

Deferred Taxation—

	1986 \$	1985 \$
Provision for deferred tax	1,307,350	1,144,959
1985/86 movement	<u>(276,518)</u>	<u>162,391</u>
	<u>\$1,030,832</u>	<u>\$1,307,350</u>

4. Fixed Deposits—

Coupon maturity dates cover the period April 1986 to July 1986. 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)

	1986 \$	1985 \$
Cost	55,785,990	65,119,217
Amortised discount	514,204	367,182
	<u>\$56,300,194</u>	<u>\$65,486,399</u>
Market value	49,048,692	58,084,496

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 \$1,392,883 (1985: \$1,186,005).

7. Trusteebank Computer Ltd.—

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

	1986 \$	1985 \$
Ordinary shares \$1 each	997,000	140,000
Accumulated profits to previous year	138,380	104,086
Plus share of profit for year	153,943	
Less share of provision for taxation	<u>79,132</u>	<u>34,294</u>
	74,811	74,811
Debentures (at cost)	1,210,191	278,380
	522,750	563,000
	<u>\$1,732,941</u>	<u>\$841,380</u>

On 15 March 1986 Trusteebank Canterbury and Trusteebank Wellington became shareholders.

8: Fixed Assets—

Fixed assets are recorded at cost:

	Cost \$	Accumulated Depreciation \$	Book Value 1986 \$	Book Value 1985 \$
Land	872,651		872,651	856,407
Buildings	6,051,664	354,106	5,697,558	5,417,319
Plant, furniture and fittings	4,342,607	1,947,927	2,394,680	2,203,259
Total 1986	<u>\$11,266,922</u>	<u>2,302,033</u>	<u>8,964,889</u>	
Total 1985	<u>10,369,176</u>	<u>1,892,191</u>		<u>8,476,985</u>

The latest valuation received in respect of properties totalled \$10,658,000 (1985: \$11,296,196)

9. Contingent Liabilities and Commitments—

	1986 \$	1985 \$
Contingent liabilities	nil	nil
Mortgage commitments	2,279,000	2,929,000
Capital commitments	337,000	103,000

AUDITORS' REPORT TO THE TRUSTEES OF TARANAKI SAVINGS BANK

We have obtained all the information and explanations that we have required. In our opinion proper accounting records have been kept by the bank so far as it appears from our examination of those records.

In our opinion, according to the best of our information and the explanations given to us and as shown by the said records, the financial statements are properly drawn up so as to give, using the historical cost method, a true and fair view of the state of the bank's affairs as at 31 March 1986 and the results of its business and the changes in financial position for the year ended on that date.

DELOITTE HASKINS AND SELLS, Chartered Accountants.

New Plymouth, 21 May 1986.