

	\$	1985 \$	1984 \$
<i>Interest on Investments—</i>			
From New Zealand Government stock	1,931,835		1,622,383
From local authorities	11,442		12,667
From mortgages and personal loans	3,734,840		3,399,092
From other sources	<u>517,457</u>		<u>410,881</u>
		6,195,574	5,445,023
<i>Income From Other Sources—</i>			
Commission	276,737		113,488
Rents	<u>23,118</u>		<u>23,343</u>
		<u>299,855</u>	<u>136,831</u>
		<u>\$6,495,429</u>	<u>\$5,581,854</u>

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 21ST MARCH 1985

Donations	20,000
Balance transferred to reserve fund		<u>310,102</u>	<u>185,931</u>
		<u>\$310,102</u>	<u>\$205,931</u>
Net profit after taxation		309,451	205,931
Capital Profit on sale of assets		651	..
		<u>\$301,102</u>	<u>\$205,931</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR YEAR ENDED 31ST MARCH 1985

	\$	1985 \$	1984 \$
<i>Funds were Received from—</i>			
<i>Operations:</i>			
Net profit after tax and donations	309,451		185,931
<i>Adjustment for items not involving movement of funds:</i>			
Depreciation	208,809		155,782
Deferred Taxation	<u>253,188</u>		<u>157,423</u>
		771,448	499,136
<i>Repayment of Principal:</i>			
Government securities	5,432,942		1,000,000
Local authority securities	7,676		22,526
Mortgages and personal loans	<u>9,662,974</u>		<u>8,517,635</u>
		15,103,592	9,540,161
<i>Increase in Liabilities:</i>			
Increase in depositors balance		4,292,699	2,785,247
Increase in Working Capital	953,232
		<u>20,167,739</u>	<u>13,777,776</u>
<i>These Funds Were Applied to:</i>			
<i>Net Capital Expenditure:</i>			
Fixed assets		399,854	248,083
<i>New Investments in:</i>			
Government securities	8,054,750		2,612,026
Local authority Securities			641
Mortgages and personal loans	<u>11,188,980</u>		<u>10,917,026</u>
		19,243,730	13,529,693
Decrease in Working Capital		524,155	..
		<u>20,167,739</u>	<u>\$13,777,776</u>
<i>Net Increase In Working Capital:</i>			
Cash resources	(308117)	948,178	..
Interest accrued on investments		(130,379)	(50,757)
Debtors and prepayments		100,813	(54,274)
Sundry creditors		(58,283)	48,192
Interest accrued on investment accounts		<u>(128,189)</u>	<u>61,893</u>
		<u>(\$524,155)</u>	<u>\$953,232</u>

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1985

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 1985. 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 \$2,058,000.
- (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:
 - (i) Interest accrued on investments,
 - (ii) Depreciation charges,
 - (iii) The amortization of profits and losses in respect of Government and local authority stock purchases and sales.