Conversion of Loans, 1886.

—	(1860) Sixes of 1891. £93,100 at 109.	(1863) Sixes of 1891. £201,500 at 109.	(1863) Sixes of 1891. £329,900 at 109.	Fives of 1914, £488,000. Option 1. Debenture and 110.	Fives of 1914, £488,000. Option 2. At £112 10s.	5-per-cent. Ten-forties. £3,500,000 at 102.	Fives of 1879. £524,000 at 103.	4½-per-cent. Five-thirties. £2,946,100 at 101.
(a) Capital of debt—	£	£	£	£	£	£	£	£
Premium on conversion ..	8,379	18,135	29,691	48,800	61,000	70,000	15,720	29,461
Augmentation for Bank of England charges, stamp, and brokerage	959	2,075	3,398	5,072	5,186	33,735	5,099	28,118
Share of incidental expenses	115	249	408	604	604	4,330	649	3,645
Total augmentation of debt..	9,453	20,459	33,497	54,476	66,790	108,065	21,468	61,224
(b) Annual charge	4,102	8,878	14,536	24,400 227 *24,627	22,192	144,323	21,819	120,293
(c) Annual reduction in charge ..	3,346	7,242	11,856	†21,699 *4,653 †7,581	7,088	30,677	4,381	12,282
(d) Total reduction in annual charge	16,730 (5 years)	36,210 (5 years)	59,280 (5 years)	194,700 (28 years)	198,464 (28 years)	46,016 (1½ years)	15,334 (3½ years)	233,358 (19 years)
(e) Liquidation of increase in debt—Annual sinking fund (4 per cent. interest) for retirement of increase in debt as in (a) above.	1,726 10/ (5 years)	4,194 18/ (4½ years)	6,118 4/ (5 years)	1,072 16/ (28 years)	1,315 6/ (28 years)	70,621 6/ (1½ years)	5,775 8/ (3½ years)	2,182 2/ (19 years)

* To January, 1892. † After January, 1892.

February, 1886.

A. H. Bailey.
Ralph P. Hardy.

Conversion of Loans.

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 that would be payable if all the Bonds were converted.

	£ s. d.
Five-per-cent. Consols (Annual Drawings):—	
Amount in circulation, £2,043,400—	
Quarter's interest on above, to the 15th April	25,542 10 0
Sixteen days' interest, at 5 per cent., to the 30th April	4,478 15 5
£2,043,400 at 106 = £2,166,004—Six months' interest, at 4 per cent., to the 1st November, 1886 ..	43,320 1 7
Total	£73,341 7 0

Interest payable, supposing no conversion had taken place, £102,170; saving in interest charge for financial year 1886–87, £28,828 13s.

Five-per-cent. Loan of 1863:—	
Amount in circulation, £488,000—	
Interest, at 5 per cent., from the 15th January to the 30th April (106 days), on the above ..	7,086 0 9
£488,000 at £112 10s. = £549,000—Six months' interest, at 4 per cent., from the 1st May to the 1st November	10,980 0 0
Total	£18,066 0 9

Interest payable had no conversion taken place, £24,400; saving in interest charge for financial year 1886–87, £6,333 19s. 3d.

Five-per-cent. Ten-forties of 1876, 1877:—	
Amount in circulation, £3,500,000—	
Interest from the 1st March to the 30th April (sixty-one days), at 5 per cent., on the above ..	29,246 10 2
£3,500,000 at 102 = £3,570,000—Six months' interest, at 4 per cent. (1st May to the 1st November)	71,400 0 0
Total, 1886–87	£100,646 10 2

Interest payable had no conversion taken place, £175,000; saving in interest charge for financial year 1886–87, £74,353 9s. 10d.

Five-per-cent. Loan of 1879:—	
Amount in circulation, £524,000—	
Interest from the 1st November to the 1st May on the above, at 5 per cent.	13,100 0 0
£524,000 at 103 = £539,720—Interest, at 4 per cent., for six months (1st May to the 1st November)	10,794 8 0
Total, 1886–87	£23,894 8 0

Interest payable had no conversion taken place, £26,200; saving in interest charge for financial year 1886–87, £2,305 12s.

Six-per-cent. Loan of 1860:—	
Amount in circulation, £93,100—	
Interest on the above, at 6 per cent., from the 1st January to the 30th April (120 days) ..	1,836 9 10
£93,100 at 109 = £101,479—Six months' interest, at 4 per cent. (1st May to the 1st November) ..	2,029 11 7
Total, 1886–87	£3,866 1 5

Interest payable had no conversion taken place, £5,586; saving in interest charge for financial year 1886–87, £1,719 18s. 7d.

Six-per-cent. Loan of 1863:—