

*Statement of Cash Flows*  
*ten months ended 31 March 1989*

	Note	\$	\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was provided from:			
Dividends Received		538,800	
Cash was applied to:			
Cash Outflow for Office Equipment		(763)	
Net Cash Flows from Investing Activities			538,037
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was provided from:			
Interest Received on Deposit		29,572	
Cash Proceeds Trust Funds		100	
Net Cash from Financing Activities			<u>29,672</u> 567,709

**PARTICULAR ACCOUNTING POLICIES**

Investments

Investments are stated at par value since they were received at Nil cost by the Trust.

Committed Grants

Committed grants are the amounts estimated to be disbursed to charitable organisations after providing for any expenditure expected to be incurred in the near future.

Taxation

Taxation is provided for (Proforma) on a taxes payable basis after taking advantages of all deductions and concessions available from the Inland Revenue Department.

Dividends

Dividends are recognised as income when they are received by the Trust.

Changes in Accounting Policies

As the Trust is in its first year of operation there are no changes to accounting policies and as such comparatives are not provided.

**2. INVESTMENTS**

The Trust owns an investment of 60,000,000 \$1 fully paid ordinary shares consisting of 100% of the ordinary share capital of ASB BANK Ltd.

The Trust has entered into a conditional agreement for the sale of 75% of its investment to Commonwealth Bank of Australia.

Once the agreement for sale becomes unconditional the total consideration payable to the Trust is NZ\$252,000,000. No account of the sale has been taken at balance date and any accounting and legal fees relating to the sale have also been deferred to match against the sale proceeds.

**3. TAXATION**

Excess of Income over Expenditure before taxation	445,596
Add: Dividend Imputation Credit	<u>209,533</u>
	655,129
Tax Calculated:	
\$87,307 at 35c	30,557
\$567,822 at 40.5c	<u>229,968</u>
	260,525
Less: Tax Imputation Credit	<u>209,533</u>
Net Tax Payable	<u>\$ 50,992</u>

The Commissioner's contention that the trust income is subject to taxation is in dispute.