

CONVERSION OF LOANS, 30TH APRIL, 1886.—(Enclosure in the Actuaries' letter of the 5th May, 1886.)

	Fives of 1863. Redeemable 1914.		5-per-cent. Ten-Forties.	Fives of 1879. £136,000 at 103.	(1860) Sixes of 1891. £19,000 at 109.	(1863) Sixes of 1891.	
	Option 1. Deb. and 110 £43,600.	Option 2. At 112 10 £65,600.				£46,700 at 109 (Mar. & Sept.)	£67,700 at 109 (June & Dec.)
(a) Capital of Debt—							
Premium on conversion ..	£ 4,360	£ 8,200	£ 25,854	£ 4,080	£ 1,710	£ 4,203	£ 6,093
Augmentation for Bank of England charges, stamps, and brokerage ..	454	699	12,496	1,327	196	482	699
Share of incidental expenses ..	183	275	5,414	569	80	196	283
Total Augmentation of Debt ..	4,997	9,174	43,764	5,976	1,986	4,881	7,075
(b) Annual Charge ..	To Jan. 1892, 2,205	2,991	53,459	5,679	839	2,063	2,991
	After 1892, 1,944	..	..	..	..	..	..
(c) Annual Reduction in Charge ..	To Jan. 1892, 411	945	11,176	1,121	681	1,673	2,425
	After 1892, 672	..	..	..	..	..	..
(d) Total Reduction in Annual Charge ..	17,250 (28 years)	26,460 (28 yrs.)	16,764 (1½ yrs.)	3,923 (3½ yrs.)	3,405 (5 yrs.)	8,365 (5 years)	12,125 (5 years)
(e) Liquidation of Increase in Debt—							
Annual sinking fund (4 per cent. interest) for forty-three and a half years ending the 1st November, 1929, for retirement of increase in debt as in (a) above ..	43 9s.	79 15s.	380 10s.	51 19s.	17 5s.	42 9s.	61 10s.

5th May, 1886.

A. H. BAILEY,
RALPH P. HARDY

Enclosure 5 in No. 1.

COMPUTATION showing the Amount of Interest that would be payable within the Financial Year 1886-87 upon Bonds of the Loans specified in the present Conversion, and the Amount payable on the Bonds that were converted.

Five-per-cent. Loan of 1863:—

Amount converted, £65,600—

Interest on above, at 5 per cent., from the 15th January to the 30th April (106 days) .. £ s. d.
£65,600 at £112 10s = £73,800—Interest on £73,800 at 4 per cent. for six months .. 1,476 0 0

Total .. £2,428 11 0

Interest on £65,600 had no conversion taken place, £3,280: saving in interest for financial year 1886-87 on conversion of £65,600, £851 9s.

Five-per-cent. Consols (Annual Drawings):—

Amount converted, £38,200—

Quarter's interest on above, to the 15th April .. £ s. d.
Sixteen days' interest, to 30th April .. 477 10 0
£38,200 at 106 = £40,492—Six months's interest on £40,492, to the 1st November, at 4 per cent. .. 83 14 6
809 16 9

Total .. £1,371 1 3

Interest on £38,200 had no conversion taken place, £1,910: saving in interest for financial year 1886-87 on conversion of £38,200, £538 18s. 9d.

Five-per-cent. Ten-forties of 1876-77:—

Amount converted, £1,292,700—

Interest from the 1st March to the 30th April (sixty-one days), on the above at 5 per cent. .. £ s. d.
£1,292,700 at 102 = £1,318,554—Six months' interest on the above, at 4 per cent., to the 1st November .. 10,801 19 10
26,371 1 7

Total .. £37,173 1 5

Interest payable on £1,292,700 had no conversion taken place, £64,635: saving in interest for financial year 1886-87 on conversion of £1,292,700, £27,461 18s. 7d.

Five-per-cent. of 1879:—

Amount converted, £136,000—

Six months' interest on above to the 1st May .. £ s. d.
£136,000 at 103 = £140,080—Interest on the above, at 4 per cent., for six months to the 1st November .. 3,400 0 0
2,801 12 0

Total .. £6,201 12 0

Interest payable on £136,000 had no conversion taken place, £6,800: saving in interest for financial year 1886-87 on conversion of £136,000, £598 8s.

Six-per-cent. Loan of 1860:—

Amount converted, £19,000—

Interest at 6 per cent., for 120 days, to the 30th April, on £19,000 .. £ s. d.
£19,000 at £109 = £20,710—Six months' interest on above, at 4 per cent. to the 1st November .. 374 15 10
414 4 0

Total .. £788 19 10

Interest payable on £19,000 had no conversion taken place, £1,140: saving in interest on £19,000 for financial year 1886-87, £351 0s. 2d.

Six-per-cent. Loan of 1863:—

Amount converted, £46,700 (Interest due March and September); £67,700 (Interest due June and December)—

£ s. d.
Interest from the 15th March to the 30th April (forty-seven days) at 6 per cent., on £46,700 .. 360 16 2
£46,700 at 109 = £50,903—Interest for six months' on £50,903, at 4 per cent. .. 1,018 1 2
Interest from the 15th December to the 30th April (137 days), at 6 per cent., on £67,700 .. 1,524 12 10
£67,700 at 109 = £73,793—Interest on £73,793, at 4 per cent., for six months to the 1st November .. 1,475 17 2

Total .. £4,379 7 4

Interest payable on £114,400 had no conversion taken place, £6,864: saving in interest for financial year 1886-87 on conversion of £114,400, £2,484 12s. 8d.