

IRISH LAND PURCHASE FUND.

ACCOUNTS, 1903—1905.

ACCOUNTS of RECEIPTS and PAYMENTS by the COMMISSIONERS for the REDUCTION of the NATIONAL DEBT in respect of the Capital and Income of the IRISH LAND PURCHASE FUND, from 1st November 1903 to 31st March 1905, together with the REPORT of the COMPTROLLER and AUDITOR-GENERAL thereon.

(Presented pursuant to 3 Edw. 7. cap. 37. sec. 33.)

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IRISH LAND PURCHASE FUND.

EXPLANATORY NOTE.

The Irish Land Purchase Fund is a special fund placed under the control of the National Debt Commissioners for the purposes of the Irish Land Act, 1903. As this special fund possesses somewhat peculiar features, a short explanation of these features may be desirable.

The chief means of raising money for the purposes of the Irish Land Act, 1903, is by the creation of guaranteed $2\frac{3}{4}$ per cent. Stock. This stock is issued for two distinct objects, viz. :—

- (a) To provide cash for advances under the Act - Section 28
- (b) To provide cash for the payment of a bonus of
12 per cent. to vendors - - - Section 47

Cash for advances can also be obtained—

- (c) By temporary borrowing - - - Section 30
- (d) By using the sinking fund for further advances - Section 36

(Provision is made in the Act (section 36) for the two cases of stock being issued at a discount and at a premium. The issues already made have been at a considerable discount and a further reference to the case of an issue at a premium does not appear to be necessary at present.)

(a) The stock issued for the purpose of raising money for advances is divided into two parts. In the first place, stock of equal nominal amount to the cash realized by the issue is assigned to the advances account, as the liability for which the cash advanced for land purchase is to provide (Section 36); and the remaining part of the issue is set up as a liability for which an annuity chargeable on the Guarantee Fund is the corresponding asset (Section 36 (6).)

(b) The stock issued for the purpose of realising money for payment of the bonus of 12 per cent. is a liability for which Parliament votes both the interest and sinking fund (Section 47 (2)).

While, therefore, the issue of the Stock is for two objects, the provision for the payment of the dividends and sinking fund in respect of the same comes from three different sources.

It will be seen that the Irish Land Purchase Fund practically comprises three distinct accounts :—

Account I.—Called “Advances Account,” in which the capital raised (or stock of equal nominal amount when cash is raised by this means) has a corresponding asset in the annuities payable by borrowers, with the Guarantee Fund as security for their due payment.

Account II.—Called “Excess Stock Account,” in which the liability comprises the additional amount of stock issued to raise cash for advances, in consequence of issues being made at a discount the corresponding asset being an annuity chargeable on the Guarantee Fund.

Account III.—Called “Land Purchase Aid Fund,” in which the stock issued to provide the bonus is met by an annuity chargeable on Votes of Parliament.

The annuities payable in each case provide for interest on the capital together with an addition of $\frac{1}{2}$ per cent. per annum by way of sinking fund for accumulation.

In addition, therefore, to the Irish Land Purchase Fund, consisting of three distinct accounts, each of these accounts contains within itself an accumulation account to provide for the ultimate extinction of the capital liability.

Each of the three accounts above referred to is given in a separate column, the total of such individual accounts forming the Irish Land Purchase Fund.

In addition to the accounts of receipts and payments, the statement of securities on which the capital has been raised and the balance sheet, two supplementary accounts are given showing (1) the detail of each accumulation account, and (2) the amounts drawn from and repaid to the Guarantee Fund,

National Debt Office, }
31st March 1905. }

G. Hervey,
Comptroller-General.

IRISH LAND

ACCOUNTS of RECEIPTS and PAYMENTS by the National Debt Commissioners
INCOME of the IRISH LAND PURCHASE

CAPITAL

RECEIPTS.				
—	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Money raised :—				
By creation of Guaranteed 2½ per Cent. Stock.	7,869,151 12 6	—	777,969 14 2	8,647,121 6 8
By loans from Sinking Fund.	4,000 0 0	—	—	4,000 0 0
By temporary borrowings -	189,000 0 0	—	—	189,000 0 0
£	8,062,151 12 6	—	777,969 14 2	8,840,121 6 8
Sinking Fund receipts - -	4,842 4 7	3,197 0 4	2,000 0 0	10,039 4 11
Cash proceeds of securities sold and paid off, viz. :—				
Temporary investments :—				
Ways and Means advances paid off.	3,130,000 0 0	—	420,000 0 0	3,550,000 0 0
For 55,000 <i>l.</i> Exchequer Bonds sold and paid off.	54,905 12 6	—	—	54,905 12 6
For 34,000 <i>l.</i> Exchequer Bonds sold and paid off.	—	—	33,947 10 0	33,947 10 0
For 75,000 <i>l.</i> Treasury Bills sold.	74,837 15 3	—	—	74,837 15 3
Do. do. -	—	—	74,882 8 1	74,882 8 1
Balance due on 31st March 1905.	—	—	4,531 2 3	4,531 2 3
£	11,326,737 4 10	3,197 0 4	1,313,330 14 6	12,643,264 19 8

INCOME

From Irish Land Commission	39,581 4 9	—	8,000 0 0	47,581 4 9
„ Guarantee Fund - -	698 9 3	16,769 2 9	—	17,467 12 0
Interest on investments -	24,418 4 2	0 0 11	3,977 19 7	28,396 4 8
From Ireland Development Grant, for portion of grant allocated to land purchase for years ended 31st March 1904 and 1905.	100,000 0 0	—	—	100,000 0 0
Fractions of pence saved in the payment of dividends.	0 4 7	—	0 0 5	0 5 0
Arrears of annuity instalments and interest recovered.	324 15 1	—	—	324 15 1
Balance due on 31st March 1905.	—	0 0 4	—	0 0 4
£	165,022 17 10	16,769 4 0	11,978 0 0	193,770 1 10

PURCHASE FUND.

from 1st November 1903 to 31st March 1905, in respect of the CAPITAL and FUND, per 3 EDW. VII. c. 37.

ACCOUNT.

PAYMENTS.						
—	Advances Account.			Excess Stock Account.		Land Purchase Aid Fund.
	£	s.	d.	£	s.	d.
Advanced to Irish Land Commission.	5,091,307	8	4	—	—	382,349 13 7
Temporary borrowings (Capital Account) repaid.	189,000	0	0	—	—	—
Cash invested, viz. :—						
For Sinking Fund :—						
In purchase of 3,826 <i>l.</i> 0 <i>s.</i> 10 <i>d.</i> Guaranteed $2\frac{3}{4}$ per Cent. Stock.	3,424	12	11	—	—	—
In purchase of 2,126 <i>l.</i> 3 <i>s.</i> 2 <i>d.</i> Guaranteed $2\frac{3}{4}$ per Cent. Stock.	—	—	—	1,900	1	5
In loan to Capital Account for further advances.	1,000	0	0	1,000	0	0
Temporary investments :—						
To H.M. Exchequer in aid of Ways and Means.	3,130,000	0	0	—	—	420,000 0 0
In purchase of—						
90,000 <i>l.</i> Exchequer Bonds	89,411	17	6	—	—	—
34,000 <i>l.</i> „ „	—	—	—	—	—	33,947 10 0
2,803,000 <i>l.</i> Treasury Bills	2,777,627	1	6	—	—	—
479,000 <i>l.</i> „ „	—	—	—	—	—	475,033 10 11
Balances on 31st March 1905 -	44,966	4	7	296 18 11	—	—
£	11,326,737	4	10	3,197 0 4	1,313,330 14 6	12,643,264 19 8

ACCOUNT.

Dividends on Guaranteed $2\frac{3}{4}$ per Cent. Stock.	109,718	2	4	16,769	2	9	11,000	0	0	137,487	5	1
Interest, on Sinking Fund securities, transferred to Capital Account.	0	7	4	0	1	3	—	—	—	0	8	7
Interest on temporary borrowings (Capital Account).	690	8	3	—	—	—	—	—	—	690	8	3
Net discount on instalments paid in anticipation in respect of issues of Guaranteed $2\frac{3}{4}$ per Cent. Stock.	9,195	19	11	—	—	—	799	13	0	9,995	12	11
Interest accrued on Exchequer Bonds at date of purchase.	250	8	9	—	—	—	84	16	4	335	5	1
Recovered arrears paid to Guarantee Fund.	262	1	8	—	—	—	—	—	—	262	1	8
Balances on 31st March 1905 -	44,905	9	7	—	—	—	93	10	8	44,999	0	3
£	165,022	17	10	16,769	4	0	11,978	0	0	193,770	1	10

GUARANTEED $2\frac{3}{4}$ PER CENT. STOCK ACCOUNT,

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Amount of Stock written off and cancelled in the period	1,053 7 2	160 18 1	—	1,214 5 3
Balance of Stock remaining on 31st March 1905.	8,807,997 14 10	1,190,787 19 11	1,000,000 0 0	10,998,785 14 9
£	8,809,051 2 0	1,190,948 18 0	1,000,000 0 0	11,000,000 0 0

"LOANS FROM SINKING FUND" ACCOUNT, from

Balance of Loans from Sinking Fund to Capital (Advances) Account remaining on 31st March 1905.	4,000 0 0	—	—	4,000 0 0
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IRISH LAND PURCHASE FUND,

LIABILITIES.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
CAPITAL ACCOUNT—				
Value, at par, of amount of Guaranteed $2\frac{3}{4}$ per Cent. Stock remaining.	8,807,997 14 10	1,190,787 19 11	1,000,000 0 0	10,998,785 14 9
Value, at par, of amount of "Loans from Sinking Fund" remaining.	4,000 0 0	—	—	4,000 0 0
SINKING FUND ACCOUNT—				
Balances remaining on 31st March 1905.	417 11 8	296 18 11	—	714 10 7
INCOME ACCOUNT—				
Balances remaining on 31st March 1905.	44,905 9 7	0 0 4 (Overdrawn)	93 10 8	44,998 19 11
£	8,857,320 16 1	1,191,084 18 6	1,000,093 10 8	11,048,499 5 3

from 1st November 1903 to 31st March 1905.

—	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Amount of Stock created in the period.	8,809,051 2 0	1,190,948 18 0	1,000,000 0 0	11,000,000 0 0
£	8,809,051 2 0	1,190,948 18 0	1,000,000 0 0	11,000,000 0 0

1st November 1903 to 31st March 1905.

Amount of Loans from Sinking Fund to Capital (Advances) Account in the period.	4,000 0 0	—	—	4,000 0 0
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BALANCE SHEET, 31ST MARCH 1905.

ASSETS.				
—	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Accumulated amount of Sinking Fund.	4,190 5 4	3,262 4 0	2,000 0 0	9,452 9 4
Outstanding amount to be accumulated with Sinking Fund payments.	5,086,063 15 10	1,187,525 15 11	497,946 13 11	6,771,536 5 8
Temporary investments :—				
2,728,000 <i>l.</i> Treasury Bills	2,702,789 6 3	—	—	2,702,789 6 3
404,000 <i>l.</i> do.	—	—	400,151 2 10	400,151 2 10
35,000 <i>l.</i> Exchequer Bonds	34,506 5 0	—	—	34,506 5 0
Scrip Certificates (Suspense Account).	939,899 9 6	—	104,433 5 6	1,044,332 15 0
Cash at Banks of England and Ireland.	89,871 14 2	296 18 7	4,437 11 7 (Overdrawn)	85,731 1 2
£	8,857,320 16 1	1,191,084 18 6	1,000,093 10 8	11,048,499 5 3

National Debt Office,
31st March 1905. }

G. Hervey,
Comptroller General.

I certify that this Account has been examined under my directions, and is correct.

Examined,
C. H. Archibald.

John A. Kempe,
Comptroller-General of His Majesty's Exchequer, and
Auditor-General of Public Accounts.

SINKING FUND ACCUMULATION ACCOUNT at 31st March 1905.

	Advances Account.	Excess Stock Account.	Land Purchase Aid Fund.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
4,737 <i>l.</i> 18 <i>s.</i> 9 <i>d.</i> Guaranteed 2½ % Stock at par	2,772 13 8	1,965 5 1	—	4,737 18 9
Loans to Capital (Advances) Account	1,000 0 0	1,000 0 0	2,000 0 0	4,000 0 0
Cash uninvested	417 11 8	296 18 11	—	714 10 7
Nominal value of Securities held	4,190 5 4	3,262 4 0	2,000 0 0	9,452 9 4

GUARANTEE FUND ACCOUNT for period from 1st November 1903 to 31st March 1905.

RECEIVED from Guarantee Fund.		PAID to Guarantee Fund.	
	£ s. d.		£ s. d.
For arrears in respect of advances { Capital 89 <i>l.</i> 1 <i>s.</i> 1 <i>d.</i> } Income 690 <i>l.</i> 16 <i>s.</i> 2 <i>d.</i> } - - -	779 17 3	Repaid on account of arrears - - - - -	262 1 8
For deficiency of income - - - - -	—	" " deficiency of income - - - - -	—
For deficiency of interest on advances - - - - -	7 13 1		
Annuities in respect of Excess Stock { Capital 3,048 <i>l.</i> 18 <i>s.</i> 8 <i>d.</i> } Income 16,769 <i>l.</i> 2 <i>s.</i> 9 <i>d.</i> } -	19,818 1 5	Balance at 31st March 1905 - - - - -	20,343 10 1
£	20,605 11 9	£	20,605 11 9

National Debt Office, }
31st March 1905. }

G. Hervey,
Comptroller-General.

I certify that this Account has been examined under my directions, and is correct.

John A. Kempe,
Comptroller-General of His Majesty's Exchequer, and
Auditor-General of the Public Accounts.

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IRISH LAND PURCHASE FUND.

REPORT of the COMPTROLLER and AUDITOR-GENERAL.

1. This is the first Account of the Capital and Income of the Land Purchase Fund under the Irish Land Act, 1903, prepared by the Commissioners for the Reduction of the National Debt in accordance with Section 33 of the Act, and covers the period from 1st November 1903, the date on which the Act came into operation, to 31st March 1905. It has been examined by my Department and is presented to Parliament under the above-mentioned section of the Act.

First Account
under Irish
Land Act,
1903.

2. The account shows the quantity of Stock created and the money raised, under Sections 28 and 47 of the Act, by the issue of Guaranteed $2\frac{3}{4}$ per cent. Stock. It also shows the money advanced to the Irish Land Commission for the purposes of the Act, and the income received through the Land Commission for the payment of dividends and for Sinking Fund purposes, together with the temporary investment of cash balances, and the working of the various Sinking Funds.

Scope of
Account.

3. The total amount of Stock created to 31st March 1905 was 11,000,000*l.*, of which 10,000,000*l.* was for Advances, and 1,000,000*l.* for the Land Purchase Aid Fund.

Amount of
Stock
created.

4. The Account has been prepared under three heads, viz. :—

Heads of
Account.

I.—Advances Account, dealing with the money raised by the creation of Stock under Section 28, and by other Loans.

II.—Excess Stock Account, dealing with the difference between the actual cash received and the amount of Stock created for Advances.

III.—The Land Purchase Aid Fund, established under Section 47 of the Act to provide funds for the payment of a bonus to the Vendors of Estates acquired under the Land Purchase Acts.

ADVANCES ACCOUNT.

5. As regards the 10,000,000*l.* of Stock created for the purpose of Advances to the Irish Land Commission, the sum of 7,869,151*l.* 12*s.* 6*d.* was received by the National Debt Commissioners during the period covered by this account, leaving 939,899*l.* 9*s.* 6*d.* still to be received on the outstanding scrip certificates. In addition to the temporary borrowing of 189,000*l.*, which has been repaid, the Advances account has also received 4,000*l.* as a loan from the Sinking Funds, to be used for further advances.

Advances
Account.

Out of the 7,869,151*l.* 12*s.* 6*d.* received for Advances the sum of 5,091,307*l.* 8*s.* 4*d.* was paid to the Irish Land Commission, the difference being chiefly represented by temporary investments in Exchequer Bonds and Treasury Bills, the interest on which is credited to the Income of the Account.

In accordance with Section 36 (1) interest at the rate of $2\frac{3}{4}$ per cent. per annum is paid by the Land Commission on the money advanced to them under the Act, together with 10*s.* per cent. per annum on the Advances to tenant purchasers. The latter is treated as a Sinking Fund for accumulation, for the ultimate extinction of the stock created. As shown by the Account, 4,842*l.* 4*s.* 7*d.* has been received for this purpose.

EXCESS STOCK ACCOUNT.

Excess Stock
Account.

6. As stated in paragraph 4, this account deals with the difference between the actual cash received, and the nominal amount of Stock created for the purpose of advances. The amount created for this purpose during the period covered by the Account was 10,000,000*l.*, and as the whole of the Stock was issued at a discount (5,000,000*l.* at 87*l.* per cent. and the remainder at a minimum of 88*l.* 10*s.* per cent.), this difference amounted to 1,190,948*l.* 18*s.* Under section 36 (6) of the Act the dividends and Sinking Fund for the Excess Stock are made good by an annuity chargeable on the Guarantee Fund established by section 5 of the Purchase of Land (Ireland) Act, 1891. The receipts on account of this Sinking Fund were, as shown by the Account, 3,197*l.* 0*s.* 4*d.*

LAND PURCHASE AID FUND.

Land
Purchase Aid
Fund.

7. Of the 11,000,000*l.* stock created, 1,000,000*l.* was assigned to the Land Purchase Aid Fund established to provide for the payment, under the prescribed conditions, of a bonus of 12 per cent. on the amount of the purchase money advanced under the Land Purchase Acts.

In respect of this Stock, 777,969*l.* 14*s.* 2*d.* was received by the National Debt Commissioners, leaving a balance of 104,433*l.* 5*s.* 6*d.* still to be received on the scrip certificates. The sum of 382,349*l.* 13*s.* 7*d.* was advanced to the Irish Land Commissioners, and the balance remaining in the hands of the National Debt Commissioners was invested in Government securities.

The dividends on the Aid Fund Stock, together with the sum of 2,000*l.* for the Sinking Fund, were met by the provision of 10,000*l.* included in the Vote for the Irish Land Commission, Class III., Vote 16, 1904-5, and by the sum of 3,977*l.* 19*s.* 7*d.*, derived from temporary investment of the cash balances in the hands of the National Debt Commissioners.

JOHN A. KEMPE,

Comptroller-General of the Receipt and Issue
of His Majesty's Exchequer and
Auditor-General of Public Accounts.

Exchequer and Audit Department,
3rd March 1906.