

Buildings	40-50 years
Furniture and Fittings	7-10 years
Office Equipment	5-10 years
Motor Vehicles	3 years to estimated residual value.

(iii) *Taxation*—The charge for Income Tax is the amount of the tax liability in respect of the accounting profit for the year and includes both current and deferred tax.

Deferred Taxation arises from timing differences between accounting and taxation recognition of income and expenditure. These differences relate to depreciation and investment income.

(iv) *Current Assets*—Debtors are valued at expected realisable value. Stock on Hand as shown in the Balance Sheet represents bulk stationery supplies valued at cost less a provision for obsolescence.

(v) *Investments*—Investments are disclosed at cost except for Government Stock which is at cost adjusted by interest accrued contained in the purchase price, and by the amortisation on a straight line basis of premiums and discounts over the term of the investment. In accordance with this policy the amortisation credited to revenue for this financial year amounts to \$155,088 (1983—\$87,425).

(c) *Changes in Accounting Policies*—There have been no changes in accounting policies that would have a material effect on the determination of profit for the year.

2. *Investments:*

	1984		1983	
	Nominal Value \$	Book Value \$	Nominal Value \$	Book Value \$
N.Z. Government Stock	64,295,979	63,867,982	50,172,019	49,811,983
Local Authority Stock	221,762	221,762	101,829	101,829
	<u>\$64,517,741</u>	<u>\$64,089,744</u>	<u>\$50,273,848</u>	<u>\$49,913,812</u>

The market value of the Bank's Government Stock holding is \$64,369,254.

3. *Fixed Assets:*

	1984			1983		
	Cost \$	Accumulated Depreciation \$	Book Value \$	Cost \$	Accumulated Depreciation \$	Book Value \$
Freehold Buildings	2,241,850	201,297	2,040,553	1,855,989	145,989	1,710,000
Office Machinery	1,555,730	736,943	818,787	1,461,061	587,251	873,810
Other Fixed Assets	984,475	444,715	539,760	826,376	379,357	447,019
	4,782,055	1,382,955	3,399,100	4,143,426	1,112,597	3,030,829
Land at Valuation	684,900		684,900	599,300		599,300
Total Fixed Assets	<u>\$5,466,955</u>	<u>\$1,382,955</u>	<u>\$4,084,000</u>	<u>\$4,742,726</u>	<u>\$1,112,597</u>	<u>\$3,630,129</u>

The current Government Valuation of Land and Buildings is \$2,152,000.

Costs of Additions since: \$45,155.

4. *Administration Expenses:*

	1984	1983
	\$	\$
Included in the above are:		
Audit Fee	18,000	16,000
Depreciation	312,124	290,934
Mortgage Interest	46,144	50,255
Trustees Fees	20,226	20,271

5. *Commitments:*

Loans approved but not yet uplifted	\$3,261,329
Premises	\$616,883

AUDITOR'S REPORT TO THE TRUSTEES OF THE EASTERN AND CENTRAL SAVINGS BANK

We have examined the balance sheet of the Bank as at 31 March 1984, and the related profit statement and statement of changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, profit statement and statement of changes in financial position present fairly, using the historical cost method, the financial position of the Bank at 31 March 1984, and the results of its operations and the changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on the basis consistent with that of the preceding year.

BROWN WEBB & CO., Chartered Accountants.

Hastings, 23 May 1984.  
9080

OTAGO SAVINGS BANK  
PROFIT STATEMENT FOR THE YEAR ENDED 31 MARCH 1984

	1984		1983	
	\$	\$	\$	\$
<i>Income:</i>				
Interest on Deposits	1,833,806		2,002,974	
Government stock	6,962,190		5,609,452	
Local Authority stock	9,878		342,616	
Mortgages	14,071,076		12,653,304	
Personal loans and other advances	2,127,685		1,380,016	
		25,004,635		21,988,362
Rents		168,776		162,918
Commission, refunds, dividends and other income		436,061		538,747
Inspection fees		101,940		48,314
		25,711,412		22,738,341
<i>Less Expenditure:</i>				
Interest on deposits	17,126,730		14,762,409	
Audit fees	34,475		29,619	
Trustees fees	28,750		28,750	
Administration expenses	6,934,980		6,442,798	
Depreciation	395,349		313,529	
Total expenses	24,520,284		21,577,105	
Profit before abnormal items		1,191,128		1,161,236
Realised profit on sale of investments and fixed assets		626,872		265,621
		1,818,000		1,426,857
<i>Profit Before Taxation:</i>				
Taxation—				
Current (Note 5)				109,907
Deferred (Note 5)	707,086			426,337
Overprovided in prior years	(1,424)			(3,797)
		705,662		532,447
<i>Profit after Taxation</i>		1,112,338		894,410
Less provision for grants		(125,000)		(100,000)
Add retained earnings brought forward		6,048,568		5,253,308
Add back provisions for grants not allocated		350		850
Retained Earnings 31 March 1984		<u>\$7,036,256</u>		<u>\$6,048,568</u>

BALANCE SHEET AS AT 31 MARCH 1984

	1984		1983	
	\$	\$	\$	\$
<i>Depositors' Accounts</i>				
Total savings and current accounts	48,843,918		59,164,497	
Investment accounts and term deposits	151,733,159		117,169,624	
Total ordinary and investment accounts	200,577,077		176,334,121	
National savings accounts	32,299		33,054	
Total liability to depositors	200,609,376		176,367,175	
<i>Other Liabilities</i>				
Interest accrued on investment accounts	5,550,882		5,626,779	
Sundry creditors	682,272		556,055	
Total other liabilities	6,233,154		6,182,834	
Provisions for grants	125,000		100,000	
Provision for deferred taxation	2,633,185		1,926,099	
Provision for current taxation			68,065	
		2,758,185		2,094,164
<i>Reserve Fund</i>				
Retained earnings	7,036,256		6,048,568	
Property revaluation reserve (Note 2)	3,670,038		3,330,020	
		10,706,294		9,378,588
		<u>\$220,307,009</u>		<u>\$194,022,761</u>
<i>Current Assets</i>				
Cash resources	10,255,674		16,548,577	
Interest due and accrued on investments	3,945,187		3,540,587	
Sundry debtors	82,067		275,689	
Personal advances	2,905,401		1,792,690	
Current taxation refund	111,330			
Total current assets	17,299,659		22,157,543	
<i>Investments</i>				
New Zealand Government Stock (Note 3)	74,497,793		62,149,922	
Local authority securities (Note 3)	208,148		350,331	
Mortgages	106,392,345		92,783,245	
Personal loans (less unearned interest)	12,406,045		8,277,335	
Other investments (at cost)	18,276		13,750	
Total investments	193,522,607		163,574,583	
Total of current assets and investments	210,822,266		185,732,126	
<i>National Savings Securities</i>				
New Zealand Government Stock	31,700		32,487	
Cash resources	599		567	
Total National Savings Securities	32,299		33,054	
Total of current assets, investments and securities	210,854,565		185,765,180	
Fixed Assets (Note 4)	9,452,444		8,257,581	
	<u>\$220,307,009</u>		<u>\$194,022,761</u>	

R. F. WALLS, President.  
A. L. FLEURY, General Manager.