

(b) Profits and losses on sale of investments—As the majority of redeemable quoted investments are normally held to or near to maturity, no provision is considered necessary for any differences between the book values and the market values of such individual stocks quoted below book values at the balance date, neither have any transfers been made from reserves or out of the current years profit to write them down apart from the amortisation of the premium on stocks bought above par referred to in (a).

Realised profits and losses on sales of New Zealand Government and local authority securities are taken to profit and loss account in equal instalments over 5 years commencing with the year of sale.

(c) Taxation—Tax effect accounting procedures have been applied under the liability method on timing differences for which the tax liabilities are expected to crystallise within the foreseeable future.

(d) Provisions for losses and doubtful debts—

	1983	1982
Provision for losses:	\$	\$
Balance at beginning of year	11,600	7,889
Losses written off	5,730	10,702
Charge to profit and loss account	17,606	14,413
Balance at end of year	<u>\$23,476</u>	<u>\$11,600</u>

General provision for doubtful debts:

	1983	1982
Balance at beginning of year	148,090	135,100
Charge to profit and loss account	(3,247)	12,990
Balance at end of year	<u>\$144,843</u>	<u>\$148,090</u>

2. Market Value of New Zealand Government and Local Authority Securities

As at 30 September 1983	\$59,886,960
As at 30 September 1982	\$48,683,332

3. A contingent liability exists for subsidies on home lay-by deposit accounts which at 30 September 1983 total \$30,579.

4. Depositors accounts are shown after adjustment for provision for losses.

5. Reserve:

	1983	1982
Revenue Reserve	\$	\$
General Reserve:		
Balance at 1 October 1982	7,269,042	3,800,000
Transfer from profit and loss appropriation account	2,372,595	3,469,042
Balance at 30 September 1982	<u>\$9,641,637</u>	<u>\$7,269,042</u>

6. Auditors Remuneration:

	1983	1982
	\$	\$
For audit of accounts	7,750	5,500
For other
Total	<u>\$7,750</u>	<u>\$5,500</u>

7. Other Main Group Companies:

- (i) ANZ Banking Group (New Zealand) Ltd.
- (ii) ANZ Pensions (New Zealand) Ltd.
- (iii) ANZ Properties (New Zealand) Ltd.
- (iv) Endeavour Investments (New Zealand) Ltd.
- UDC Group Holdings Limited—subsidiary of Endeavour Investments (New Zealand) Ltd.
- Subsidiaries of UDC Holdings Ltd.
- UDC Finance Ltd.
- UDC Mercantile Securities Ltd.
- UDC Properties Ltd.
- UDC Developments Ltd.
- UDC Nominees Ltd.
- United Dominions Corp. Ltd.
- Lambton Investments Co. Ltd.
- Commercial Developments Ltd.
- Mercantile Discounts Ltd.
- Credit for Industry (N.Z.) Ltd.
- Financial Services Ltd.
- The Traders' Finance Corp. Ltd.
- United Finance Corp. Ltd.
- Mercantile Securities (Hong Kong) Ltd.
- Quebracho Investments N.V.
- Leverage Lease Nominees Ltd.

AUDITORS REPORT

TO THE MEMBERS OF A.N.Z. SAVINGS BANK (NEW ZEALAND) LTD.

WE have examined the accompanying balance sheet and profit and loss account and have obtained all the information and explanations we have required.

We are of the opinion that proper accounting records have been kept by the company, that the balance sheet and profit and loss account give the information required by the Companies Act 1955, in the manner so required and that they give, on a historical cost basis, a true and fair view of the state of affairs as at 30 September 1983 and of the results of its business for the year ended on that date.

PEAT, MARWICK, MITCHELL & CO.

Wellington, New Zealand. 8 November 1983.

NATIONAL BANK OF NEW ZEALAND SAVINGS BANK LTD. ANNUAL ACCOUNTS YEAR ENDED 31 OCTOBER 1983

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1983

	Note	1983	1982
		\$	\$
Interest income	..	19,723,991	23,827,518
Interest expenses	..	12,257,213	15,360,338
Net interest income	..	7,466,778	8,467,180
Other operating income	..	188,421	212,877
		<u>7,655,199</u>	<u>8,680,057</u>
Management and operating costs	..	4,533,022	5,441,908
Profit before taxation	..	3,122,177	3,238,149
Taxation	3	1,404,980	1,457,167
Profit after taxation and attributable to the shareholders of National Bank of New Zealand Savings Bank Ltd.	..	1,717,197	1,780,982
Dividend proposed	..	500,000	750,000
Profit retained	..	<u>\$1,217,197</u>	<u>\$1,030,982</u>

BALANCE SHEET AT 31 OCTOBER 1983

	Note	1983	1982
		\$	\$
<i>Liabilities</i>			
Depositors' balances	..	128,838,915	167,721,241
Balances due to The National Bank of New Zealand Ltd.	5,616,537
Other liabilities including accrued interest	..	3,786,031	4,713,007
Current taxation	..	1,067,338	464,204
Deferred taxation	..	1,645,100	1,743,621
Provision for dividend	..	500,000	750,000
		<u>135,837,384</u>	<u>181,008,610</u>

Share Capital and Reserves

Authorised and issued capital 1,000,000 ordinary shares of \$2 each paid up to 40 cents	..	400,000	400,000
Reserves	2	6,853,581	5,636,384
		<u>7,253,581</u>	<u>6,036,384</u>
		<u>\$143,090,965</u>	<u>\$187,044,994</u>

Assets

Deposits with The National Bank of New Zealand Ltd.	..	3,840,254	2,500,000
New Zealand Government Stock	4	65,347,155	86,014,130
3 ¾ percent New Zealand Government Special Stock, at cost	..	2,720,000	3,980,000
Local authority securities, at cost	4	2,093,985	3,696,816
Advances and other accounts	..	69,089,571	90,854,048
		<u>\$143,090,965</u>	<u>\$187,044,994</u>

The notes on page 534 form part of these accounts.

S. T. RUSSELL, Chairman.

C. M. GORDON, Secretary.