

7. Reserves—

Revenue Reserves:

Retained earnings	12,957	9,955
Trusteebank Computer Limited	213	138
	<u>\$13,170</u>	<u>\$10,093</u>

Capital Reserves:

Land and buildings revaluation	3,029	2,599
	<u>\$16,199</u>	<u>\$12,692</u>

8. New Zealand Government Securities—

Face Value 31 March 1986	95,482	109,237
Less unamortised premiums and discounts	2,797	3,822
Book value	<u>92,685</u>	<u>105,415</u>
Market value (net of interest)	<u>74,712</u>	<u>88,386</u>

The market value of the above stock (net of interest) on 16 May 1986 was \$83,244,000.

The Government Guarantee of Depositors' Funds including accrued interest in terms of section 44 of the Trustee Banks Act 1983 and subsequent amendments was in force at balance date and continues to remain in force. However, the requirement to hold New Zealand Government Securities pursuant to the same act was removed on 11 February 1985.

New Zealand Government Securities purchased subsequent to this date have been treated as trading stock and recorded at market value as at balance date. New Zealand Government Securities purchased prior to 11 February 1985 are normally held to maturity and accordingly premiums and discounts are amortised over their life.

9. Local Authority Securities—

	1986	1985
	\$000	\$000
Total advances	12,199	11,336
Less sales and matured advances	10,946	10,906
	<u>\$1,253</u>	<u>\$430</u>
Market value of securities	1,093	275

10. Associated Company—

Trusteebank Computer Limited:

Shares at cost	997	140
Share of profits	213	138
Debentures at cost	1,082	563
	<u>\$2,292</u>	<u>\$841</u>

Statement of profit and reserves—

Trusteebank Computer Limited:

Share of profits	154	62
Taxation payable by associated company	(79)	(28)
Dividend received	21	0
	<u>\$96</u>	<u>\$34</u>

As at 31 March 1986 Trusteebank Computer Limited had gained an additional two shareholders reducing the bank's share to one-seventh.

11. Fixed Assets—

	Cost/ Valuation	Accumulated Depreciation	Book Value 31/3/86	Book Value 31/3/85
Land (at 1981 valuation)	385		385	385
Land (at cost)	141		141	157
Land—leasehold	78		78	78
	<u>\$604</u>		<u>\$604</u>	<u>\$620</u>
Buildings (at valuation)	5,202	245	4,957	4,557
Office equipment/furniture	4,911	2,652	2,259	1,448
Building alterations	1,819	719	1,100	693
Motor vehicles	279	118	161	137
	<u>\$12,815</u>	<u>\$3,734</u>	<u>\$9,081</u>	<u>\$7,455</u>

Government Valuations (1981):

Head office land and buildings—

Land	385	385
Improvements	1,317	1,317
Capital value	1,702	1,702

Branches—

Land	46	46
Improvements	8	8
Capital value	54	54

12. Commitments—

Loans	3,620	2,832
T.C.L. (share)	0	1,150