

1938

38361

38361

KENYA

C0533/500

POST OFFICE SAVINGS BANK CAPITAL ACCOUNT

Previous

see 38283/36

Subsequent

1939

297	7/3/38
<del>309</del> Mr.	24/6
Mr Walker	24/6
Mr Parkin	23
<del>Mr Harrison</del>	
Mr Dams	24
Mr Walther	25/6
297.	3/6
309	9/6
Mr Parkin	9/6
297	10/6
Mr Dams	13/6
Mr Walker	14/6
297 98	

C1

TITLE  
FINANCIAL

Gov's Dep, Kenya TEL 17 17.3.38  
States that the account as at 31/12/37 shows deficit of £13,586 +  
Financial Secretary sees deficiency to met from Colonial Surplus revenue  
balance - requests early approval or instructions.

In the past Kenya apparently transferred all surplus to revenue (v. 1936 Act p. 86 of Fin. Rep. (1936.))

(Misc 451 att'd)

The question of a deficit due to depreciation of securities is considered ~~under~~ in para 23 (b) of the report of the <sup>SP</sup> Ctee. Under the new system of accounts, which Kenya certainly should adopt for their 1937 Act, it is not necessary to make good such a deficit at once but if the E. A. Dept. have no better use to urge of the surplus funds there would be no objection to accepting the Fin. Sec's suggestion.

The deficit amounts to about 3% of liabilities to deposits in 1936 (or probably now a lower percentage) & should not I think cause undue alarm. It would of course be a contingent

contingent liability on general Revenue. On the other hand there is no doubt that it would be better for the Bank to start off the new system of accounting without a deficit.

at the end of the first year

How does one start off at the end of the first year?

? Reply by tel. saying that-

A [ the new procedure should certainly be adopted, referring to para 23(f) of the S.B. (the Report); and agreeing with the Fin. Sec's recommendation.

R. Brown

22/3/38

copy sent to [unclear] minutes

I don't think action under para 23(f) is really necessary for 1936 as it looks as if the depreciation of £16,248 had brought the investments down to par in the aggregate & there is a surplus of income for which the deficit would gradually be restored.

But I see no reason to oppose Kenya's proposal. It might suit A[unclear] & simply apply the same recommendation, though with reference to para 23(f) of Report an immediate deficit fund does not appear essential.

L. Wardle 23/3/38

J.J. Passing 23/3

Mr. Walker.

I am not quite clear about this. Do you mean that it is unnecessary to make any provision for depreciation, whether from Savings Bank funds or from general revenue? We should naturally like to avoid, if possible, making any further inroad into the surplus balances to be shown in the accounts for 1937.

The matter is urgent, no doubt because they want to close the accounts without further delay.

A. D. Dawe

24.3.38.

Discussed with Mr. Walker.

Tel. as in dft.

Alan A. D. Dawe 25.3

To Gov. Tel. Lo 32 (Dawes) - 27/III/38

3. of Col. Dec 3pm (on 38034/137) - 26.5.38.

To 12 copies of Annual Accounts  
of the Kenya Savings Bank for 1937.

Spares to library

The deficit has been met by an  
advance from the Treasury.

? Pathy  
Clerk, White 9/6

Mr. <sup>MS. 7/6.</sup> Jones  
Mr. Walker / to see

J. J. Basson  
3/6  
at -

Mr. Burns - } to see  
Mr. Walker }

See: Basson the "advance" is really  
a vote

L. Walker  
14/4/38

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ANNUAL ACCOUNTS  
of the  
KENYA SAVINGS BANK  
for  
1937.

KENYA SAVINGS BANK.

Account of Deposits and Withdrawals for the year ended the 31st. December, 1937.

Deposits		Withdrawals				
	£	s.cts.	£	s.cts.	£	s.cts.
To Balance at credit of Depositors on 1-1-1937. .. ..	422,611.	0.81	By Withdrawals.	222,918.14.24		
" Deposits received .. ..	298,312.	1.96	" Warrants issued but not cashed at 31-12-1937.	1,159.14.91	221,758.19.33	
" Interest credited to Depositors..	10,753.	3.47	By Balance at credit of Depositors on 31-12-1937. ..		509,917. 6.91	
Total:-	£731,676.	6.24	Total:-		£731,676. 6.24	

Examined.

A. BRAGG  
Auditor.

G. B. HEBDEN  
Postmaster General,  
Kenya, Uganda and Tanganyika.

## KENYA SAVINGS BANK.

## Revenue and Expenditure Account for the year ended the 31st December, 1937.

Expenditure		Income	
	£	s.cts.	
To Interest credited to Depositors. ..	10,753.	3.47	By Interest on Investments. 15,875.17.42
<u>Management Expenses.</u>			" Fees for duplicate
To Personal Emoluments. .. ..	998.	2.07	Pass Books. .. .. 18.18.00
" Extra clerical assistance. .. ..	38.	6.22	" Commission on transfers. 26. 6.25
" House and Personal Consolidation Allowances. 113.16.10			" Fees for Home Safes lost
" Cost of Audit. .. ..	136.	14.70	or damaged. .. .. 4. 6.00
" Leave Pay and Passage Contribution ..	156.	16.00	
" Pension and Provident Fund Contribution. 177.19.17			
" Travelling Allowances. .. ..	10.	0.23	
" Services rendered at Post Offices. ..	210.	1.46	
" Printing and Stationery .. ..	283.	10.42	
" Propaganda .. ..	50.	10.29	
" Posting and Balancing Machine.. ..	265.	7.12	
" Rent .. ..	16.	13.72	
" Surplus to 31.12.1937 carried to Reserve			
Account. .. ..	2,714.	6.70	
Total:-	£15,925.	7.67	Total:-
			£15,925. 7.67

KENYA SAVINGS BANK.

INVESTMENTS ADJUSTMENT ACCOUNT.

Dr.	£	s.cts.	Cr.	£	s.cts.
To Loss on sales during 1937. ..		2,403. 4.30	By Adjustment of appreciation.		0. 1.18
" Depreciation of Investments as at 31.12.1937. ..		13,844.15.22	" Balance carried to Reserve Account.	16,247.18.54	
Total:-	£	16,247.19.52	Total:-	£	16,247.19.52

RESERVE ACCOUNT.

Dr.	£	s.cts.	Cr.	£	s.cts.
To Investment Adjustment Account.		16,247.18.54	By surplus for year ended 31.12.1937.		2,714. 6.70
Total:-	£	16,247.18.54	" Amount advanced by Treasury. ..		13,533.11.64
			Total:-	£	16,247.18.54

BALANCE SHEET AS ON 31ST DECEMBER, 1937.

Liabilities			Assets		
	£	s.cts.		£	s.cts.
Depositors. .. .. .		509,917. 6.91	Cash with Treasurer. .. .. .		2,714. 6.70
Investment Account .. .. .		2,627. 6.57	Treasury Account. .. .. .		13,533.11.64
Total:-	£	512,544.13.48	Investments at Market value. .. .. .		496,366.15.14
			Total:-	£	512,614.15.48

Examined.

A. BRAGG  
Auditor.

G. B. HEBDEN  
Postmaster General,  
Kenya, Uganda and Tanganyika.



C. O.

Mr. Dawe. 15 3.38.

Mr.

Mr.

Sir H. Moore.

Sir G. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh

Perm. U.S. of S

Parly. U.S. of S.

Secretary of State.

*Atme*

38361/38. Kenya.

C. D.  
11 23 MAR  
D 26 -

*Based on letter  
7. Apr. 27/38  
J.P.*

No. 32

Your telegram No. 19 Savings

Bank. There is no obligation under principles laid down in my circular despatch of 3rd July, 1935, to make good capital deficit immediately.

See paragraphs 23(f) and 29 of Committee's Report. My inclination

is to avoid further depletion of surplus balances which would be entailed by adoption of procedure suggested by Financial Secretary. But if, nevertheless, you think it desirable to adopt it I am prepared to leave matter to your decision.

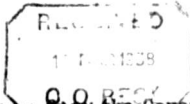
**DRAFT.** Telegram.

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GOVERNOR.

NAIROBI.

FURTHER ACTION.



Telegram from the Governor's Deputy, Kenya to the Secretary of State for the Colonies.

Dated  
17th March, 1938. Received 9.40 a.m. 17th March.

No. 19.

Post Office Savings Bank capital account as at the 31st December 1937 shows deficit of £13,536 owing to depreciation of £16,248 in investments. Financial Secretary considers that in view of the amount taken to revenue in the past year from appreciation of Savings Bank investments it is advisable to use first year new Savings Bank account procedure to avoid immediate liability for depreciation. He recommends that the deficiency should be met from the Colonial surplus revenue balance at 31st December 1937 thus enabling Savings Bank account to show assets equal to liabilities. Request your early approval or instructions.

and ②