15,629

45,456

values, in the majority of cases these securities are held to, or close to maturity dates when they would be redeemed at face value. Accordingly, no provision is made for any difference between book value and market value of individual securities.

Sale of Public Securities-

Net cash flow from financing

Net increase in cash

Profit or losses realised on sale of public securities are reflected in the profit and loss statement in equal annual instalments over the unexpired period to maturity of the securities sold or 5 years, whichever is the shorter.

Taxation—The company adopts tax effect accounting whereby income tax expense is calculated on pre-tax accounting profits after adjustment for permanent taxation differences. The tax effect of timing differences which occur where items are included or allowed for income tax purposes in a period different to that for accounting is shown in provision for deferred income tax and future income tax benefits, as applicable, at current taxation rates.

The liability method of inter-period allocation of income tax has been applied.

Changes in Accounting Policies—There have been no significant changes in the accounting policies applied during the period covered by these financial statements. All policies have been applied on bases consistent with those used in previous years.

2. Extraordinary Items													100-
												1988 \$000	1987 \$000
Increase in provision	n for defe	rred ta	xation	arising	from	change	in co	mpany	rates			-	2
3. New Zealand Public Securi													
Book, redemption and man	rket value	of the	se secu	urities a	at 30 S	Septem	ber we	ere:					
												1988 \$000	1987 \$000
Book												_	53,735
Redemption .									• •	• •	• •	_	53,860
Market		• •	• •	• •	• •	• •	• •	• •	• •	• •	• •	_	51,868
4. Share Capital												1988 \$000	1987 \$000
Authorised Capital— 14 400 000 ordinary share	s of \$1.00	each (									• •	14,400	14,400
Issued Capital—	( #1 0(	L										12,400	12,400
12 400 000 ordinary share 2 000 000 ordinary shares	of \$1.00	<i>e</i> ach r	 naid to	30 cer	 nts	• •		• •	• •	• • •		600	600
2 000 000 ordinary shares	Οι ψ1.00	cacii p	Jaia 10	00 00.		• •		• •				\$13,000	\$13,000
												<del>\$13,000</del>	\$10,000
No contingent liabilities exist 6. <i>Directors' Emoluments</i> No emoluments are paid to t			the con	npany.									
6. Directors' Emoluments	the directo	ors of t				embe.	r 1988	8				1988 \$000	
6. <i>Directors' Emoluments</i> No emoluments are paid to t	the directors For the	ors of t				embe	r 1988	8				\$000	\$000
6. Directors' Emoluments No emoluments are paid to t  Statement of Cash Flow  Cash Flows From Operating Cash was provided from: Interest income	the directors For the	ors of t				embe. 	r 1988	<b>8</b>					\$000
6. Directors' Emoluments No emoluments are paid to t  Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to:	the directors For the	ors of t			Sept		r 1988	<i>8</i>				\$000 14,844	\$000 19,570
6. Directors' Emoluments No emoluments are paid to t  Statement of Cash Flow  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense	s For the	ors of t	r End	led 30			r 1988	<i>8</i>				\$000	\$000 19,570 14,682
6. Directors' Emoluments No emoluments are paid to t  Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to:	s For the	ors of t			Sept		r 1988	<i>8</i>				\$000 14,844 11,218 1,177 9	\$000 19,570 14,682 1,579
6. Directors' Emoluments No emoluments are paid to to Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operating	Activities.	ors of t	r End	 	Sept			  				\$000 14,844 11,218 1,177	\$000 19,570 14,682 1,579
6. Directors' Emoluments No emoluments are paid to to Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operat Auditors' remuneration Taxes paid  Net cash flow from of Cash Flows From Investing in	Activities ting expen	ors of t	r End	 	Sept			   				\$000 14,844 11,218 1,177 9	\$000 19,570 14,682 1,579 (529)
6. Directors' Emoluments No emoluments are paid to the Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operate Auditors' remuneration Taxes paid  Net cash flow from of Cash Flows From Investing of Cash was provided from:	Activities.  Ling expenses Activities:	ors of the Year	End		Sept							\$000  14,844  11,218 1,177 9 3,771 (1,331)	\$000 19,570 14,682 1,579 (529 3,833
6. Directors' Emoluments No emoluments are paid to to Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operat Auditors' remuneration Taxes paid  Net cash flow from op Cash Flows From Investing Cash was provided from: Proceeds from maturity	Activities.  Ling expenses Activities:  of Govern	ors of the Year	End		Sept			   				\$000 14,844 11,218 1,177 9 3,771	\$000 19,570 14,682 1,579 (529 3,833 15,294 16,602
6. Directors' Emoluments No emoluments are paid to the Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operate Auditors' remuneration Taxes paid  Net cash flow from operate Auditors' remuneration Cash Flows From Investing of Cash was provided from: Proceeds from maturity Mortgage and loan repa	Activities.  Ling expenses Activities:  of Governments	e Yea	End		Sept			   				\$000  14,844  11,218 1,177 9 3,771 (1,331)  53,815	\$000 19,570 14,682 1,579 (529 3,833 15,294 16,602
6. Directors' Emoluments No emoluments are paid to the Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operate Auditors' remuneration Taxes paid  Net cash flow from operate Auditors' remuneration Cash Flows From Investing of Cash was provided from: Proceeds from maturity Mortgage and loan repa Proceeds from sale of successions.	Activities.  Activities.  Ling expensions Activities: of Govern  ayments ubsidiary	e Yea	r End					   				\$000 14,844 11,218 1,177 9 3,771 (1,331) 53,815 13,036	\$000 19,570 14,682 1,579 (529) 3,831 15,294 16,602 500
6. Directors' Emoluments No emoluments are paid to the Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operate Auditors' remuneration Taxes paid  Net cash flow from operate Auditors' remuneration Cash Flows From Investing of Cash was provided from: Proceeds from maturity Mortgage and loan repa Proceeds from sale of sice Cash was applied to: Repayment of loan to sice	Activities.  Activities.  Activities.  Activities:  Of Govern  Activities:  ubsidiary	e Yea	r End					  				\$000  14,844  11,218 1,177 9 3,771 (1,331)  53,815 13,036	\$000 19,570 14,682 1,579 (529) 3,831 15,294 16,602 500
6. Directors' Emoluments No emoluments are paid to to Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operat Auditors' remuneration Taxes paid  Net cash flow from operat Cash Was provided from: Proceeds from Investing of Cash was provided from: Proceeds from maturity Mortgage and loan repa Proceeds from sale of st Cash was applied to: Repayment of loan to st Repayment depositors be	Activities.  conf Governments subsidiary stalances*	e Yea	r End					    				\$000  14,844  11,218 1,177 9 3,771 (1,331)  53,815 13,036 20,064	\$000 19,570 14,682 1,579 (529) 3,831 15,294 16,602 500 20,098
6. Directors' Emoluments No emoluments are paid to the Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operate Auditors' remuneration Taxes paid  Net cash flow from operate Auditors' remuneration Cash Flows From Investing of Cash was provided from: Proceeds from maturity Mortgage and loan repa Proceeds from sale of sice Cash was applied to: Repayment of loan to sice	Activities.  conf Governments by balances* avesting	ors of the Year	r End					   				\$000  14,844  11,218 1,177 9 3,771 (1,331)  53,815 13,036	\$000 19,570 14,682 1,579 (529, 3,831 15,294 16,602 500 20,098
6. Directors' Emoluments No emoluments are paid to to Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operat Auditors' remuneration Taxes paid  Net cash flow from op Cash Flows From Investing of Cash was provided from: Proceeds from maturity Mortgage and loan repa Proceeds from sale of st Cash was applied to: Repayment of loan to st Repayment depositors b  Net cash flow from in Cash Flows From Financing Cash was provided from:	Activities.  conf Governments by balances* avesting	ors of the Year	r End					    				\$000  14,844  11,218 1,177 9 3,771 (1,331)  53,815 13,036 20,064	\$000 19,570 14,682 1,579 (529) 3,831 15,294 16,602 500 20,098
6. Directors' Emoluments No emoluments are paid to to Statement of Cash Flows  Cash Flows From Operating Cash was provided from: Interest income Cash was applied to: Interest expense Management and operat Auditors' remuneration Taxes paid  Net cash flow from op Cash Flows From Investing of Cash was provided from: Proceeds from maturity Mortgage and loan repa Proceeds from sale of st Cash was applied to: Repayment of loan to st Repayment depositors b  Net cash flow from in Cash Flows From Financing	Activities:  of Governments by balances* activities.	e Yea	r End					    				\$000  14,844  11,218 1,177 9 3,771 (1,331)  53,815 13,036 20,064	1987 \$000 19,570 14,682 1,579 7 (529) 3,831 15,294 16,602 500 20,098