

*From other sources—**Increase in depositors funds:*

— Savings accounts	(734,623)	
— Current accounts	2,693,381	
— Investment accounts	8,326,994	
		10,285,752

Decrease in investments:

— Local authority stock		110,000
Tax refund received		261,765
		<u>\$11,462,951</u>

*Funds were applied to—**Increase in investments:*

— Short-term deposits	1,450,000	
— Government stock	2,437,751	
— Personal loans to depositors	759,095	
— Mortgage advances to depositors	4,522,625	
— Overdraft advances to depositors	458,605	
— Associate company investment	489,263	
		10,117,339

Nett increase in fixed assets		133,515
Donations		32,600
Increase in working capital		1,179,497
		<u>\$11,462,951</u>

Increase/(Decrease) in Working Capital:

Cash and bank		1,357,347
Receivables		543,108
Payables		(301,572)
Provision for taxation		(419,386)
		<u>\$1,179,497</u>

NOTES TO THE ACCOUNTS

1. *Statement of accounting policies:**General Accounting Policies*

The measurement base adopted is that of historical cost modified by the revaluation of land and buildings. Reliance is placed on the fact that the Bank is a going concern.

Accrual accounting is used to match expenses and revenue.

Particular Accounting Policies

(a) Sundry Debtors are shown at expected realisable value.

(b) Government Stock and Local Authority Stock are shown at face value, adjusted by any premium paid or discount received, which is amortized or credited to revenue over the term of the investment.

(c) Investments in Associated Companies are shown at cost plus a share of increases in net assets since the date of acquisition of shares.

(d) Land and buildings are shown at a Registered Valuers current valuation less accumulated depreciation. All other Fixed Assets are shown at cost less accumulated depreciation.

(e) Depreciation is provided on a straight line basis which will write off the cost and revaluation over their estimated useful lives. The useful lives are estimated as follows:

Buildings	10 to 50 years
Office equipment	5 to 10 years
Furniture	5 to 10 years
Vehicles	5 years

(f) Interest on Personal Loans is added to the principal at the commencement of the loan, and this amount is brought into revenue during the appropriate financial year by applying the "Rule of 78". The Balance Sheet figure is net of unrecognized interest income.

(g) Interest on Investment Accounts is accrued at balance date at the full rate payable on the assumption that all investment accounts will go through to maturity.

(h) Taxation expense charged in the Profit and Loss Account recognises the effect of both current and deferred taxation.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

2. *Government Stock:*

	1985	1984
	\$	\$
Face value	28,280,240	26,542,660
Less unexpired discounts	(125,180)	(757,015)
Plus premiums paid but not yet written off	108,682	40,346
Book value	<u>28,263,742</u>	<u>25,825,991</u>
Market value	<u>\$24,589,833</u>	<u>\$25,966,000</u>