

	Assets		
	1979	1979	1978
	\$	\$	\$
<b>Current assets—</b>			
Cash in hand at bank .. ..	254,171		414,061
Fixed deposits .. ..	3,100,000		2,350,000
Interest accrued on investment .. ..	216,388		143,427
Branch items in transit .. ..			118,248
		3,570,559	3,025,736
<b>Investments—</b>			
New Zealand Government stock (face value) .. ..	10,350,000		8,000,000
Local authority securities .. ..	1,949,780		1,568,472
Mortgages .. ..	12,100,150		8,645,650
Personal loans .. ..	327,289		
Less interest yet to mature .. ..	31,521	295,768	183,537
		24,695,698	18,397,659
<b>Fixed assets—</b>			
Freehold land and building .. ..	159,803		155,312
Alterations to leasehold premises .. ..	18,224		10,500
Office equipment and furniture .. ..	290,266		246,585
	468,293		412,397
Depreciation to date .. ..	155,852		116,523
		312,441	295,874
		<u>\$28,578,698</u>	<u>\$21,719,269</u>

### SOUTH CANTERBURY SAVINGS BANK

#### PROFIT AND LOSS ACCOUNT FOR YEAR ENDING 31 MARCH 1979

	1979	1978
	\$	\$
To interest credited and accrued to depositors .. ..	1,151,884	735,373
To charges and administration expenses .. ..	748,328	599,006
To depreciation .. ..	39,329	43,478
To provision for taxation .. ..	109,225	73,133
To net profit to profit and loss appropriation account .. ..	133,497	89,386
	<u>\$2,182,263</u>	<u>\$1,540,376</u>

By Interest—	1979	1978
	\$	\$
New Zealand Government stock .. ..	617,465	477,472
Local authorities .. ..	141,068	105,466
Fixed deposits .. ..	247,679	196,064
Mortgages .. ..	1,097,765	709,972
Personal loans .. ..	30,674	22,348
Total investment income .. ..	2,134,651	1,511,322
By commission, brokerage etc. .. ..	45,501	27,106
By rents received .. ..	2,111	1,948
	<u>\$2,182,263</u>	<u>\$1,540,376</u>

#### PROFIT AND LOSS APPROPRIATION ACCOUNT FOR YEAR ENDING 31 MARCH 1979

	1979	1978
	\$	\$
To provision for grants .. ..	20,000	15,000
To balance to reserve fund .. ..	117,154	77,848
	<u>\$117,154</u>	<u>\$92,848</u>
By balance of funds appropriated for grants 1978 not distributed .. ..		
By refund of income tax .. ..	3,657	3,462
By net profit from profit and loss account .. ..	133,497	89,386
	<u>\$137,154</u>	<u>\$92,848</u>

C. E. THOMSON, President.  
D. R. PARKER, General Manager.

#### AUDITORS' REPORT

We have examined the balance sheet of the South Canterbury Savings Bank as at 31 March 1979, and the related profit and loss account for the year then ended. Our examination was made in accordance with the general principles of auditing and accordingly included such tests for the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In accordance with an accounting policy of the Bank depreciation on fixed assets has been calculated to reduce each asset to its estimated residual value by the end of its probable useful life. The rates used are those approved by the Commissioner of Inland Revenue. It is considered that the amount charged in the profit and loss account does not differ materially from that which would result from calculating depreciation had the straight line method been adopted.

We have obtained all the information and explanations that we have required and in our opinion, the accompanying balance sheet and the profit and loss account together with the statement of accounting policy and notes attached thereto present fairly the financial position of the South Canterbury Savings Bank as at 31 March 1979, and the results of its operations for the year then ended.

Timaru, 21 May 1979.

HUBBARD, CHURCHER AND CO.,  
Chartered Accountants.

Price \$1.05c

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### SOUTH CANTERBURY SAVINGS BANK NOTES TO THE ANNUAL ACCOUNTS 31 MARCH 1979

#### Statement of Accounting Policy

1. *Accounting principles*—The accounts have been prepared in accordance with general accounting principles, consistent with previous years based on historical cost, and there have been no changes to accounting policy during the year except that full advantage of first year depreciation rates as allowed by the Inland Revenue Department have been taken in respect of the computer equipment purchased during the year.

2. *Revenue recognition*—Interest received includes interest accrued to 31 March 1979.

3. *Personal loans*—Advances by way of personal loans have been adjusted for interest yet to mature as shown in the balance sheet. The policy is to add interest to the full advance at the commencement of the loan. This amount is brought into revenue during the appropriate financial years by applying the "Rule of 78."

4. *Depreciation*—The fixed assets, other than the computer equipment, have been depreciated at ordinary depreciation rates as allowed by the Inland Revenue Department. Computer equipment is depreciated at the first year rate of 25 percent of cost price, thereafter at 20 percent D.V. All assets still in use are included in the Bank's books and it is calculated that the depreciation rates being used will write off the items over the period of their useful lives. In accordance with the Bank's established policy, no additional depreciation as provided for by the Inland Revenue Department as special exemptions on the purchase of plant have been claimed for taxation purposes except in respect of the computer equipment as mentioned above.

5. *Investments*—New Zealand Government stock and local authority securities are shown at face value and are generally held until maturity. The redemption due on maturity in regard to stock purchased under par is shown as a reserve to be brought into account upon either maturity or sale of the stock concerned. Included in the redemption figure \$61,485 (1979) is an amount of \$45,435 represented by discount due on Treasury bills.

6. *Mortgages*—Mortgage applications approved but for which the funds have not been uplifted at 31 March 1979, amount to \$1,203,300.

7. *Property*—The Bank owns property in Timaru, Temuka, Fairlie, and Waimate, and leases premises in Ashburton, Geraldine, Tinwald, Fairlie, and Timaru. The leases have been negotiated to provide long-term tenancy options.

8. *Taxation*—The amount provided for income tax is the amount of the calculated tax liability in respect of the accounting profit shown for the year by the profit and loss account.

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