

# **FINANCE ACCOUNTS**

## **Audited Financial Statements of the Exchequer**

**For the Financial Year**

**1st January 2000**

**to**

**31st December 2000**

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Presented to both Houses of the Oireachtas pursuant to Section 4 of the Comptroller and Auditor  
General (Amendment) Act, 1993.

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BAILE ÁTHA CLIATH  
ARNA FHOILSIÚ AG OIFIG AN tSOLÁTHAIR  
Le ceannach díreach ón  
OIFIG DHÍOLTA FOILSEACHÁIN RIALTAIS  
TEACH SUN ALLIANCE, SRÁID THEACH LAIGHEAN, BAILE ÁTHA CLIATH 2,  
nó tríd an bpost ó  
FOILSEACHÁIN RIALTAIS, AN RANNÓG POST-TRÁCHTA,  
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## Foreword

1. The Department of Finance is required under statute to prepare and present to both Houses of the Oireachtas detailed annual accounts of the Central Fund. These accounts, known as the Finance Accounts, contain detailed analysis and classification of receipts and issues of the Central Fund as well as details relating to the National Debt.
2. The maintenance of the Central Fund derives from the Constitutional requirement that "All revenues of the State from whatever source arising shall, subject to such exception as may be provided by law, form one fund, and shall be appropriated for the purposes and in the manner and subject to the charges and liabilities determined and imposed by law".
3. The Central Fund Account is prepared on a receipts and payments basis and its banking transactions are effected through the Exchequer Account maintained at the Central Bank of Ireland.
4. The Statements relating to the National Debt and its servicing and cash flow have been provided by the National Treasury Management Agency and are presented in Part Two of these accounts.
5. Section 4 of the Comptroller and Auditor General (Amendment) Act, 1993 provides for the transmission of the Finance Accounts to the Comptroller and Auditor General not later than 30 June in the year following that to which they relate. The Act provides that following audit, the Comptroller and Auditor General submits the Finance Accounts and a report thereon to the Minister for Finance not later than 31 August in that year. The Accounts are laid before Dáil Éireann not later than 30 September.
6. These Accounts comprise the Exchequer Account, Statements 1.1 to 1.14, Schedule 1 and the Financial Accounts of the National Debt including the Accounting Policies.



**JOHN HURLEY**  
**Secretary General**  
**Department of Finance**  
**29 June 2001**

## REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

I have audited the Accounts on pages 7 to 42 in accordance with Section 4(2) of the Comptroller and Auditor General (Amendment) Act, 1993. I have obtained all the information and explanations that I have required.

As the result of my audit it is my opinion that

- (a) the transactions recorded in the Accounts conform to the authorities that govern them.
- (b) proper books of account and records have been kept.
- (c) the Accounts properly reflect
  - (i) the payments into and out of the Central Fund and the surplus for the year ended 31 December 2000 and
  - (ii) the capital investment of the Central Fund at 31 December 2000 and the National Debt outstanding at that date.



**JOHN PURCELL**  
Comptroller and Auditor General  
19 December 2001

## EXCHEQUER ACCOUNT

### Account of Receipts and Payments for the year ended 31 December 2000

	STATEMENT No.	£000	2000 £000	£000	1999 £000
<b>Current Receipts:</b>					
Tax Revenue	1.1		<b>21,320,959</b>		18,559,254
Non-Tax Revenue	1.2		<b>420,212</b>		434,173
			<b>21,741,171</b>		<b>18,993,427</b>
<b>Current Payments:</b>					
Voted (Departmental expenditure voted annually by the Dáil)	1.3	<b>13,160,070</b>		12,105,451	
Non-Voted (non-discretionary expenditure charged directly on Central Fund)					
Sinking Fund (a)	2.1	<b>378,375</b>		329,380	
Other Service of National Debt (b)	2.1	<b>1,826,293</b>		2,183,262	
Payments to holders of political and Constitutional office etc.	1.4	<b>16,319</b>		15,586	
Payments to EU Budget	1.5	<b>846,603</b>		834,172	
Other non-voted Expenditure	1.6	<b>23,045</b>	<b>16,250,705</b>	86,617	15,554,468
<b>Surplus on Current Account</b>			<b>5,490,466</b>		<b>3,438,959</b>
<b>Capital Receipts:</b>					
Sinking Fund (a)	2.1	<b>378,375</b>		329,380	
Loans repaid	1.8	<b>203,540</b>		51,132	
EU Receipts	1.10	<b>297,760</b>		425,099	
Sale of Telecom Éireann	1.12	<b>1,171,112</b>		3,677,389	
Other Receipts	1.12	<b>101,965</b>	<b>2,152,752</b>	34,854	4,517,854
<b>Capital Payments:</b>					
Voted (Departmental expenditure voted annually by the Dáil)	1.7	<b>3,050,760</b>		2,381,914	
Non-Voted (expenditure charged directly under particular legislation)					
Loans issued	1.8	<b>83,844</b>		66,054	
Share Capital acquired in State Bodies	1.9 (A)	<b>9,229</b>		12,044	
Investment in International Bodies	1.9 (B)	<b>755</b>		425	
EU Payments	1.11	<b>619</b>		190	
Funding of Superannuation Liabilities	1.13	<b>1,995,000</b>		4,304,664	
Other Payments	1.13	<b>561</b>	<b>5,140,768</b>	768	6,766,059
<b>Deficit on Capital Account</b>			<b>(2,988,016)</b>		<b>(2,248,205)</b>
<b>Exchequer Surplus</b>			<b>2,502,450</b>		<b>1,190,754</b>
<b>Source and Application of Funds</b>					
Total Repayment	2.3	<b>2,431,353</b>		1,251,812	
Total Increase in Exchequer Balances and Commercial Deposits	2.3	<b>71,097</b>	<b>2,502,450</b>	(61,058)	1,190,754

**Notes:**

(a) The Sinking Fund provision is a transfer from the current account to the capital account to reduce capital debt.

(b) The 2000 service of National Debt cost has been increased by £149,196 to reflect a reclassification of National Savings Schemes between interest and debt balances.

## EXCHEQUER ACCOUNT (in euro)

### Account of Receipts and Payments for the year ended 31 December 2000

	STATEMENT No.	euro 000	2000 euro 000	euro 000	1999 euro 000
<b>Current Receipts:</b>					
Tax Revenue	1.1		<b>27,072,034</b>		23,565,392
Non-Tax Revenue	1.2		<b>533,559</b>		551,286
			<b>27,605,593</b>		24,116,678
<b>Current Payments:</b>					
Voted (Departmental expenditure voted annually by the Dáil)	1.3	<b>16,709,842</b>		15,370,752	
Non-Voted (non-discretionary expenditure charged directly on Central Fund)					
Sinking Fund (a)	2.1	<b>480,437</b>		418,226	
Other Service of National Debt (b)	2.1	<b>2,318,914</b>		2,772,171	
Payments to holders of political and Constitutional office etc.	1.4	<b>20,721</b>		19,790	
Payments to EU Budget	1.5	<b>1,074,964</b>		1,059,180	
Other non-voted Expenditure	1.6	<b>29,261</b>	<b>20,634,139</b>	109,981	19,750,100
<b>Surplus on Current Account</b>			<b>6,971,454</b>		4,366,578
<b>Capital Receipts:</b>					
Sinking Fund (a)	2.1	<b>480,437</b>		418,226	
Loans repaid	1.8	<b>258,442</b>		64,924	
EU Receipts	1.10	<b>378,077</b>		539,764	
Sale of Telecom Éireann	1.12	<b>1,487,006</b>		4,669,321	
Other Receipts	1.12	<b>129,469</b>	<b>2,733,431</b>	44,255	5,736,490
<b>Capital Payments:</b>					
Voted (Departmental expenditure voted annually by the Dáil)	1.7	<b>3,873,666</b>		3,024,407	
Non-Voted (expenditure charged directly under particular legislation)					
Loans issued	1.8	<b>106,460</b>		83,871	
Share Capital acquired in State Bodies	1.9 (A)	<b>11,718</b>		15,293	
Investment in International Bodies	1.9 (B)	<b>959</b>		540	
EU Payments	1.11	<b>786</b>		241	
Funding of Superannuation Liabilities	1.13	<b>2,533,127</b>		5,465,796	
Other Payments	1.13	<b>712</b>	<b>6,527,428</b>	975	8,591,123
<b>Deficit on Capital Account</b>			<b>(3,793,997)</b>		(2,854,633)
<b>Exchequer Surplus</b>			<b>3,177,457</b>		1,511,945
<b>Source and Application of Funds</b>					
Total Repayment	2.3	<b>3,087,181</b>		1,589,473	
Total Increase in Exchequer Balances and Commercial Deposits	2.3	<b>90,276</b>	<b>3,177,457</b>	(77,528)	1,511,945

Notes:

(a) The Sinking Fund provision is a transfer from the current account to the capital account to reduce capital debt.

(b) The 2000 service of National Debt cost has been increased by euro 189,440 to reflect a reclassification of National Savings Schemes between interest and debt balances.



# **PART ONE**



## STATEMENT 1.1

### Current: Tax Revenue

	2000	1999
	£000	£000
Income Tax	7,176,823	6,322,626
Value Added Tax	5,883,269	4,878,282
Excise	3,357,388	3,189,403
Corporation Tax	3,061,473	2,709,719
Stamps	871,776	719,320
Customs	162,650	142,132
Training and Employment Levy	11,448	77,190
Capital Acquisitions Tax (a)	174,969	151,676
Income Levy	-	25
Capital Gains Tax	609,179	356,127
Residential Property Tax	1,595	1,392
Agricultural Levies	10,389	11,362
Total (b)	21,320,959	18,559,254

*Notes:*

(a) *The figure for Capital Acquisitions Tax includes any residual amounts in respect of Estate Duty and Wealth Tax.*

(b) *The amounts detailed above represent sums transferred to the Exchequer. In addition, balances held by the Office of the Revenue Commissioners amounted to £164,988,347 at end 2000 and £79,862,009 at end 1999.*

## STATEMENT 1.2

### Current: Non-Tax Revenue

	2000 £000	1999 £000
<b>Central Bank Surplus Income</b>	<b>168,093</b>	152,351
<b>National Lottery Surplus (a)</b>	<b>127,430</b>	109,934
<b>Royalties from Marathon Petroleum Ireland Ltd</b>	<b>6,950</b>	3,515
<b>Interest received on loans :</b>		
Aer Lingus Shannon Ltd. (formerly Aerlínte Éireann Teoranta)	200	309
Bord Iascaigh Mhara	4,268	400
Dept. of Agriculture, Food & Rural Development in its capacity as Intervention Agency FEOGA Guarantee	62	-
Dept. of Marine & Natural Resources FEOGA Guarantee	305	139
Local Loans Fund	13,833	29,318
National Building Agency Ltd	-	23
	<b>18,668</b>	<b>30,189</b>
<b>Share Dividends :</b>		
ACC Bank plc	2,348	4,247
Bord Gáis Éireann	11,000	11,000
Housing Finance Agency plc	-	3,560
ICC Bank plc	-	3,917
Irish Aviation Authority	984	-
Telecom Éireann	506	27,552
	<b>14,838</b>	<b>50,276</b>
<b>Receipts collected by Government Departments and Offices : (b)</b>		
<b>Agriculture, Food &amp; Rural Development:</b>		
Fine imposed on manager of AIBP Rathkeale meat plant	-	12
<b>Arts, Heritage, Gaeltacht and the Islands :</b>		
Surplus contributions re Irish Presidency of the EU in 1996	-	12
<b>Chief State Solicitor's Office:</b>		
Payment of instalment of debt	-	15
Reimbursement of legal costs	-	89
<b>Defence :</b>		
Re-imburement by the UN of claims in respect of Defence Forces personnel who died or were injured while serving with UNIFIL	226	625
<b>Enterprise, Trade and Employment:</b>		
Receipt from Enterprise Ireland in respect of excess rental income	-	730
Receipt from IDA Ireland in respect of excess rental income	700	2,000
Receipt from Enterprise Ireland in respect of own resource income	175	-
Receipt from IDA Ireland in respect of own resource income	1,075	-
<b>Environment and Local Government :</b>		
Recoupment from European Commission of conference costs	-	39
<b>Foreign Affairs :</b>		
Passport and Consular Fees	20,524	13,867
<b>Justice, Equality and Law Reform :</b>		
Court Fees	7,942	15,132
Citizenship Certificates	191	156
Court Percentages	-	36
Motoring Fines	17,226	19,400
<b>Land Registry and Registry of Deeds :</b>		
Land Registration Fees	31,685	22,150
Registry of Deeds Fees	1,515	955
Ground Rent Fees	59	77

## Current: Non-Tax Revenue - continued

	2000 £000	1999 £000
<b>Marine and Natural Resources</b>		
Coast Guard Charges	15	-
Salmon Conservancy Fund	5	-
MV Asian Parade Pollution Charges	22	-
Skerchi Barge Incident Charges	11	-
<b>Office of the Ombudsman :</b>		
Proceeds from sale of publications	1	-
<b>Office of Public Works:</b>		
Recovery of irregular rent payments	100	127
<b>Office of the Revenue Commissioners :</b>		
Fee Stamps credited by the Revenue Commissioners	1,156	414
	<b>82,628</b>	75,836
<b>Other Receipts :</b>		
Forfeit election deposits	3	19
Conscience money	30	24
Income from Irish Life policy placed by Dublin District Milk Board	21	22
Refund of salary from Chairman, Dublin Docklands Development Authority	8	8
State Property Act, 1954 (Sections 29 & 31)	8	7
State Property Act, 1954 (Section 36)	-	1,000
Receipt from the European Investment Bank	542	3,394
Interest on Revenue accounts with the Central Bank	530	435
Interest on AIB lodgement	-	1
State witness expenses	5	23
Proceeds from Companies Liquidation Account	6	372
Receipts from Companies Registration Office	-	1
Criminal Justice Act, 1994 (Section 39)	258	-
Receipts from Agency for Personal Service Overseas	13	8
EU Budget refund : adjustments to prior years contributions	-	6,430
Receipt from ESB for pension contributions	-	3
Refund of pension surplus from City of Westminster Assurance Company	-	14
Office of the Director of Telecommunications Regulator annual surplus	162	311
Receipt in respect of two dissolved companies	1	-
Telecom Eireann Interest on Dividend	18	-
	<b>1,605</b>	12,072
<b>PAYMENTS INTO EXCHEQUER</b>	<b>420,212</b>	434,173

**Notes:**

(a) Details of expenditure allocations under the National Lottery are shown in the Estimates for Public Services.

(b) These are receipts which, with the agreement of the Dáil, are paid into the Exchequer Account of the Central Fund, rather than being voted towards offsetting Departmental expenditure as Appropriations-in-Aid.

## STATEMENT 1.3

### Issues for Current Voted Expenditure (a)

Vote	2000 £000	1999 £000
No. Service		
1 President's Establishment	1123	849
2 Houses of the Oireachtas and the European Parliament	47,039	38,269
3 Department of the Taoiseach	22,217	19,659
4 Ordnance Survey Ireland	1,281	4,030
5 Central Statistics Office	19,340	17,435
6 Office of the Minister for Finance	39,187	35,685
7 Superannuation and Retired allowances	105,338	100,841
8 Office of the Comptroller and Auditor General	3,531	3,865
9 Office of the Revenue Commissioners	166,564	155,256
10 Office of Public Works	74,366	80,531
11 State Laboratory	3,557	3,613
12 Secret Service	336	300
13 Office of the Attorney General	5,382	5,232
14 Office of the Director of Public Prosecutions	10,178	10,004
15 Valuation Office	3,064	3,363
16 Civil Service Commission	7,802	5,549
17 Office of the Ombudsman	2,322	2,270
18 Chief State Solicitor's Office	16,146	18,907
19 Office of the Minister for Justice, Equality & Law Reform	81,363	66,633
20 Garda Síochána	627,000	565,016
21 Prisons	178,855	152,875
22 Courts	31,922	26,913
23 Land Registry and Registry of Deeds	16,190	16,822
24 Charitable Donations and Bequests	210	289
25 Environment and Local Government	447,983	365,714
26 Office of the Minister for Education and Science	146,952	120,593
27 First-Level Education	901,945	798,197
28 Second-Level and Further Education	1,012,549	929,293
29 Third-Level and Further Education	715,238	623,780
30 Marine and Natural Resources	65,045	58,423
31 Agriculture and Food	485,699	427,236
32 Public Enterprise	175,002	136,925
33 Health and Children	3,401,940	3,089,723
34 Enterprise, Trade and Employment	561,450	612,443
35 Tourism, Sport and Recreation	114,580	97,925
36 Defence	465,554	446,525
37 Army Pensions	86,097	76,763
38 Foreign Affairs	87,669	66,043
39 International Co-operation	137,973	117,064
40 Social, Community and Family Affairs	2,768,272	2,715,916
41 An Chomhairle Ealaíon	31,525	24,500
42 Ealaíon, Oidhreachta, Gaeltachta agus Oileán	87,721	95,261
43 National Gallery	2,563	2,252
44 Flood Relief	-	-
Office of the Tánaiste (1997 Accounts) (b)	-	9
Total	13,160,070	12,138,791
Unallocated issue (c)	-	(33,340)
<b>Total Exchequer Payments towards Voted Expenditure</b>	<b>13,160,070</b>	<b>12,105,451</b>

*Notes:*

- (a) *The figures shown are the amounts issued to fund current expenditure on each Vote. Details of actual expenditure are contained in the Estimates for Public Expenditure and in the Appropriation Accounts.*
- (b) *Final issue from the Central Fund due to the Vote of the Office of the Tánaiste whose functions were transferred to other Departments with effect from 12 July, 1997.*
- (c) *This overissue was held in the Supply Service Suspense Account of the Paymaster General at 31 December 1998 and formed part of the funding of the 1999 distribution to Votes.*

## STATEMENT 1.4

### Current: Payments charged to Central Fund in respect of Salaries, Allowances Pensions etc.

	2000	1999
	£000	£000
Annuities, Pensions etc. for former Constitutional, Ministerial and Judicial Office-holders	4,482	3,903
Salaries and Allowances	3,667	4,282
Judicial Salaries	8,170	7,401
Total	16,319	15,586

Note :

*A detailed breakdown of the 2000 payments under these headings is contained in Schedule 1. A similar breakdown of the 1999 payments is available in the corresponding Schedule in the 1999 Finance Accounts.*

## STATEMENT 1.5

### Current: Payments to the European Union Budget

	2000	1999
	£000	£000
Customs Duties	147,335	127,789
Agricultural (including Sugar) Levies	9,551	10,032
VAT related payments (a)	363,738	358,085
GNP related payments (a)	325,979	338,266
Total	846,603	834,172

Note:

*(a) The VAT and GNP related payments are made on the basis of forecast estimates. Adjustments are made in subsequent years as the estimates are revised, leading to a mixture of additional payments and / or refunds relating to several years. Any additional payments arising from these adjustments are included in the entries above. Refunds, when they occur, are received in the Exchequer as non-tax revenue.*

## STATEMENT 1.6

### Current: Other Non-Voted Expenditure

	2000	1999
	£000	£000
Returning Officers' Expenses under the Electoral Acts	245	5,793
Payments to International Development Association (a)	7,242	4,826
Election Postal charges	99	5,984
Payments to An Post and Telecom Éireann Superannuation Funds	8,897	51,977
Payments to Marathon Petroleum Ireland Ltd (b)	5,239	6,763
Payments to Irish Pension Trust Ltd under Irish Aviation Act, 1993	-	681
Bretton Woods Agreements (Amendment) Acts, 1957-1999	1,323	10,593
	<u>23,045</u>	<u>86,617</u>

*Notes:*

*(a) These are payments made under the International Development Association Act, 1960, towards the replenishment of the resources of the Association, which is the concessionary lending body of the World Bank Group.*

*(b) Recoupment to Marathon Petroleum Ireland Ltd in respect of Preliminary Tax paid for previous year under Finance Act, 1992.*



## STATEMENT 1.7

### Issues for Capital Voted Expenditure (a)

Vote No	Service	2000 £000	1999 £000
1	President's Establishment	-	-
2	Houses of the Oireachtas and the European Parliament	-	-
3	Department of the Taoiseach	35,000	980
4	Ordnance Survey Ireland	1,596	1,200
5	Central Statistics Office	2,112	770
6	Office of the Minister for Finance	9,871	1,687
7	Superannuation and Retired Allowances	-	-
8	Office of the Comptroller and Auditor General	-	-
9	Office of the Revenue Commissioners	9,500	9,439
10	Office of Public Works	233,634	145,469
11	State Laboratory	-	-
12	Secret Service	-	-
13	Office of the Attorney General	-	-
14	Office of the Director of Public Prosecutions	-	-
15	Valuation Office	-	-
16	Civil Service Commission	-	185
17	Office of the Ombudsman	-	-
18	Chief State Solicitor's Office	-	-
19	Office of the Minister for Justice, Equality & Law Reform	4,900	6,097
20	Garda Síochána	13,570	22,860
21	Prisons	22,600	21,982
22	Courts	18,000	14,261
23	Land Registry & Registry of Deeds	-	-
24	Charitable Donations and Bequests	-	-
25	Environment and Local Government	1,311,130	996,668
26	Office of the Minister for Education and Science	79,448	76,000
27	First-Level Education	83,675	62,933
28	Second-Level and Further Education	121,585	92,600
29	Third-Level and Further Education	123,025	54,897
30	Marine and Natural Resources	75,084	59,350
31	Agriculture and Food	91,000	73,000
32	Public Enterprise	220,338	218,327
33	Health and Children	231,500	170,000
34	Enterprise, Trade and Employment	211,049	215,633
35	Tourism, Sport and Recreation	29,207	20,000
36	Defence	21,097	15,204
37	Army Pensions	-	-
38	Foreign Affairs	3,994	3,440
39	International Co-operation	-	-
40	Social, Community and Family Affairs	-	6,500
41	An Chomhairle Ealaíon	4,000	3,500
42	Ealaíon, Oidreachta, Gaeltachta agus Oileán	91,788	76,981
43	National Gallery	654	263
44	Flood Relief	1,403	2
45	Year 2000 Expenditure	-	11,686
<b>Total Exchequer Payments towards Voted Expenditure</b>		<b>3,050,760</b>	<b>2,381,914</b>

*Note:*

(a) *The figures shown are the amounts issued to fund capital expenditure on each Vote. Details of actual expenditure are contained in the Estimates for Public Expenditure and in the Appropriation Accounts.*

## STATEMENT 1.8

### Capital: Loan Transactions

Body/Fund	Outstanding at 31 December 1999	Loans issued 2000	Loans repaid 2000	Outstanding at 31 December 2000
	£000	£000	£000	£000
Aer Lingus Shannon Ltd (formerly Aerlínte Éireann Teoranta)	5,000	-	-	<b>5,000</b>
Bord Iascaigh Mhara	4,975	-	1,199	<b>3,776</b>
Bula Ltd (in receivership) (a)	956	-	-	<b>956</b>
Córas Iompar Éireann	9,853	-	-	<b>9,853</b>
Department of Agriculture, Food & Rural Development				
- FEOGA (Guarantee)	27,000	50,000	47,000	<b>30,000</b>
Department of Marine & Natural Resources:				
- FEOGA (Guarantee)	14,302	33,844	37,593	<b>10,553</b>
Insurance Compensation Fund	132,000	-	100,000	<b>32,000</b>
Local Loans Fund	158,357	-	17,513	<b>140,844</b>
Shannon Free Airport Development Co Ltd	9,467	-	235	<b>9,232</b>
<b>Total</b>	<b>361,910</b>	<b>83,844</b>	<b>203,540</b>	<b>242,214</b>

*Notes:*

*(a) Four loans, totalling £956,297, were advanced between 1983 and 1986 to Bula Ltd. Interest due to 31 December, 2000 was £19,845,824 i.e. pari passu with loans made to the Company via Bula Holdings Ltd by the private shareholders of Bula Ltd.*

## STATEMENT 1.9 (A)

### Capital: Share Capital acquired in State-sponsored Bodies

Body	Shareholding:	Shares	Shares	Shareholding:	State's	Accounts
	31 December 1999 (a) £000	acquired 2000 (b) £000	disposed 2000 £000	31 December 2000 £000	Net Assets £000	period ending
ACC Bank plc	49,948	-	-	49,948	132,375	31/12/00
Aer Rianta Teoranta	146,722	-	-	146,722	279,813	31/12/00
Aer Lingus Group plc (c)	243,614	-	3,786	239,828	272,476	31/12/00
An Post	44,433	-	-	44,433	207,592	31/12/00
Arramarra Teoranta (d)	39	-	-	39	317	31/12/00
Eircom	12,038	-	10,383	1,655	-	31/03/01
Bord na Móna plc	61,952	-	-	61,952	85,946	28/03/01
Coillte Teoranta	631,000	-	-	631,000	823,957	31/12/00
Housing Finance Agency plc	30	-	-	30	23,054	31/12/00
ICC Bank plc	36,949	-	-	36,949	168,877	31/10/00
Irish Aviation Authority	17,858	-	-	17,858	38,619	31/12/00
Irish National Stud Co Ltd	8,975	1,000	-	9,975	10,158	31/12/00
Kilkenny Design Workshops Ltd (in receivership)	1,000	-	-	1,000	-	31/12/00
Nitrigin Éireann Teoranta	100,000	-	-	100,000	(149,554)	30/09/00
Shannon Free Airport Development Co Ltd	142,690	1,666	-	144,356	140,933	31/12/00
Temple Bar Properties Limited	0.002	-	-	0.002	45,888	31/12/00
Irish National Petroleum Corporation	0.002	-	-	0.002	67,157	31/12/00
National Building Agency Ltd	0.1	-	-	0.1	6,680	31/12/00
Drogheda Port Company	4,309	-	-	4,309	9,166	31/12/00
Dublin Port Company	6,023	-	-	6,023	44,617	31/12/00
Dun Laoghaire Harbour Company	8,632	3,000	-	11,632	18,798	31/12/00
Foynes Port Company (e)	10,602	-	10,602	-	-	17/09/00
Galway Harbour Company	6,974	-	-	6,974	7,405	31/12/00
New Ross Port Company	3,721	-	-	3,721	4,304	31/12/00
Port of Cork Company	13,543	-	-	13,543	28,694	31/12/00
Port of Waterford Company	0.003	4,688	-	4,688	3,794	31/12/00
Shannon Estuary Ports Company (e)	0.003	-	0.003	-	-	17/09/00
Shannon Foynes Port Company (e)	-	1,000.003	-	1,000.003	14,851	31/12/00

*Notes:*

- (a) The shareholdings in all cases consist of £1 shares (fully paid), with the exception of Eircom where the above figures represent the IR£ equivalent of euro 0.25 shares.
- (b) The acquisition of shares in Irish National Stud Co Ltd (£1m), Shannon Free Airport Development Co. Ltd (£1.666m), Dun Laoghaire Harbour Company (£3m), Port of Waterford Company (£2.563m) and Shannon Foynes Port Company (£1m) were charged directly to the Central Fund. The remaining (£2.125m) in respect of Port of Waterford Company were issued as consideration for the net assets of the company at vesting day (11/01/99). While (£1m) was issued in 2000, the shares in Shannon Foynes Port Company were not acquired until 2001.
- (c) The State has a 96% shareholding in this company.
- (d) The net assets figure relates to the State's shareholding of 50.6% of this company.
- (e) Shannon Foynes Port Company was formed on 18 September, 2000. It is an amalgamation of Foynes Port and Shannon Estuary Ports Company.

## STATEMENT 1.9 (B)

### Capital: Investments in International Bodies under International Agreements

<b>Body</b>	Shareholding at 31 December 1999(a) £000	Cost of shares acquired 2000(a) £000	Shareholding at 31 December 2000 £000
Payments under Bretton Woods Agreement Acts, 1957-1999	21,270	-	21,270
Payments under International Finance Corporation Act, 1958	737	-	737
European Bank for Reconstruction and Development (b)	7,837	505	8,342
European Coal and Steel Community	32	-	32
European Investment Bank (c)	23,282	-	23,282
International Common Fund for Commodities	227	-	227
Multilateral Investment Guarantee Agency (d)	283	250	533

*Notes:*

(a) The shareholdings are valued at the Irish pound equivalent at exchange rates pertaining to the time of acquisition.

(b) Ireland contributed £505,025 in 2000 to a capital increase of the EBRD.

(c) These figures do not represent the current value of paid in capital. The current value of Ireland's paid in capital (including value of EIB shares allocated from EIB reserves) amounted to £29.3 million at end-2000.

(d) On 23 October 2000, Ireland contributed US\$268,317 to the 1998 capital increase of MIGA.

## STATEMENT 1.9 (C)

### Capital Investments - Shares of Sundry Undertakings

<b>Body</b>	Shareholding at 31 December 1999 £000	Shareholding at 31 December 2000 £000
Bula Ltd (in receivership):		
"A" £1 Shares (Fully Paid)	240	240
"D" £1 Shares (Fully Paid)	250	250
Fastnet Mussels Ltd	15	15
Kush Seafarms Ltd	15	15
Bantry Bay Seafoods Ltd (formerly Bantry Bay Mussels Ltd)	65	65

*Note:*

The shareholding of the Minister for Finance in the National Theatre Society Ltd. is less than £1,000.

## STATEMENT 1.10

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### Capital: Receipts from the European Union

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	<b>2000</b>	1999
	<b>£000</b>	£000
European Regional Development Fund	<b>187,983</b>	206,916
Cohesion Fund	<b>109,751</b>	218,157
Turkish Aid Protocol (a)	<u>26</u>	<u>26</u>
<b>Total</b>	<b>297,760</b>	425,099

*Note:*

*(a) Ireland's share of repayments of EU loans to Turkey under the Association Agreement with that country.*

## STATEMENT 1.11

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### Capital Payments to the European Union

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	<b>2000</b>	1999
	<b>£000</b>	£000
Reimbursement of ERDF overpayments	<u>619</u>	<u>190</u>
<b>Total</b>	<b>619</b>	190

## STATEMENT 1.12

### Capital: Other Receipts

	2000 £000	1999 £000
Sale of Telecom Éireann:		
Telecom Éireann (Employee Share Ownership Trust)	30,000	-
Telecom Éireann (Employee Share Ownership Programme)	-	160,000
Telecom Éireann (Public Share Offer)	3,000	3,317,389
Telecom Éireann (Comsource - Strategic Alliance)	1,138,112	200,000
	1,171,112	3,677,389
Sale of State property	696	933
Sale of the Chester Beatty Library premises	6,000	-
Receipt from IDA Ireland of surplus sales receipts	6,000	-
Receipt from IDA Ireland of surplus grant receipts	1,750	-
Receipt from IDA Ireland of an excess of its annual grant refunds target	1,110	5,750
Proceeds from transfer of assets to Aer Rianta by Minister for Public Enterprise	-	13,905
Proceeds from transfer of assets from Dept of Public Enterprise to the Office of the Director of Telecommunications Regulation	-	94
Refund of capital expenditure from Dublin Docklands Authority	-	11,052
Receipt from Enterprise Ireland of an excess of its annual grant refunds target	6,797	-
Receipt from Enterprise Ireland of income from the sale of assets	78,638	-
Receipt from Enterprise Ireland of excess own resources income	-	1,207
Receipt from Fingal County Council in respect of the One-Stop Shop initiative	200	-
Receipt from ICC Bank plc in respect of the purchase of the Foir Teo portfolio	59	-
Receipt from the sale of Forfas shareholding in IDI Limited	84	-
Receipts under the following Acts:		
Foir Teoranta (Dissolution) Act, 1990 (a)	609	818
Insurance Acts, 1953-1988	9	585
ACP-EEC Convention of Lomé Act, 1976 and Finance Acts, 1978 and 1990 (b)	-	504
International Development Association Acts 1960-1997	13	6
Total	1,273,077	3,712,243

#### Notes:

- (a) Relates to income arising from the debt portfolio of Foir Teoranta which was transferred to ICC Bank plc under the provisions of the Foir Teoranta (Dissolution) Act 1990.
- (b) Refund of Guarantee payments by Ireland to EIB in respect of Third World countries which defaulted on guaranteed loans.

## STATEMENT 1.13

### Capital: Other Payments

	2000 £000	1999 £000
Funding of Superannuation Liabilities:		
Temporary Holding Fund Superannuation Liability Act 1999	1,850,000	3,015,008
Postal & Telecommunications Services Act, 1983	-	1,250,000
Forestry Act, 1988 Section 44	145,000	-
Irish Aviation Authority Act 1993	-	39,656
	1,995,000	
Payments under other Acts:		
Insurance Acts, 1953 - 1988	152	26
Finance Acts, 1978 and 1990 (a)	120	123
Securitisation (Proceeds of Certain Mortgages) Act, 1995	289	619
Total	1,995,561	4,305,432

#### Note:

- (a) Guarantee payments by Ireland to EIB in respect of Third World countries defaulting on guaranteed loans.

## STATEMENT 1.14

### Guaranteed Liabilities

At 31 December 2000, the Government had guaranteed the due payment of obligations in respect of liabilities of which the principal or capital value outstanding was £2,679 million. The individual amounts represent capital raised and commitments entered into in accordance with relevant statutes.

	<b>Amount Outstanding at 31 December 2000</b>		<b>Amount Outstanding at 31 December 2000</b>
Nature of Liability	£000	Nature of Liability	£000
<b>ACC Bank plc</b>	489,463	<b>Insurance Acts, 1953-1988</b>	5,534
<b>Aer Lingus Teoranta</b>	7,835	<b>Irish Intervention Agency</b>	46,447
<b>Aer Rianta</b>	10,052	<b>Irish Ispat Ltd</b>	8,984
<b>Bord Gáis Éireann</b>	73,463	<b>Irish Telecommunications Investments plc</b>	93,195
<b>Bord na Móna</b>	16,000	<b>National Building Agency Ltd</b>	317
<b>Córas Iompair Éireann</b>	136,764	<b>Nítrigin Éireann Teoranta</b>	188,700
<b>Cork Opera House Co Ltd</b>	19	<b>Securitisation (Proceeds of Certain Mortgages) Act, 1995</b>	35,045
<b>Dun Laoghaire Harbour Company</b>	5,009	<b>Temple Bar Properties Ltd</b>	5,000
<b>Electricity Supply Board</b>	113,751	<b>Port of Waterford Co</b>	7,030
<b>Housing Finance Agency plc</b>	979,252	<b>ACP-EEC Convention of Lomé (contracts of Guarantee between State and European Investment Bank) Act, 1976.</b>	7,127
<b>ICC Bank plc</b>	450,000		
		<b>Total</b>	<u><u>2,678,987</u></u>

## SCHEDULE 1

### Annuities, Pensions, etc.

To whom payable	£	£
Mrs. Rita Childers, widow of the late Erskine H. Childers	31,996	
Dr. Patrick J. Hillery, former President of Ireland	63,992	
Mrs. Mary Robinson, former President of Ireland	63,992	159,980

**Pensions, retirement lump sums and death gratuities relating to judicial services :-** 2,622,595

### Pensions for former Ministers and other office holders:-

To whom payable			
Sylvester Barrett	16,140	Nuala Fennell	7,907
Sean Barrett	12,801	Garrett FitzGerald	43,060
Peter Barry	27,113	Gene Fitzgerald	16,989
Richard Barry	5,338	Tom Fitzpatrick	23,875
Michael Begley	8,737	Pádraig Flynn	21,689
George Bermingham	7,907	Denis Gallagher	15,389
John Boland	11,821	Máire Geoghegan-Quinn	20,352
Vincent Brady	9,271	Charles J. Haughey	45,930
Niamh Breathnach	15,917	A. J. Hederman	15,360
John Bruton	31,669	Paddy Hegarty	7,912
Raphael Burke	24,470	Michael D. Higgins	8,468
Richard Burke	14,803	Dr. Patrick J. Hillery	18,601
Seán Calleary	10,593	Tras Honan	10,505
Mark Clinton	16,055	Gemma Hussey	15,896
Edward Collins	8,184	Thomas Hussey	7,617
Gerard Collins	23,875	Liam Kavanagh	17,084
Paul Connaughton	7,907	Justin Keating	16,055
Ger Connolly	11,215	Seamus Kirk	8,730
Patrick Cooney	23,875	Patrick J. Lalor	23,217
Declan Costello	15,784	Terry Leyden	9,540
Donal Creed	7,507	Jack Lynch	202
Conor Cruise O' Brien	16,055	Denis Lyons	8,730
Brendan Daly	19,636	Liam Mac Cosgair	34,448
Michael D' Arcy	7,507	Seán G. Mac Gearailt	46,030
Austin Deasy	15,896	Charles McDonald	5,165
Barry Desmond	16,347	P. L. Mc Donnell	48,605
Seán Doherty	9,338	Ray McSharry	17,519
Patrick S. Donegan	15,553	Jim Mitchell	17,371
John F. Donnellan	7,907	Michael Moynihan	7,748
Alan Dukes	17,374	Michael Pat Murphy	4,700
Jackie Fahy	8,067	John L. Murray	17,254
Pádraig Faulkner	23,875	Ted Nealon	8,732



## SCHEDULE 1

### Annuities, Pensions, etc. - continued.

#### To whom payable

Michael J. Noonan	19,069	Ruairí Quinn	14,548
Michael Noonan	13,800	Albert Reynolds	45,310
Caoimhghin Ó Beoláin	23,875	Patrick J. Reynolds	7,636
Fergus O' Brien	8,732	John Ryan	7,753
Tom O' Donnell	16,055	Richie Ryan	16,055
Martin O' Donoghue	13,301	Dick Spring	18,564
Jim O' Keeffe	8,732	Emmet Stagg	3,792
Michael O' Kennedy	15,684	Mervyn Taylor	16,936
Michael O' Leary	19,895	Pat the Cope Gallagher	9,800
Desmond O' Malley	23,875	Sean Treacy	31,834
Brian O' Shea	3,792	Jim Tunney	14,299
Toddy O' Sullivan	6,504	Harry Whelehan	13,614
Paddy O' Toole	17,371	John Wilson	32,771
		Total	1,462,814

#### Pensions for widows and children of former Ministers and other office holders:-

Total 193,020

#### Severance payments for former Ministers and other office holders:-

David Andrews	30,361		
Chris Flood	13,612		
		Total	43,973
		Total	4,482,382

#### Notes:

"Other office holders" relates to those who held office as : Parliamentary Secretary, Minister of State, Attorney General, Ceann Comhairle, Leas-Ceann Comhairle, Cathaoirleach of the Senate or Leas-Cathaoirleach of the Senate or Comptroller and Auditor General.

Severance payments are payable to Ministers, Ministers of State and Attorneys General; when they cease to hold office; the initial allowance is 75% of the Ministerial salary, declining to zero over a period of at most 2 years

Deductions from lump sums to Judges relating to Spouses' and Children's contributions are payable to the Superannuation Vote.

## SCHEDULE 1

### Salaries and Allowances

To whom payable

	£	£
<b>President of Ireland</b>		
Mary McAleese		378,665
<b>Allowances for Expenses to Leaders of Government and Opposition Parties</b>		
Fianna Fáil	644,645	
Fine Gael	800,003	
Labour	356,722	
Progressive Democrats	79,947	
Green Party	59,960	
Sinn Féin	29,980	
Socialist Party	29,980	2,001,237
<b>Allowances for Expenses to Independents</b>		78,310
<b>Payments to Political Parties under Electoral Act, 1997</b>		1,041,328
<b>Payments under Electoral Act, 1997</b>		
Expenses of candidates for Dáil elections	42,193	
Expenses of candidates for European elections	30,000	72,193
<b>Comptroller and Auditor General:</b>		
John Purcell		97,210
<b>Compensation for loss of right to free copies of books</b>		
Kings Inns Library	867	
Marsh's Library	30	897
<b>Sundry Allowances</b>		
Lord Mayor and Citizens of Dublin		715
<b>Total</b>		3,670,555

Note:

*The total shown above for Salaries and Allowances differs from the figure in Statement 1.4 for the actual charge on the Central Fund in 2000, because of the normal lag in the payover of deductions.*

## SCHEDULE 1

### Judiciary

To whom payable

	£	£
<b>Supreme Court</b>		
Chief Justice	125,555	
7 Judges (4 appointments, 3 retirements)	<u>649,378</u>	774,933
<b>High Court</b>		
President	105,325	
25 Judges (4 appointments, 2 to SC, 1 retirement)	<u>2,261,511</u>	2,366,836
<b>Circuit Court</b>		
President	93,348	
26 Judges (1 appointment)	<u>1,902,961</u>	1,996,309
<b>District Court</b>		
President	73,460	
49 Judges (2 appointments, 1 death)	<u>2,930,704</u>	<u>3,004,164</u>
<b>Total</b>		<u><u>8,142,242</u></u>

Note :

*The total shown above for Courts of Justice differs from the figure in Statement 1.4 by £28,000. This difference arises because of payments of Tax/PRSI and deductions totalling £264,526 for 2000 not made from the Central Fund until 2001, less £222,535 due to the Central Fund in 1999 received in 2000 and £13,819 receipts / refunds received in 2000.*



## **PART TWO**

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Financial Statements of the National Debt of Ireland for the year ended  
31 December 2000

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# NATIONAL DEBT OF IRELAND

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## ACCOUNTING POLICIES

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### Background

The National Treasury Management Agency (NTMA) was established under the National Treasury Management Agency Act, 1990 to perform the borrowing and National Debt Management function on behalf of the Minister for Finance and other such functions as the Government may delegate to it.

The financial statements set out on pages 32 to 42 are for the National Debt of Ireland. The form of the statements has been approved by the Minister for Finance under Section 12 of the National Treasury Management Agency Act, 1990.

### Basis of Accounting

The measurement base adopted is that of historical cost except where otherwise stated. Transactions are recognised using the cash basis of accounting.

The National Debt Statement is a statement of the total amounts of principal borrowed by Ireland not repaid at the end of the year, less liquid assets available for redemption of those liabilities at the same date. The Minister for Finance under various statutes also guarantees borrowings by State and other agencies. These guarantees are not included in these financial statements.

### Reporting Period

The reporting period is for the year ended 31 December 2000.

### Reporting Currency

The reporting currency is the Irish Pound which is denominated by the symbol IR£.

### Receipts and Payments

Receipts and payments relating to the National Debt through the Exchequer Account, Foreign Currency Clearing Accounts and the Capital Services Redemption Account (CSRA) are recorded at the time the money is received or payment made.

### Liability Valuation

Debt balances are recorded at redeemable par value.

### Derivatives

Swap agreements and other financial instruments are entered into for hedging purposes as part of the process of managing the National Debt. The results of those hedging activities linked with specific borrowing transactions are recognised in accordance with the underlying transactions. The net fund flows arising on hedging activities not linked with specific borrowing transactions are included in debt service costs at the time the funds are received or payment made. Where swaps are terminated and converted into other swap instruments the fund flows impact upon debt service in accordance with the terms of the revised instrument.

### Foreign Currencies

Receipts and payments in foreign currencies are translated into Irish pounds at the rates of exchange prevailing at the date of the transaction. Liabilities and assets in foreign currencies are translated into Irish Pounds at the rates of exchange ruling at the year end dates.

**STATEMENT 2.1****NATIONAL DEBT OF IRELAND****SERVICE OF DEBT STATEMENT**

Year ended 31 December 2000

		<b>2000</b>	1999
		<b>Total Cost</b>	Total Cost
	<b>Notes</b>	<b>IR£'000</b>	IR£'000
Interest paid			
Medium / Long Term Debt*	2	1,182,438	1,513,735
Short Term Debt**	3	139,863	73,332
National Savings Schemes	4, 9	346,678	355,928
Other Movements	5	75,210	(11,428)
Sinking Fund payments	6	378,374	329,375
Fees and Expenses	7	13,912	18,018
Expenses of NTMA		6,071	6,197
Interest received on deposits with Central Bank and other banks		(114,516)	(79,927)
Total Service Cost IR£	1	2,028,030	2,205,230
Total Service Cost EUR		2,575,067	2,800,065

\* Medium / Long Term Debt is Debt with an original maturity of more than one year

\*\* Short Term Debt is Debt with an original maturity of not more than one year

The notes on pages 36 to 42 form part of these accounts.



## STATEMENT 2.2

## NATIONAL DEBT OF IRELAND

## NATIONAL DEBT STATEMENT

31 December 2000

	Notes	2000 IR£million	1999 IR£million
<b>Medium / Long Term Debt *</b>			
Irish Government Bonds listed on			
The Irish Stock Exchange		17,156	18,609
Other Irish Government Public Bond Issues		2,173	2,859
Private Placements		1,674	2,044
European Investment Bank Loans		426	515
Medium Term Notes		829	869
Miscellaneous Debt		(272)	(324)
Borrowings from Central Bank			132
	8	21,986	24,704
<b>Short Term Debt **</b>			
Commercial Paper		2,114	2,108
Borrowings from Funds under the control of the Minister for Finance	16	2,974	2,427
		5,088	4,535
<b>National Savings Schemes</b>			
Savings Certificates		2,131	2,267
Savings Bonds		916	1,014
National Instalment Savings		359	364
Savings Stamps		2	1
Prize Bonds		234	212
	9	3,642	3,858
		30,716	33,097
Less Liquid Assets	10	(1,961)	(1,713)
<b>National Debt IR£</b>	12	28,755	31,384
<b>National Debt EUR</b>		36,511	39,849

\* Medium / Long Term Debt is Debt with an original maturity of more than one year

\*\* Short Term Debt is Debt with an original maturity of not more than one year

The notes on pages 36 to 42 form part of these accounts.

**STATEMENT 2.3**
**NATIONAL DEBT OF IRELAND**
**NATIONAL DEBT CASH FLOW STATEMENT**
**Year ended 31 December 2000**

	<b>2000</b>		<b>1999</b>	
	<b>IR£'000</b>		<b>IR£'000</b>	
<b>Movement in Exchequer balances:</b>				
Opening Balance in Exchequer Account (note 10)		1,255,059		1,316,117
Commercial Deposits (note 10)		(196,891)		-
Borrowing Activity (see below)		<u>(2,431,353)</u>		<u>(1,251,812)</u>
		(1,373,185)		64,305
Exchequer Surplus /(Deficit)		2,502,450		1,190,754
Closing Balance in Exchequer Account (note 10)		1,129,265		1,255,059
			<b>2000</b>	<b>1999</b>
	<b>Receipts</b>	<b>Payments</b>	<b>Net</b>	<b>Net</b>
	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>
<b>Borrowing Activity</b>				
Irish Government Bonds listed on				
The Irish Stock Exchange	1,502,325	(3,061,438)	(1,559,113)	(331,493)
Other Irish Government Public Bond Issues	-	(720,608)	(720,608)	(761,471)
Private Placements	-	(366,239)	(366,239)	(398,170)
European Investment Bank Loans	-	(104,325)	(104,325)	(101,886)
Medium Term Notes	-	(20,760)	(20,760)	(88,467)
Miscellaneous Debt	5,609,307	(5,541,176)	68,131	(26,022)
Borrowing from the Central Bank	-	(131,693)	(131,693)	-
Commercial Paper	40,631,495	(40,559,023)	72,472	140,531
Savings Certificates	169,822	(305,725)	(135,902)	(24,677)
Savings Bonds	194,780	(292,697)	(97,917)	(133,007)
National Instalment Savings	47,574	(52,319)	(4,745)	7,387
Prize Bonds	54,615	(33,203)	21,412	33,868
Borrowings from Ministerial Funds	18,997,499	(18,449,564)	547,935	431,595
Total Borrowing Activity IR£	<u>67,207,417</u>	<u>(69,638,770)</u>	<u>(2,431,352)</u>	<u>(1,251,812)</u>
Total Borrowing Activity EUR	85,335,817	(88,422,998)	(3,087,180)	(1,589,473)
Commercial Deposit Activity	16,404,015	(16,600,906)	(196,891)	
<b>Total Activity</b>			<b>2000</b>	<b>1999</b>
	<b>Receipts</b>	<b>Payments</b>	<b>Net</b>	<b>Net</b>
	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>	<b>IR£'000</b>
Exchequer Account	74,028,241	(76,361,442)	(2,333,201)	(1,380,156)
Foreign Currency Clearing Accounts (Note 14)	<u>9,583,191</u>	<u>(9,878,234)</u>	<u>(295,043)</u>	<u>128,344</u>
	83,611,432	(86,239,676)	(2,628,244)	(1,251,812)

The notes on pages 36 to 42 form part of these accounts.

**STATEMENT 2.4****NATIONAL DEBT OF IRELAND****STATEMENT of MOVEMENT in NATIONAL DEBT****Year ended 31 December 2000**

	<b>2000</b>	1999
	<b>IR£'000</b>	IR£'000
Opening National Debt	31,383,909	29,540,674
Increase / (Decrease) in National Debt (nominal)	(2,628,906)	1,843,235
<b>Represented by:</b>		
Exchequer (Surplus)/Deficit (Note 15)	(2,502,449)	(1,190,754)
Effect of Foreign Exchange Rate Movements	(63,655)	141,243
Bond Tranching: net excess of proceeds over nominal liability	238,456	184,039
Bond Cancellations: net excess of cancellation cost over nominal liability	(124,593)	2,641,173
Movement in CSRA current balance (Note 10)	(176,640)	(307,438)
FEOGA Borrowings (Note 15)	-	375,000
Other nominal movements	(25)	(28)
	(2,628,906)	1,843,235
Closing National Debt IR£	28,755,003	31,383,909
Closing National Debt EUR	36,511,322	39,849,344

The notes on pages 36 to 42 form part of these accounts.

## NATIONAL DEBT OF IRELAND

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 Total Service Cost

		Charged on Foreign Currency Notes Clearing Account IR£'000	Charged on Central Fund IR£'000	Charged on CSRA IR£'000	Total Service Cost 2000 IR£'000
Interest paid					
Medium / Long Term Debt	2	81,183	135,064	966,191	1,182,438
Short Term Debt	3	57,772	70,393	11,698	139,863
National Savings Schemes	4	-	115,773	230,905	346,678
Other Movements	5	(435,457)	699,312	(188,645)	75,210
Sinking Fund payments	6	-	336	378,038	378,374
Fees and Expenses	7	1,508	12,113	291	13,912
Expenses of NTMA		-	6,071	-	6,071
Interest received on deposits with Central Bank and other banks		(49)	-	(114,467)	(114,516)
		(295,043)	1,039,062	1,284,011	2,028,030
Inter Account movement		-	1,460,649	(1,460,649)	-
Net cash paid		(295,043)	2,499,711	(176,638)	2,028,030

The total charged on the Foreign Currency Clearing Account and on Central Fund, £2,204,668,000 represents the charge on the Exchequer for the Service of National Debt, corresponding with these entries on the Exchequer Account (page 7) :

Sinking Fund	£378,375,000
Other Service of National Debt	£1,826,293,000

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**NATIONAL DEBT OF IRELAND**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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<b>2 Interest on Medium / Long Term Debt</b>	Total Cost 2000 IR£'000	Total Cost 1999 IR£'000
Irish Government Bonds listed on		
The Irish Stock Exchange	795,264	1,024,792
Other Irish Government Public Bond Issues	171,406	206,484
Private Placements	118,550	140,499
European Investment Bank Loans	37,494	41,651
Medium Term Notes	39,871	39,340
Miscellaneous Debt	19,443	60,240
Borrowings from Central Bank	410	729
	<hr/> 1,182,438	<hr/> 1,513,735
	<hr/> <hr/>	<hr/> <hr/>
<b>3 Interest on Short Term Debt</b>	Total Cost 2000 IR£'000	Total Cost 1999 IR£'000
Commercial Paper	123,994	65,899
Borrowings from Funds under the control of the Minister for Finance	15,869	7,433
	<hr/> 139,863	<hr/> 73,332
	<hr/> <hr/>	<hr/> <hr/>
<b>4 Interest on National Savings Schemes</b>	Total Cost 2000 IR£'000	Total Cost 1999 IR£'000
Savings Certificates	148,549	87,635
Savings Bonds	128,339	75,576
National Instalments Savings	34,632	26,136
Prizes in respect of Prize Bonds	5,961	5,323
Small Savings Reserve (Note 9)	29,197	161,258
	<hr/> 346,678	<hr/> 355,928
	<hr/> <hr/>	<hr/> <hr/>

## NATIONAL DEBT OF IRELAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 5 Other Movements

The NTMA, as part of its remit, engages in a range of debt management transactions including derivatives (See Note 11). This figure reflects the net cashflows associated with these activities.

#### 6 Sinking Fund Payments

Under Finance Act 1950 and under the prospectus covering the issue of certain loans specified amounts were provided for the redemption of debt. The sums provided and applied in 2000 were as follows:

	IR£'000
Central Fund (6.5% Exchequer Stock, 2000 - 05)	336
Capital Services Redemption Account (Note 13)	378,038
	378,374

#### 7 Fees and Expenses

	Total Cost 2000 IR£'000	Total Cost 1999 IR£'000
Expenses of Irish Pound Borrowings	-	3,394
Expenses of Savings Certificates	3,335	3,631
Expenses of Prize Bonds	3,838	3,764
Expenses of Savings Bonds	1,824	2,101
Expenses of National Instalment Savings	1,883	1,798
Expenses of Savings Stamps	843	843
Expenses of Foreign Loans	2,189	2,487
	13,912	18,018

#### 8 Medium / Long Term Debt

The maturity profile of the Medium / Long Term Debt, taking into account the treasury management transactions entered into by the Agency, is as follows:-

	As at 31 December 2000 IR£millions	As at 31 December 1999 IR£millions
Debt due for repayment within 1 year	2,719	3,231
Debt due for repayment between 2 and 5 years	10,582	9,018
Debt due for repayment in more than 5 years	8,685	12,455
	21,986	24,704

## NATIONAL DEBT OF IRELAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 9 National Savings Schemes

Amounts shown in respect of Savings Certificates, National Instalment Savings, Savings Bonds and Prize Bonds are net of IR£1.4 million (1999 : IR£ 4.6 million) being cash balances held by An Post, TSB Bank and the Prize Bond Company. An Post and the Prize Bond Company acts as the registrar for the respective schemes.

As these financial statements are prepared on a cash basis the liabilities do not include the sum of IR£ 1,873 million (1999 : IR£1,883 million), being the estimate of the amount of accrued interest at 31 December 2000 in respect of Savings Bonds, Savings Certificates and National Instalment Savings.

Section 160 of the Finance Act 1994 provided for the establishment of a fund to be known as the Small Savings Reserve Fund. It provided for IR£ 60 million to be paid into the fund in 1994 and in each year thereafter for such sums, if any, as the Minister for Finance may decide. The Minister paid in IR£29m in 2000. Where in any calendar year interest payment on encashments of small savings exceed 11 per cent of total interest accrued on such savings at the end of the immediately preceding calendar year, the resources of the fund may be applied towards meeting so much of those interest payments which, as a percentage of the said total interest accrued, exceed 11 per cent. The actual interest cost for 2000 was 16.85% of the interest accrued at the 31 December, 1999 of IR£1,883m. However, it was decided that no monies would be drawn down in 2000 from the fund to meet the excess over 11%.

	IR£ millions
Estimated accrued interest at 31 December 2000	1,873
Small Savings Reserve Fund	
Balance at 1 January 2000	(853)
Amount provided during 2000	(29)
Balance at 31 December 2000	(882)
Estimated accrued interest not provided for at 31 December 2000	991

The balance in the Fund is transferred to the Exchequer as part of the borrowings from funds under the control of the Minister for Finance.

#### 10 Liquid Assets

	Opening balance at 1 January 2000 IR£'000	Movements during 2000 IR£'000	Closing balance at 31 December 2000 IR£'000
Exchequer Account	1,255,059	(125,795)	1,129,264
Capital Services Redemption Account			
Current Balance (Note 13)	458,333	176,640	634,973
Commercial Deposits*	-	196,891	196,891
	<u>1,713,392</u>	<u>247,736</u>	<u>1,961,128</u>

\* These deposits were placed in compliance with ECB guidelines on liquidity management of Governmental balances held at the Central Bank.

## NATIONAL DEBT OF IRELAND

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 11 Derivatives

The Agency's responsibility for both the issuance of new debt and the repayment of maturing debt, together with the management of the interest rate and currency profile of the total debt portfolio, makes the management of risk a central and critical element of the Agency's business. The principal categories of risk arising from the Agency's activities are liquidity risk, market risk, counterparty credit risk and operational risk. In all of these areas the Agency has comprehensive policies and procedures to measure and control the risk involved.

A major requirement of the Agency is to ensure that future funding needs can readily be met at all times. Ultimately the protection of liquidity is the Agency's most critical task. Risks to the liquidity of the National Debt can arise either from domestic events or, given the high level of linkage between markets, from events outside Ireland. The Agency manages this risk primarily by controlling the amount of liabilities maturing in any particular period of time. This is reinforced by the Agency's activities in continuing to develop a well informed and diversified international investor base, through maintaining its presence in all major capital markets and by extending the range of debt instruments which it issues.

Market risk is the risk of a rise in debt service costs and in the total market value of the debt due to changes in market interest or exchange rates. The Agency has to have regard to both medium and short term objectives given its task of controlling not only near term fiscal debt service costs but also the present value of all future payments of principal and interest. Fixed interest rate borrowings are subject to a market valuation risk in the event of a decline in interest rates. While carrying less market valuation risk than fixed rate debt, floating rate borrowings carry a higher risk to the near term fiscal cost of servicing the debt. The balance between fixed and floating rate liabilities has to be managed for both the domestic and foreign currency portfolios. The exposure to interest rate and currency risk is controlled through limiting the currency and interest rate concentration of the portfolio. Specific quantitative limits are in place to control market risk; exposures against these limits are reported regularly both to portfolio managers and to senior management. The Agency seeks to achieve the best trade-off between cost and risk over time. As conditions in financial markets change the appropriate interest rate and currency profile of the portfolio is reassessed.

Counterparty credit risk exposures arise from derivatives, deposits and foreign exchange transactions. The level of credit risk is minimised by dealing only with counterparties of high credit standing. Procedures provide for the approval of risk limits for all counterparties and exposures are reported daily to management. A review of all limits is undertaken periodically to take account of changes in the credit standing of counterparties or in economic and political events.

Comprehensive controls have been established to ensure that operational risks are managed in a prudent manner. These controls include the segregation of duties between dealing, processing, payments and reporting.

As part of its risk management strategy the Agency uses a combination of derivatives including interest rate swaps, currency swaps and foreign exchange contracts. The following table shows the nominal value of the instruments used and their present value.

	31 December 2000		31 December 1999	
	Nominal IR£millions	Present Value IR£millions	Nominal IR£millions	Present Value IR£millions
Interest Rate Swaps	2,638	15	3,063	33
Currency Swaps & Foreign Exchange Contracts	5,234	335	6,317	435
	<u>7,872</u>	<u>350</u>	<u>9,380</u>	<u>468</u>



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## NATIONAL DEBT OF IRELAND

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### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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The Present Value of an instrument is determined by using an appropriate rate of interest to discount all its future cashflows to their present value.

#### 12 National Debt

The currency composition of the National Debt, taking into account the treasury management transactions entered into by the Agency, is as follows:-

	As at 31 December 2000 IR£millions	As at 31 December 1999 IR£millions
Euro Basket Currencies *	27,096	29,401
Sterling	1,665	1,984
US Dollar	(5)	-
Swiss Franc	(1)	(1)
Japanese Yen	-	-
	<hr/> 28,755	<hr/> 31,384

\* This figure is net of liquid assets as at 31 December 2000 IR£1,961m(31 December 1999 IR£1,713m)

#### 13 Capital Services Redemption Account

This account is used to record;

- (a) payments of interest and principal out of an annual annuity designed to amortise borrowing for voted capital under section 22(7) of the Finance Act, 1950.
- (b) certain receipts and payments arising out of debt service and debt management transactions authorised by section 67(8) of the Finance Act, 1988 and section 54(7) of the Finance Act, 1970.

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**NATIONAL DEBT OF IRELAND**

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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<b>14 Foreign Currency Clearing Accounts</b>		IR£'000
Balance at 1 January 2000		(2)
Deposit interest received		43
Amounts received under Finance Act 1988 [S67 (8)]	13,053,673	
Amounts paid under Finance Act 1970 [S54 (7)]	<u>(12,618,216)</u>	435,457
Foreign Currency Borrowing receipts	9,583,191	
Foreign Currency Borrowing payments	<u>(9,878,234)</u>	(295,043)
Interest paid on Foreign Currency Borrowings (Note 1)		
- Medium/Long Term Debt	(81,177)	
- Short Term Debt	<u>(57,771)</u>	(138,948)
Expenses of Foreign Currency Borrowings (Note 1)		(1,507)
Balance at 31 December 2000		-

**15 Feoga Borrowings**

In implementation of the provisions of Section 213 of the Finance Act, 1999 the Minister for Agriculture, Food and Rural Development assigned IR£375 million of FEOGA borrowings to the Minister for Finance in 1999 which increased the National Debt by such an amount. The Minister for Finance delegated to the Agency the function of discharging the borrowings. The Agency discharged the borrowings during 1999.

**16 Borrowings from Funds under the control of the Minister for Finance**

These funds are short term borrowings of the Exchequer drawn down as a "wats and means" of funding Exchequer requirements from a number of funds under the control of the Minister for Finance

	As at 31 December 2000 IR£millions	As at 31 December 1999 IR£millions
Post Office Savings Bank Fund	402	332
Small Savings Reserve Fund	882	853
Ulysses Securitisation plc	165	153
Deposit Monies Investment Account	1,525	1089
	<u>2,974</u>	<u>2,427</u>



