

3. Fixed Assets:

Land and buildings are revalued annually and are recorded at a value which is 90 percent of the registered valuation. Changes in valuations are transferred direct to the Reserve Fund.

	Cost or Valuation	1986 Accum. Deprn.	Book Value	Cost or Valuation	1985 Accum. Deprn.	Book Value
Freehold buildings	2,821,500	63,004	2,758,496	2,277,900	39,135	2,238,765
Office machinery	2,338,380	976,329	1,362,051	1,846,318	839,167	1,007,151
Other fixed assets	1,381,970	724,023	657,947	1,199,176	634,486	564,690
	<u>6,541,850</u>	<u>1,763,356</u>	<u>4,778,494</u>	<u>5,323,394</u>	<u>1,512,788</u>	<u>3,810,606</u>
Land at valuation	1,021,500	-	1,021,500	823,500	-	823,500
Total fixed assets	<u>\$7,563,350</u>	<u>\$1,763,356</u>	<u>\$5,799,994</u>	<u>\$6,146,894</u>	<u>\$1,512,788</u>	<u>\$4,634,106</u>

4. Taxation:

The charge for income tax is the amount of the tax liability in respect of the accounting profit for the year and includes both current and deferred tax.

Deferred taxation arises from timing differences on income and expenditure. These differences relate to depreciation and investment income.

Provision for Taxation 1986:

Current taxation	80,473	@ 54c per \$1
Deferred taxation	209,042	@ 48c per \$1
	<u>\$289,515</u>	

5. Administration Expenses:

Included in administration expenses are:

	1986 \$	1985 \$
Audit Fee	31,000	19,500
Depreciation	483,813	360,253
Fringe benefit tax	136,161	-
Trustees fees	33,230	24,619
Leases	234,020	228,110

6. Extraordinary Items:

The extraordinary item of \$73,560 is the provision of a further 3c per \$1 for deferred taxation accumulated at 31 March 1985 at 45c in the dollar but payable from 1 April 1986 at 48c in the dollar.

7. Prior Year Adjustments:

Stationery stock on hand 1 April 1985 (see note 1 (b))	\$149,313
Eastern and Central Trusteebank Travel net loss 31 March 1985	\$ 15,394

8. Commitments:

	1986 \$	1985 \$
Loans approved but not yet uplifted	2,044,000	5,557,000
Capital items	720,000	466,530

AUDITOR'S REPORT TO THE TRUSTEES OF THE EASTERN AND CENTRAL TRUSTEEBANK

We have audited the books and accounts of the Eastern and Central Trusteebank for the year ended 31 March 1986 in accordance with generally accepted auditing standards, and have carried out such procedures as we considered necessary.

In our opinion, the Financial Accounts, together with the notes thereon, are properly drawn up so as to give, using the historical cost method, modified by the revaluation of land and buildings, a true and fair view of the financial affairs of the Eastern and Central Trusteebank as at 31 March 1986 and the results of its operations for the year ended on that date, in accordance with section 43 (2) of the Trustee Banks Act 1983.

TOUCHE ROSS & CO., Chartered Accountants.

Hastings, 14 May 1986.

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