

3. *Taxation—*

The charge for income tax is the amount of tax liability in respect of the accounting profit for the year.

The liability for deferred taxation arises from items of income and expenditure being included in taxation calculations in periods different from those in which they are dealt with in the financial accounts. The significant timing differences relate to depreciation and accrued income.

	1985 \$	1984 \$
Balance .. .. .	505,101	358,931
Total tax provided in accounts .. .. .	1,900,000	1,350,000
	2,405,101	1,708,931
Less timing differences transferred to deferred tax .. .. .	162,391	162,891
	2,242,710	1,546,040
Less tax paid .. .. .	1,723,844	1,040,939
Tax payable .. .. .	<u>\$518,866</u>	<u>\$505,101</u>
	1985 \$	1984 \$
Provision for deferred tax .. .. .	1,144,959	982,068
Plus 1984-85 movement .. .. .	162,391	162,891
	<u>\$1,307,350</u>	<u>\$1,144,959</u>

4. *Cash Deposits—*

Coupon maturity dates cover the period April 1985 to August 1985. As these investments can be realised as liquidity conditions dictate they have been treated as current assets.

5. *New Zealand Government Stock—(refer also note 1)*

	1985 \$	1984 \$
Cost .. .. .	65,119,217	63,637,183
Amortised discount .. .. .	367,182	438,418
	<u>\$65,486,399</u>	<u>\$64,075,601</u>
Market value .. .. .	58,084,496	68,542,143

6. *Personal Loans—*

Interest on loans is added to the principal sum at the date of the advance. The interest revenue is recognised on the basis of the 'Rule of 78' method. Unearned interest as at 31 March was \$1,186,005 (1984: \$950,325).

7. *Trusteebank Computer Ltd.—*

The ordinary share investment has been shown using the equity accounting basis.

	1985 \$	1984 \$
Ordinary shares \$1 each .. .. .	140,000	140,000
Accumulated profits to previous year .. .. .	104,086	74,435
Plus share of profit for year .. .. .	62,352	
Less share of provision for taxation .. .. .	<u>28,058</u>	<u>29,651</u>
	34,294	244,086
Debentures (at cost) .. .. .	563,000	93,000
	<u>\$841,380</u>	<u>\$337,086</u>

8. *Fixed Assets—*

Fixed assets are recorded at cost:

	Cost \$	Accumulated Depreciation \$	Book Value	
			1985 \$	1984 \$
Land .. .. .	856,407		856,407	727,094
Buildings .. .. .	5,748,482	331,163	5,417,319	4,924,055
Plant, furniture and fittings .. .. .	3,764,287	1,561,028	2,203,259	1,850,522
Total 1985 .. .. .	<u>\$10,369,176</u>	<u>\$1,892,191</u>	<u>\$8,476,985</u>	
Total 1984 .. .. .	<u>9,022,479</u>	<u>1,520,808</u>		<u>7,501,671</u>

The latest Government valuations of land buildings plus additions at cost are:

Date of Valuation	Land \$	Buildings \$	Total \$
1980 .. .. .	501,500	4,046,882	4,548,382
1981 .. .. .	86,600	727,614	814,214
1982 .. .. .	64,700	196,800	261,500
1983 .. .. .	22,500	84,500	107,000
1984 .. .. .	14,500	195,500	210,000
	<u>\$689,800</u>	<u>\$5,251,296</u>	<u>\$5,941,096</u>

The latest valuers' valuation of buildings plus additions at cost is \$11,296,196.