

	Note	\$
Sundry debtors		100
Total current account		100
Less current liabilities—		
Sundry creditors		9,015
Trust Bank South Canterbury Limited—current account		83
Total current liabilities		9,098
Working capital		(8,998)
Add long-term assets—		
Investments—		
Shares in Trust Bank New Zealand Limited	2	4,689,000
Net assets		<u>\$4,680,002</u>

Signed on behalf of the Board of Trustees:

A. F. MCLAY, Chairperson.

D. B. TIMPANY, Trustee.

Dated this 26th day of May 1989.

(The notes to the financial statement form part of and are to be read in conjunction with this balance sheet.)

Statement of Cash Flows for the Period Ended 31 March 1989

	\$
Cash flows from operating activities	
Cash was disbursed to:	
Suppliers of goods and services	(83)
Net cash flows from operating activities	(83)
Cash flows from investing activities	
Cash was provided from:	
Sale of shares in Trust Bank South Canterbury Limited	972,000
	972,000
Cash was applied to:	
Investment in shares in Trust Bank New Zealand Limited	(972,000)
Net cash flows from investing activities	—
Net cash flows from financing activities—	
Net cash flows from financing activities	—
Net increase (decrease) in cash held	(83)
Add opening cash	—
Cash at 31 March 1989	<u>(\$83)</u>

Notes to the Financial Statements for the Period Ended 31 March 1989

1. Statement of Accounting Policies

General Accounting Policies

The general accounting policies adopted in the preparation of these financial statements are:

- The measurement base adopted is the historical cost basis.

- Reliance has been placed on the fact that the entity is a going concern.
- The matching of revenues earned and expenses incurred using accrual accounting except that dividend income is accounted for on a receipts basis.

Particular Accounting Policies

The following are the particular accounting policies which have a material effect on the measurement of results and financial position:

- (a) *Dividend income:* Dividend income from Trust Bank New Zealand Limited is included in the income and expenditure account when it is received.
- (b) *Grants:* Grants made are included in the income and expenditure account when paid.
- (c) *Investments:* Shares held in Trust Bank New Zealand Limited are stated at cost.

2. Shares in Trust Bank New Zealand Limited

	1989
	\$
972 000 ordinary shares of \$1 each, purchased for cash	972,000
1 728 000 ordinary shares received from issue at a premium	3,717,000
	<u>\$4,689,000</u>

3. Taxation

For taxation purposes the trust is deemed to be a charitable organisation. Its income is not subject to taxation.

4. Goods and Services Tax

The trust is not registered for goods and services tax purposes. Accordingly these financial statements are stated on a G.S.T. inclusive basis.

5. Incorporation

The Trust Bank South Canterbury Community Trust was incorporated on 5 August 1988.

Auditors' Report to the Trustees of the Trust Bank South Canterbury Community Trust

We have audited the financial statements in accordance with accepted auditing standards, and have carried out such procedures as we considered necessary.

In our opinion the financial statements give, using the historical cost method, a true and fair view of the financial position of the trust as at 31 March 1989 and the results of its activities for the period ended on that date.

MARTIN WAKEFIELD CO., Chartered Accountants.

Timaru, New Zealand.

Dated this 23rd day of May 1989.

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