

										Year to 31 March 1990 \$	Period to 31 March 1989 \$
Maturing of fixed interest investments	..	..	..	..	..	..	..	..	..	817,000	—
										817,000	5,204,000
Cash was applied to:											
Investment in shares	..	..	..	..	..	..	..	..	..	—	5,204,000
Fixed interest investments	..	..	..	..	..	..	..	..	..	990,664	—
Net cash flows from investing activities	..	..	..	..	..	..	..	..	..	(173,664)	—
Cash flows from financing activities—											
Cash was provided from:											
Minister of Finance (establishing grant)	..	..	..	..	..	..	..	..	..	—	100
Net cash flows from financing activities	..	..	..	..	..	..	..	..	..	—	100
Net increase (decrease) in cash held	..	..	..	..	..	..	..	..	..	15,807	(2,945)
Add cash at 1 April 1989	..	..	..	..	..	..	..	..	..	(2,945)	—
Cash at 31 March 1990	..	..	..	..	..	..	..	..	..	12,862	(2,945)

Auditor's Report, Trust Bank Otago Community Trust Inc.

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

In our opinion, according to the best of our information and explanations given to us the financial statements are properly drawn up so as to give a true and fair view of the financial position of the Trust Bank Otago Community Trust Inc. as at 31 March 1990 and the results of its activities for the year ended on that date.

Dated at Dunedin this 28th day of May 1990.

KPMG Peat Marwick, Chartered Accountants.

Notes to the Financial Statements for the Year Ending 31 March 1990

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 the 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. Dividends

Dividends were received from Trust Bank New Zealand Limited in June and December 1989. No dividend was received in the trust's formative year.

3. Investments

Shares in Trust Bank New Zealand Limited:

\$13,500,000 ordinary shares of \$1 each, fully paid \$21,202,352

In the opinion of the trustees the market value of this investment is not less than the cost as shown in the financial statements.

4. Taxation

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

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

The trust has been registered as exempt from interest and dividend PAYE and holds a current certificate of exemption.

5. Contingent Liability

The trust is committed to a \$250,000 grant to the Otago Community Hospice Trust. \$125,000 has been paid in the year under review and the remainder has been paid since balance date.

The trust's share of undistributed grants at 31 March 1990 made from the national disaster relief fund is \$2,025.