

Freehold land and buildings were written up to 90 percent of independent registered valuations as at 31 March 1986. Other capital work in progress and leasehold properties are shown at cost.

The Bank's share of a property owning partnership is valued at 90 percent of an independent registered valuation. Last year it was shown at cost price.

The latest government valuations of land and buildings dated from 1 July 1981, plus subsequent additions at cost, amount to \$6,244,000 (1985, \$5,743,000)

Capital commitments outstanding at 31 March 1986 amount to \$65,000 (1985, \$187,000).

NOTE 5: Taxation:

There is no taxation liability in respect of the current year. The charge for deferred taxation \$999,122 consists of taxation payable in future years on timing differences arising through the amortisation and sale of government securities \$400,410 the increase in interest accrued \$259,490 and the effect of the reduction in tax credits carried forward \$354,216 less other items \$14,994. The prior year adjustment of \$224,026 is required to allow for the change in company tax rates to 48 cents from 1 April 1986.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1986 \$000	1985 \$000
<i>Funds were provided from:</i>		
Depositors	2,437	39,261
Operations		
Profit after taxation and extraordinary items	765	912
Depreciation	487	464
	<u>3,689</u>	<u>40,637</u>
Less grants paid	150	123
	<u>3,539</u>	<u>40,514</u>
<i>Repayments of:</i>		
Mortgages	21,510	16,194
Term loans	8,950	7,398
	<u>30,460</u>	<u>23,592</u>
Net movement in Government and local authority securities	4,986	(16,646)
Increase in other liabilities and taxation provisions	3,839	889
	<u>\$42,824</u>	<u>\$48,349</u>
<i>These funds were invested in:</i>		
New advances: Mortgages	11,779	19,526
Term loans	6,855	11,599
	<u>18,634</u>	<u>31,125</u>
Fixed assets	543	971
Current assets	23,647	16,253
	<u>\$42,824</u>	<u>\$48,349</u>

This statement forms part of the financial statements.

AUDITORS' REPORT TO THE TRUSTEES OF TRUSTEEBANK OTAGO

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 appears from our examinations of those records.

In our opinion, the financial statements give, using the historical cost method modified by the revaluation of land, buildings and property investments, a true and fair view of the financial position of the Bank at 31 March 1986 and the results of its operations and the source and application of funds for the year ending on that date.

DELOITTE, HASKINS & SELLS and
PEAT, MARWICK, MITCHELL & CO., Chartered Accountants.

Dunedin, 9 May 1986.

The notes and statement of source and application of funds form part of these financial statements.

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GENERAL PUBLICATIONS

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