Depreciation	312,124	290,934
Less: Investment Amortisation	155,088	157,036
Total Funds from Operations	1,117,971	951,865
From Other Sources		
Increase in Depositors Balances	24,009,673	13,870,983
Repayments of Principal—		
N.Z. Government and Local Authority Stock	15,123,317	5,402,839
Mortgages	12,177,031	12,007,512
Term and Personal Loans	5,367,671	2,971,803
Decrease in Working Capital	2,034,654	(7,097,357)
	59,830,317	28,107,645

Funds were applied to:

New Investments in—		
—New Zealand Government and Local Authority Stock	29,144,161	9,131,381
—Mortgages	19,099,616	13,306,224
—Overdraft Advances and Trusteebank Visa (net)	927,260	281,251
—Term and Personal Loans	9,839,068	4,654,528
Decrease in Long Term Borrowing	214,509	(516,432)
Fixed Assets Additions (net)	478,429	1,120,789
Decrease in Deferred Taxation Provision	47,343	59,979
Provision for Donations (net)	79,931	69,925
	\$59,830,317	\$28,107,645

EASTERN AND CENTRAL SAVINGS BANK

PROFIT STATEMENT FOR YEAR ENDED 31 MARCH 1984

	1984	1983
	\$	\$
<i>Income</i>		
<i>Interest</i>		
New Zealand Government and Local Authority Stock	6,108,603	4,687,510
Mortgages, Term and Personal Loans	12,414,174	11,171,277
Term Deposits and Overdrafts	1,914,878	1,672,834
	20,437,655	17,531,621
Investment Amortisation	155,088	87,425
Commissions, Rents, Fees etc.	560,416	397,702
Total Income	21,153,159	18,016,748
<i>Less:</i>		
<i>Expenses:</i>		
Interest on Depositors' Funds	12,355,694	10,989,349
Administration Expenses (see Note 4)	6,600,588	5,794,979
Loss on Sale of Assets and Investments	469,649	(82,457)
Total Expenses	19,425,931	16,701,871
Net Profit: before Taxation	1,727,228	1,314,877
<i>Less: Taxation</i>		
Current	813,636	626,500
Less: Deferred Tax	47,343	(59,979)
	766,293	566,521
Tax Paid Profit for year	960,935	748,356
Add: Unclaimed Donations	69	75
	961,004	748,431
<i>Less Appropriations</i>		
Provision for Donations	80,000	70,000
Special Reserve Term and Personal Loans	31,045	111,045
	111,045	20,025
Balance: Transferred to General Reserve	\$849,959	\$658,406

NOTES TO THE ACCOUNTS

1. Statement of Accounting Policies:

(a) *General Accounting Principles*—The general accounting principles as recommended by the New Zealand Society of Accountants for the measurement and reporting of profit and financial position under the historical cost method has been followed in the preparation of these accounts, except for the revaluation of land and buildings.

(b) *Particular Accounting Principles*—The following particular accounting principles which materially affect the measurement of profit and financial position have been applied:

(i) *Interest Income*—Interest is recognised on an accrual basis. Personal Loan interest excludes unearned interest, and has been apportioned according to the Rule of 78 method.

(ii) *Fixed Assets*—All fixed assets are valued at cost less accumulated depreciation with the exception of land and buildings which have been revalued to 90 percent of Professional Valuations.

For accounting purposes, depreciation is calculated using straight line rates based on the economic life of the assets. The following lives have been estimated: