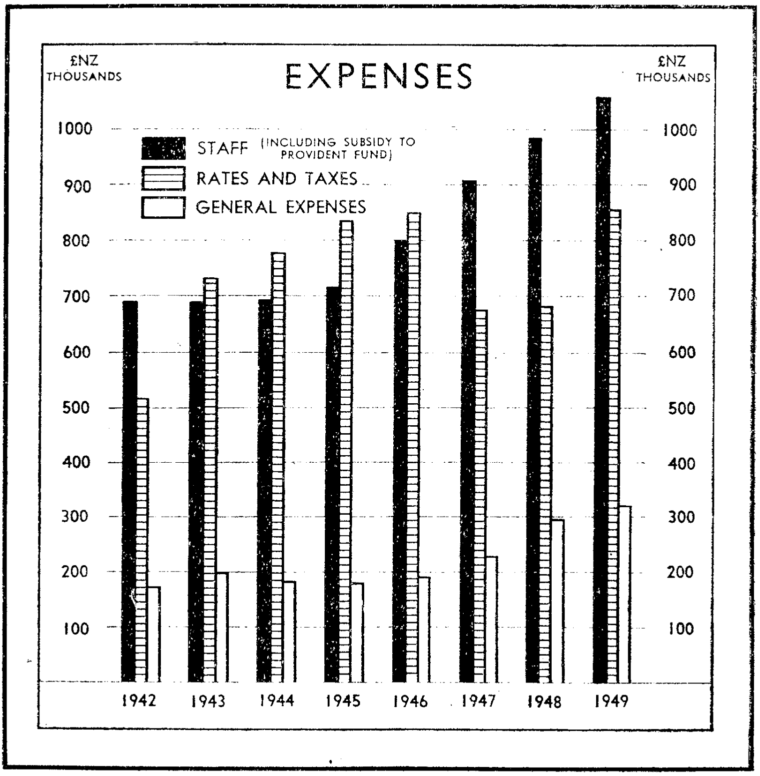
The main fluctuations in expenses are :—

		£
Salaries and allowances	Up	61,459
General expenses	Up	25,131
Rates and taxes	Up	180,307
		£266,897

The increase in expenses is due to the higher taxable profit, the all-round increased costs prevailing under present-day conditions, and the extra expense involved in handling a larger volume of business. The following graph clearly shows the movement in expenses during the past eight years :—



There have been no alterations in bank interest-rates or service charges to the public.

BALANCE-SHEET

Deposits : Fixed and Free (£77,698,778).—These show a decrease for the year of £2,982,503. There is a small increase in free deposits from the public—the reduction in the total being on account of reductions in Government balances of approximately £2,300,000 and in fixed deposits of approximately £700,000.