

INFORMATION

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No 22

meeting date: 12 JUNE 2012
title: TREASURY MANAGEMENT ACTIVITIES 2011/12
submitted by: DIRECTOR OF RESOURCES
principal author: TRUDY HOLDERNESS

1 PURPOSE

1.1 To inform you of our 2011/2012 treasury management operations.

1.2 Relevance to the Council's ambitions and priorities:

- ❖ In accordance with the corporate strategy priority "to ensure a well-managed Council by maintaining critical financial management and controls" this reports provides members with information regarding the treasury management operation for 2011/12.

1.3 You have previously approved a treasury management policy in accordance with CIPFA's code of practice on treasury management for Local Authorities.

1.4 In accordance with this policy committee should receive an annual report on its treasury management operations.

2 BACKGROUND

2.1 Events in recent years have raised the profile of the treasury management function and highlighted the potential serious risks involved.

2.2 The Council borrows any money it requires to fund its capital spending plans from the Public Works Loan Board. They make funds available for long loan periods at interest rates just below market rates and lend to Government and Public bodies. The Council rarely borrows to fund its revenue activities.

2.3 On a daily basis we assess our cash flow position. To do this we estimate the funds we expect to receive e.g. council tax payments, grants, fees and shares, and deduct any known payments we expect to make e.g. precepts, creditors and salaries.

2.4 On most days the Council is in a position where it has surplus funds available to invest. How we invest these surplus funds is governed by the Council's Treasury Management policies and procedures agreed and reported to Policy and Finance Committee and Full Council.

The main points being:

- (i) The Council maintains a list of organisations it will lend its surplus funds to, which is regularly reviewed.
- (ii) The Council has maximum limits for each institution of £1.5m with the exception of the Debt Management Office (DMO), where investments are guaranteed by the Government. Our limit with the DMO is currently £5m.

- (iii) The safety of our investments is paramount and not the requirement to maximise returns.
- (iv) Our policy is to only lend to major British Banks and Building Societies on the assumption that the Government would be unlikely to allow a major British bank/building society to fail.

3 INFORMATION

- 3.1 Since 5 March 2009, bank base interest rates have remained at 0.50%.
- 3.2 This low interest rate has had no immediate effect on the interest payable on the Council's long-term loan debt from Public Works Loan Board, which is at fixed interest rates. However, interest received from the short-term investment of surplus funds has been dramatically affected by the low interest rate decreasing the Council's external investment interest.
- 3.3 As part of the Comprehensive Spending Review on 20 October 2010, the interest rate on PWLB loans was raised from 0.2 percent to 1 percent above UK Government gilts.
- 3.4 In the Chancellor's Budget on March 21 a reduction in the PWLB interest rate was revealed. The reduction was to be applicable for those councils that provide 'improved information and transparency' on 'borrowing and associated capital spending plans'. The rate would then be reduced by 20 basis points from the current rate of 1% above central government's own borrowing to 0.8% above gilts from 2012/13. The government has also raised the prospect of those councils deemed to be the most efficient being given access to even lower borrowing rates, however the details of these proposals are not yet known.
- 3.5 There is no immediate effect on this council from the above announcements, as all of our PWLB loans are on a fixed rate. However, this will impact on future decisions that the Council may make to borrow from the PWLB.

4 BORROWING REQUIREMENTS

- 4.1 The movements of the Council's external debt for the period can be summarised as follows:

	PWLB £000	Other £000	Total £000
External Debt at 1 April 2011	507	7	514
Transactions: New Loans	0	2,100	2,100
Repayments	-71	-2,100	-2,171
External debt at 31 March 2012	436	7	443

- 4.2 Early in this financial year the following temporary loan was taken out. This was due to a shortfall in cash balances between paying precepts to Lancashire County Council, Police and Fire Authorities and receiving council tax and NNDR direct debit income. No further temporary loans have been required since, although cash balances remain low.

Date Loan Taken	Investor	Amount £'000	Rate %	Date Repaid
21-Apr-2011	Wakefield MBC	2,100	0.45	03-May-2011

4.3 The total interest paid on the Council's external debt during the period was £23,302. Of this total £22,991 related to PWLB debt with the balance of £311 relating to the above temporary loan from Wakefield MBC. This compared to total interest paid of £26,537 in 2010/11.

5 INVESTMENTS

5.1 In accordance with the treasury management policy, surplus funds are temporarily invested via the money market at the best rate of interest available with the minimisation of risk to the capital sum.

5.2 The average interest we received on all external investments for the period 1 April 2011 to 31 March 2012 was 0.25%, which was slightly lower than the average local authority seven-day notice deposit rate of 0.35%, reflecting the use of institutions with high credit rating such as the DMO.

5.3 The movement in the Council's external investments are shown in annex 1 and can be summarised as follows:

	Banks/ Building Societies £000	Other Local Authorities £000	Total £000
Investments at 1 April 2011	280	0	280
Transactions – Investments	70,810	0	70,810
Repayments	-69,190	0	-69,190
Investments at 31 March 2012	1,900	0	1,900

5.4 The following investments were held as at 31 March 2012.

Date Invested	Nos	Borrower	Notice	Rate %	£'000	£'000
15 Mar'12	276	Debt Management office	Fixed 12/04	0.25	500	
26 Mar'12	283	Debt Management office	Fixed 13/04	0.25	350	
30 Mar'12	290	Debt Management office	Fixed 19/04	0.25	550	
						1,400
19 Mar'12	280	HSBC	Fixed 02/04	0.31	100	
26 Mar'12	285	HSBC	Fixed 05/04	0.31	50	
26 Mar'12	286	HSBC	Fixed 10/04	0.31	100	
30 Mar'12	291	HSBC	Fixed 04/04	0.31	250	
						500
Total Investments as at 31 March 2012						1,900

5.5 The total interest received from investments and loans to outside bodies was £26,219 compared with £24,393 for the previous year. Interest was allocated as follows:

Interest Allocated to: -	2010/11 £	2011/12 £
General Fund	20,904	21,800
Trusts & Bequests	3,489	4,419
	24,393	26,219

6 PRUDENTIAL INDICATORS

6.1 The Prudential Code for Capital Finance in Local Authorities (the Code) initially came into effect from 1 April 2004. It regulates the Council's ability to undertake new capital investment.

6.2 It was fully revised in 2009 to take account of the implications of the implementation of the International Financial Reporting Standard (IFRS) and has since been updated following regulatory changes resulting from the Localism Bill (2011).

6.3 In accordance with this Code the Council agreed to monitor four prudential indicators as follows. This committee approved these in March 2011.

- ❖ Upper limits on variable rate exposure. This indicator identifies a maximum limit for variable interest rates based upon the debt provision net of investments
- ❖ Upper limits on fixed rate exposure. Similar to the previous indicators, this covers a maximum limit on fixed interest rates.
- ❖ Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing.
- ❖ Total principal funds invested for a period longer than 364 days. These limits are set to reduce the need for early sale of investment and are based on the availability of investments after each year-end.

6.4 The limits set on interest rate exposures for 2011/12 were as follows:

	Upper Limit £'000	Actual £'000
Maximum Principal Sums Borrowed >364 days	7,601	515
Limits on Fixed Interest Rates (100%)	7,601	2,615
Limits on Variable Interest Rates (20%)	1,520	0

6.5 The upper and lower limits for the maturity structure of its borrowings for 2011/12 were as follows:

	Upper Limit %	Lower Limit %	Actual %

	Upper Limit %	Lower Limit %	Actual %
Under 12 months	20	0	13.82
12 Months and Within 24 Months	20	0	13.82
24 Months and Within 5 Years	40	0	31.05
5 Years and Within 10 Years	30	0	17.39
10 Years and Above	90	0	23.92

6.6 The total principal funds invested for a period longer than 364 days was set at nil. No investments have been made in the financial year for longer than this period.

7 CONCLUSION

7.1 The council's external borrowing continues to fall as its PWLB debt principal is steadily repaid. Should no further PWLB borrowing take place and repayment continues in line with repayment plans, the council will have repaid all PWLB debt by 2032/2033. However, annual repayments will fall substantially from 2018/2019 as older borrowing is repaid.

7.2 Temporary borrowing continues to be needed at the beginning of the financial year due to cash flow disparity between council tax and NNDR instalments being received and precept payments being due to the main precepting bodies.

7.3 The current economic climate continues to have an impact on the council's return from temporary investments. This is particularly due to the low level interest rates available from the low risk bodies that the council invest with, however this ensures the security of the sums invested. We continue to take a cautious approach to lending surplus funds especially given the problems in Europe.

7.4 Monitoring of the Prudential Indicators has demonstrated that the council has kept well within the thresholds set at Full Council on 8 March 2011 for the 2011/12 financial year.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

PF33-12/TH/AC
29 MAY 2012

Background papers:

Loans Fund Closedown Papers
Treasury Management Strategy 2011

For further information please ask for Trudy Holderness, extension 4436

Policy and Finance Committee

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
INVESTMENTS BROUGHT FORWARD @ 1 APRIL 2011									
31-Mar-11	283	HSBC	80,000	0.310	1-Apr-11	-80,000	-0.68	AA	F1+
					Debtor		0.68		
31-Mar-11	284	HSBC	200,000	0.310	11-Apr-11	-200,000	-18.68	AA	F1+
					Debtor		1.70		
Monies invested at 1 April 2011			280,000			-280,000	-16.98		
NEW INVESTMENTS - 2011/12									
Apr									
1-Apr-11	1	Skipton BS	200,000	0.450	14-Apr-11	-200,000	-32.05	A-	F2
1-Apr-11	2	Skipton BS	140,000	0.450	18-Apr-11	-140,000	-29.34	A-	F2
18-Apr-11	2	Skipton BS	Rolled Over	0.400	21-Apr-11	-140,000	-4.60	A-	F2
4-Apr-11	3	HSBC	250,000	0.310	19-Apr-11	-250,000	-31.85	AA	F1+
5-Apr-11	4	HSBC	80,000	0.310	6-Apr-11	-80,000	-0.68	AA	F1+
6-Apr-11	5	HSBC	130,000	0.310	11-Apr-11	-130,000	-5.52	AA	F1+
8-Apr-11	6	HSBC	70,000	0.310	11-Apr-11	-70,000	-1.78	AA	F1+
11-Apr-11	7	HSBC	50,000	0.310	19-Apr-11	-50,000	-3.40	AA	F1+
11-Apr-11	8	Skipton BS	300,000	0.450	21-Apr-11	-300,000	-36.99	A-	F2
12-Apr-11	9	HSBC	65,000	0.310	13-Apr-11	-65,000	-0.55	AA	F1+
13-Apr-11	10	HSBC	50,000	0.310	14-Apr-11	-50,000	-0.42	AA	F1+
13-Apr-11	11	HSBC	150,000	0.310	18-Apr-11	-150,000	-6.37	AA	F1+
14-Apr-11	12	HSBC	150,000	0.310	21-Apr-11	-150,000	-8.92	AA	F1+
15-Apr-11	13	Skipton BS	750,000	0.430	21-Apr-11	-750,000	-53.01	A-	F2
18-Apr-11	14	HSBC	90,000	0.310	18-Apr-11	-90,000	-0.76	AA	F1+
19-Apr-11	15	HSBC	150,000	0.310	21-Apr-11	-150,000	-2.55	AA	F1+
20-Apr-11	16	HSBC	100,000	0.310	21-Apr-11	-100,000	-0.85	AA	F1+
21-Apr-11	17	HSBC	300,000	0.310	26-Apr-11	-300,000	-12.74	AA	F1+

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
26-Apr-11	18	HSBC	70,000	0.310	27-Apr-11	-70,000	-0.59	AA	F1+
26-Apr-11	19	HSBC	100,000	0.310	28-Apr-11	-100,000	-1.70	AA	F1+
27-Apr-11	20	Skipton BS	340,000	0.450	13-May-11	-340,000	-67.07	A-	F2
27-Apr-11	21	HSBC	140,000	0.310	3-May-11	-140,000	-7.13	AA	F1+
27-Apr-11	22	HSBC	100,000	0.310	9-May-11	-100,000	-10.19	AA	F1+
28-Apr-11	23	HSBC	460,000	0.310	4-May-11	-460,000	-23.44	AA	F1+
28-Apr-11	24	HSBC	100,000	0.310	9-May-11	-100,000	-9.34	AA	F1+
28-Apr-11	25	Skipton BS	200,000	0.450	20-May-11	-200,000	-54.25	A-	F2
			4,535,000			-4,535,000	-406.09		
May									
3-May-11	26	HSBC	130,000	0.310	4-May-11	-130,000	-1.10	AA	F1+
4-May-11	27	HSBC	100,000	0.310	23-May-11	-100,000	-16.14	AA	F1+
4-May-11	28	HSBC	150,000	0.310	9-May-11	-150,000	-6.37	AA	F1+
5-May-11	29	HSBC	100,000	0.310	23-May-11	-100,000	-15.29	AA	F1+
9-May-11	30	Skipton BS	400,000	0.450	23-May-11	0	-69.04	A-	F2
23-May-11	30	Skipton BS	Rolled Over	0.450	1-Jun-11	-400,000	-44.38	A-	F2
10-May-11	31	HSBC	150,000	0.310	19-May-11	-150,000	-11.47	AA	F1+
11-May-11	32	HSBC	90,000	0.310	12-May-11	-90,000	-0.76	AA	F1+
12-May-11	33	HSBC	150,000	0.310	23-May-11	-150,000	-14.01	AA	F1+
13-May-11	34	HSBC	200,000	0.310	19-May-11	-200,000	-10.19	AA	F1+
16-May-11	35	HSBC	200,000	0.310	19-May-11	-200,000	-5.10	AA	F1+
16-May-11	36	Skipton BS	600,000	0.460	1-Jun-11	-600,000	-120.99	A-	F2
17-May-11	37	HSBC	80,000	0.310	18-May-11	-80,000	-0.68	AA	F1+
18-May-11	38	HSBC	150,000	0.310	23-May-11	-150,000	-6.37	AA	F1+
19-May-11	39	HSBC	60,000	0.310	23-May-11	-60,000	-2.04	AA	F1+
20-May-11	40	HSBC	150,000	0.310	23-May-11	-150,000	-3.82	AA	F1+
23-May-11	41	HSBC	50,000	0.310	24-May-11	-50,000	-0.42	AA	F1+
23-May-11	42	HSBC	190,000	0.310	1-Jun-11	-190,000	-14.52	AA	F1+
24-May-11	43	HSBC	135,000	0.310	25-May-11	-135,000	-1.15	AA	F1+
25-May-11	44	HSBC	180,000	0.310	26-May-11	-180,000	-1.53	AA	F1+

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
26-May-11	45	Skipton BS	240,000	0.430	1-Jun-11	-240,000	-16.96	A-	F2
27-May-11	46a	HSBC	70,000	0.310	1-Jun-11	-70,000	-2.97	AA	F1+
31-May-11	46b	Skipton BS	260,000	0.370	1-Jun-11	-260,000	-2.64	A-	F2
31-May-11	47	Barclays Bank	1,500,000	0.300	1-Jun-11	-1,500,000	-18.49	AA-	F1+
31-May-11	48	Yorkshire BS	550,000	0.300	20-Jun-11	-550,000	-90.41	A-	F2
31-May-11	49	HSBC	180,000	0.310	1-Jun-11	-180,000	-1.53	AA	F1+
31-May-11	50	HSBC	250,000	0.310	6-Jun-11	-250,000	-12.74	AA	F1+
31-May-11	51	HSBC	250,000	0.310	13-Jun-11	-250,000	-27.60	AA	F1+
			6,565,000			-6,565,000	-518.71		
June									
1-Jun-11	52	HSBC	125,000	0.310	2-Jun-11	-125,000	-1.06	AA	F1+
2-Jun-11	53	HSBC	130,000	0.310	17-Jun-11	-130,000	-16.56	AA	F1+
3-Jun-11	54	HSBC	50,000	0.310	6-Jun-11	-50,000	-1.27	AA	F1+
6-Jun-11	55	Skipton BS	250,000	0.450	22-Jun-11	-250,000	-49.32	A-	F2
7-Jun-11	56	HSBC	125,000	0.310	8-Jun-11	-125,000	-1.06	AA	F1+
8-Jun-11	57	HSBC	150,000	0.310	10-Jun-11	-150,000	-2.55	AA	F1+
9-Jun-11	58	HSBC	90,000	0.310	10-Jun-11	-90,000	-0.76	AA	F1+
10-Jun-11	59	Skipton BS	420,000	0.460	4-Jul-11	-420,000	-127.04	A-	F2
13-Jun-11	60	HSBC	250,000	0.310	22-Jun-11	-250,000	-19.11	AA	F1+
14-Jun-11	61	HSBC	80,000	0.310	15-Jun-11	-80,000	-0.68	AA	F1+
15-Jun-11	62	HSBC	250,000	0.310	20-Jun-11	-250,000	-10.62	AA	F1+
15-Jun-11	63	Skipton BS	500,000	0.480	6-Jul-11	-500,000	-138.08	A-	F2
17-Jun-11	64	HSBC	120,000	0.310	27-Jun-11	-120,000	-10.19	AA	F1+
20-Jun-11	65	HSBC	100,000	0.310	22-Jun-11	-100,000	-1.70	AA	F1+
20-Jun-11	66	HSBC	150,000	0.310	27-Jun-11	-150,000	-8.92	AA	F1+
21-Jun-11	67	HSBC	70,000	0.310	22-Jun-11	-70,000	-0.59	AA	F1+
22-Jun-11	68	HSBC	130,000	0.310	4-Jul-11	-130,000	-13.25	AA	F1+
23-Jun-11	69	HSBC	100,000	0.310	27-Jun-11	-100,000	-3.40	AA	F1+
27-Jun-11	70	Skipton BS	350,000	0.450	6-Jul-11	-350,000	-38.84	A-	F2
28-Jun-11	71	HSBC	700,000	0.310	6-Jul-11	-700,000	-47.56	AA	F1+

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
29-Jun-11	72	HSBC	90,000	0.310	4-Jul-11	-90,000	-3.82	AA	F1+
30-Jun-11	73	Nationwide Bs	1,400,000	0.510	6-Jul-11	-1,400,000	-117.37	AA-	F1+
30-Jun-11	74	HSBC	150,000	0.310	11-Jul-11	-150,000	-14.01	AA	F1+
30-Jun-11	75	Barclays Bank	850,000	0.351	18-Jul-11	-850,000	-147.13	AA-	F1+
			6,630,000			-6,630,000	-774.89		
July									
1-Jul-11	76	HSBC	150,000	0.310	4-Jul-11	-150,000	-3.82	AA	F1+
4-Jul-11	77	Skipton BS	250,000	0.450	19-Jul-11	-250,000	-46.23	A-	F2
5-Jul-11	78	HSBC	95,000	0.310	6-Jul-11	-95,000	-0.81	AA	F1+
6-Jul-11	79	HSBC	130,000	0.310	11-Jul-11	-130,000	-5.52	AA	F1+
8-Jul-11	80	HSBC	80,000	0.310	11-Jul-11	-80,000	-2.04	AA	F1+
11-Jul-11	81	Skipton BS	300,000	0.450	19-Jul-11	-300,000	-29.59	A-	F2
11-Jul-11	82	HSBC	100,000	0.310	13-Jul-11	-100,000	-1.70	AA	F1+
13-Jul-11	83	HSBC	200,000	0.310	15-Jul-11	-200,000	-3.40	AA	F1+
14-Jul-11	84	HSBC	100,000	0.310	15-Jul-11	-100,000	-0.85	AA	F1+
15-Jul-11	85	Skipton BS	500,000	0.450	3-Aug-11	-500,000	-117.12	A-	F2
15-Jul-11	86	Skipton BS	450,000	0.480	10-Aug-11	-450,000	-153.86	A-	F2
18-Jul-11	87	Barclays Bank	300,000	0.420	8-Aug-11	0	-72.49	AA-	F1+
8-Aug-11	87	Barclays Bank	Rolled Over	0.045	22-Aug-11	-300,000	-47.18	AA-	F1+
18-Jul-11	88	HSBC	90,000	0.310	22-Jul-11	-90,000	-3.06	AA	F1+
20-Jul-11	89	HSBC	100,000	0.310	21-Jul-11	-100,000	-0.85	AA	F1+
21-Jul-11	90	HSBC	160,000	0.310	25-Jul-11	-160,000	-5.44	AA	F1+
25-Jul-11	91	HSBC	110,000	0.310	26-Jul-11	-110,000	-0.93	AA	F1+
26-Jul-11	92	Skipton BS	200,000	0.450	10-Aug-11	-200,000	-36.99	A-	F2
28-Jul-11	93	Barclays Bank	700,000	0.418	10-Aug-11	-700,000	-104.21	AA-	F1+
29-Jul-11	94	HSBC	80,000	0.310	19-Aug-11	-80,000	-14.27	AA	F1+
			4,095,000			-4,095,000	-650.36		
Aug									
1-Aug-11	95	Barclays Bank	450,000	0.420	22-Aug-11		-108.74	AA-	F1+
22-Aug-11	95	Barclays Bank	Rolled Over	0.398	15-Sep-11	-450,000	-117.76	AA-	F1+

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
1-Aug-11	96	Skipton Bs	300,000	0.450	15-Aug-11		-51.78	A-	F2
15-Aug-11	96	Skipton BS	Rolled Over	0.550	12-Sep-11		-126.58	A-	F2
12-Sep-11	96	Skipton BS	Rolled Over	0.480	3-Oct-11	-300,000	-82.85	A-	F2
1-Aug-11	97	HSBC	100,000	0.310	10-Aug-11	-100,000	-7.64	AA	F1+
1-Aug-11	98	Co-operative Bank	1,500,000	0.470	10-Aug-11	-1,500,000	-173.84	A-	F2
2-Aug-11	99	HSBC	60,000	0.310	3-Aug-11	-60,000	-0.51	AA	F1+
3-Aug-11	100	HSBC	120,000	0.310	8-Aug-11	-120,000	-5.10	AA	F1+
5-Aug-11	101	HSBC	140,000	0.310	8-Aug-11	-140,000	-3.57	AA	F1+
8-Aug-11	102	HSBC	150,000	0.310	9-Aug-11	-150,000	-1.27	AA	F1+
8-Aug-11	103	HSBC	100,000	0.310	15-Aug-11	-100,000	-5.95	AA	F1+
9-Aug-11	104	HSBC	200,000	0.310	10-Aug-11	-200,000	-1.70	AA	F1+
10-Aug-11	105	HSBC	130,000	0.310	11-Aug-11	-130,000	-1.10	AA	F1+
10-Aug-11	106	HSBC	145,000	0.310	15-Aug-11	-145,000	-6.16	AA	F1+
11-Aug-11	107	HSBC	70,000	0.310	12-Aug-11	-70,000	-0.59	AA	F1+
12-Aug-11	108	Skipton Bs	250,000	0.550	12-Sep-11		-116.78	A-	F2
12-Sep-11	108	Skipton BS	Rolled Over	0.450	26-Sep-11		-43.15	A-	F2
26-Sep-11	108	Skipton BS	Rolled Over	0.450	10-Oct-11	-250,000	-43.15	A-	F2
15-Aug-11	109	HSBC	130,000	0.310	16-Aug-11	-130,000	-1.10	AA	F1+
16-Aug-11	110	HSBC	150,000	0.310	22-Aug-11	-150,000	-7.64	AA	F1+
19-Aug-11	113	HSBC	70,000	0.310	22-Aug-11	-70,000	-1.78	AA	F1+
22-Aug-11	114	HSBC	80,000	0.310	23-Aug-11	-80,000	-0.68	AA	F1+
24-Aug-11	115	HSBC	80,000	0.310	25-Aug-11	-80,000	-0.68	AA	F1+
25-Aug-11	116	HSBC	120,000	0.310	1-Sep-11	-120,000	-7.13	AA	F1+
30-Aug-11	117	Skipton Bs	650,000	0.460	15-Sep-11	-650,000	-131.07	A-	F2
31-Aug-11	118	HSBC	100,000	0.310	1-Sep-11	-100,000	-0.85	AA	F1+
31-Aug-11	119	HSBC	200,000	0.310	5-Sep-11	-200,000	-8.49	AA	F1+
31-Aug-11	120	HSBC	200,000	0.310	12-Sep-11	-200,000	-20.38	AA	F1+
31-Aug-11	121	Nationwide Bs	1,500,000	0.420	15-Sep-11	-1,500,000	-258.90	AA-	F1+
31-Aug-11	122	Barclays Bank	450,000	0.437	19-Sep-11	-450,000	-102.37	AA-	F1+
			7,775,000			-7,775,000	-1,489.27		

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
Sept									
1-Sep-11	123	HSBC	100,000	0.310	5-Sep-11	-100,000	-3.40	AA	F1+
2-Sep-11	124	HSBC	70,000	0.310	5-Sep-11	-70,000	-1.78	AA	F1+
5-Sep-11	125	Skipton BS	300,000	0.450	22-Sep-11	-300,000	-62.88	A-	F2
6-Sep-11	126	HSBC	70,000	0.310	7-Sep-11	-70,000	-0.59	AA	F1+
7-Sep-11	127	HSBC	100,000	0.310	12-Sep-11	-100,000	-4.25	AA	F1+
8-Sep-11	128	HSBC	100,000	0.310	12-Sep-11	-100,000	-3.40	AA	F1+
9-Sep-11	129	HSBC	190,000	0.310	12-Sep-11	-190,000	-4.84	AA	F1+
13-Sep-11	130	HSBC	90,000	0.310	14-Sep-11	-90,000	-0.76	AA	F1+
14-Sep-11	131	HSBC	130,000	0.310	15-Sep-11	-130,000	-1.10	AA	F1+
15-Sep-11	132	HSBC	300,000	0.310	22-Sep-11	-300,000	-17.84	AA	F1+
16-Sep-11	133	HSBC	100,000	0.310	19-Sep-11	-100,000	-2.55	AA	F1+
19-Sep-11	134	Yorkshire BS	400,000	0.300	10-Oct-11	-400,000	-69.04	A-	F2
20-Sep-11	135	HSBC	70,000	0.310	21-Sep-11	-70,000	-0.59	AA	F1+
21-Sep-11	136	HSBC	150,000	0.310	3-Oct-11	-150,000	-15.29	AA	F1+
22-Sep-11	137	HSBC	70,000	0.310	23-Sep-11	-70,000	-0.59	AA	F1+
23-Sep-11	138	HSBC	130,000	0.310	26-Sep-11	-130,000	-3.31	AA	F1+
26-Sep-11	139	HSBC	80,000	0.310	27-Sep-11	-80,000	-0.68	AA	F1+
27-Sep-11	140	HSBC	120,000	0.310	28-Sep-11	-120,000	-1.02	AA	F1+
28-Sep-11	141	Skipton BS	350,000	0.450	14-Oct-11	-350,000	-69.04	A-	F2
28-Sep-11	142	Yorkshire BS	450,000	0.300	19-Oct-11	-450,000	-77.67	A-	F2
30-Sep-11	143	DMADF	1,000,000	0.250	20-Oct-11	-1,000,000	-136.99	AAA	-
30-Sep-11	144	Nationwide Bs	1,000,000	0.370	3-Oct-11		-70.96	AA-	F1+
7-Oct-11	144	Nationwide Bs	Rolled Over	0.410	20-Oct-11	-1,000,000	-146.03	AA-	F1+
30-Sep-11	145	HSBC	370,000	0.310	7-Oct-11	-370,000	-22.00	AA	F1+
30-Sep-11	146	HSBC	100,000	0.310	3-Oct-11	-100,000	-2.55	AA	F1+
			5,840,000			-5,840,000	-719.15		
Oct									
3-Oct-11	147	HSBC	85,000	0.310	4-Oct-11	-85,000	-0.72	AA	F1+
4-Oct-11	148	HSBC	90,000	0.310	5-Oct-11	-90,000	-0.76	AA	F1+

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
5-Oct-11	149	HSBC	140,000	0.310	7-Oct-11	-140,000	-2.38	AA	F1+
7-Oct-11	150	HSBC	200,000	0.310	17-Oct-11	-200,000	-16.99	AA	F1+
7-Oct-11	151	Skipton BS	400,000	0.450	20-Oct-11	-400,000	-64.11	A-	F2
10-Oct-11	152	Barclays Bank	200,000	0.434	20-Oct-11	-200,000	-23.78	AA-	F1+
12-Oct-11	153	HSBC	90,000	0.310	13-Oct-11	-90,000	-0.76	AA	F1+
13-Oct-11	154	HSBC	160,000	0.310	14-Oct-11	-160,000	-1.36	AA	F1+
14-Oct-11	155	DMO	400,000	0.250	11-Nov-11	-400,000	-76.71	AAA	-
17-Oct-11	156	Barclays Bank	200,000	0.400	24-Oct-11	-200,000	-15.34	AA-	F1+
17-Oct-11	157	DMO	630,000	0.250	24-Nov-11	-630,000	-163.97	AAA	-
17-Oct-11	158	HSBC	100,000	0.310	19-Oct-11	-100,000	-1.70	AA	F1+
17-Oct-11	159	HSBC	350,000	0.310	20-Oct-11	-350,000	-8.92	AA	F1+
17-Oct-11	160	HSBC	110,000	0.310	21-Oct-11	-110,000	-3.74	AA	F1+
18-Oct-11	161	HSBC	120,000	0.310	19-Oct-11	-120,000	-1.02	AA	F1+
19-Oct-11	162	Barclays Bank	250,000	0.441	3-Nov-11	-250,000	-45.31	AA-	F1+
19-Oct-11	163	HSBC	80,000	0.310	20-Oct-11	-80,000	-0.68	AA	F1+
20-Oct-11	164	HSBC	80,000	0.310	21-Oct-11	-80,000	-0.68	AA	F1+
21-Oct-11	165	HSBC	230,000	0.310	3-Nov-11	-230,000	-25.39	AA	F1+
24-Oct-11	166	HSBC	160,000	0.310	28-Oct-11	-160,000	-5.44	AA	F1+
26-Oct-11	167	HSBC	70,000	0.310	28-Oct-11	-70,000	-1.19	AA	F1+
28-Oct-11	168	HSBC	250,000	0.310	7-Nov-11	-250,000	-21.23	AA	F1+
28-Oct-11	169	DMO	500,000	0.250	7-Nov-11	-500,000	-34.25	AAA	-
28-Oct-11	170	Barclays Bank	250,000	0.440	14-Nov-11		-51.70	AA-	F1+
14-Nov-11	170	Barclays Bank	Rolled Over	0.400	21-Nov-11		-19.18	AA-	F1+
21-Nov-11	170	Barclays Bank	Rolled Over	0.400	28-Nov-11		-19.18	AA-	F1+
28-Nov-11	170	Barclays Bank	Rolled Over	0.440	12-Dec-11		-42.19	AA-	F1+
12-Dec-11	170	Barclays Bank	Rolled Over	0.400	19-Dec-11		-19.18	AA-	F1+
19-Dec-11	170	Barclays Bank	Rolled Over	0.320	30-Dec-11	-250,000	-24.11	A	F1
31-Oct-11	171	DMO	600,000	0.250	22-Nov-11	-600,000	-90.41	AAA	-
31-Oct-11	172	DMO	1,800,000	0.250	24-Nov-11	-1,800,000	-295.89	AAA	-
			7,545,000			-7,545,000	-1,078.27		

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
Nov									
01/11/2011	173	HSBC	140,000	0.310	3-Nov-11	-140,000	-2.38	AA	F1+
03/11/2011	174	HSBC	250,000	0.310	4-Nov-11	-250,000	-2.12	AA	F1+
04/11/2011	175	HSBC	270,000	0.310	7-Nov-11	-270,000	-6.88	AA	F1+
07/11/2011	176	DMO	500,000	0.250	24-Nov-11	-500,000	-58.22	AAA	-
09/11/2011	177	HSBC	100,000	0.310	10-Nov-11	-100,000	-0.85	AA	F1+
10/11/2011	178	HSBC	160,000	0.310	11-Nov-11	-160,000	-1.36	AA	F1+
11/11/2011	179	DMO	700,000	0.250	5-Dec-11	-700,000	-115.07	AAA	-
11/11/2011	180	HSBC	80,000	0.310	14-Nov-11	-80,000	-2.04	AA	F1+
14/11/2011	181	HSBC	200,000	0.310	15-Nov-11	-200,000	-1.70	AA	F1+
15/11/2011	182	DMO	700,000	0.250	22-Dec-11	-700,000	-177.40	AAA	-
15/11/2011	183	HSBC	100,000	0.310	18-Nov-11	-100,000	-2.55	AA	F1+
17/11/2011	184	HSBC	80,000	0.310	21-Nov-11	-80,000	-2.72	AA	F1+
18/11/2011	185	HSBC	60,000	0.310	21-Nov-11	-60,000	-1.53	AA	F1+
21/11/2011	186	HSBC	170,000	0.310	22-Nov-11	-170,000	-1.44	AA	F1+
22/11/2011	187	HSBC	250,000	0.310	24-Nov-11	-250,000	-4.25	AA	F1+
23/11/2011	188	HSBC	65,000	0.310	24-Nov-11	-65,000	-0.55	AA	F1+
24/11/2011	189	DMO	300,000	0.250	3-Jan-12	-300,000	-82.19	AAA	-
25/11/2011	190	HSBC	80,000	0.310	28-Nov-11	-80,000	-2.04	AA	F1+
28/11/2011	191	DMO	700,000	0.250	3-Jan-12	-700,000	-172.60	AAA	-
29/11/2011	192	HSBC	50,000	0.310	30-Nov-11	-50,000	-0.42	AA	F1+
30/11/2011	193	HSBC	500,000	0.310	1-Dec-11	-500,000	-4.25	AA	F1+
30/11/2011	194	DMO	500,000	0.250	5-Jan-12	-500,000	-123.29	AAA	-
30/11/2011	195	DMO	350,000	0.250	13-Jan-12	-350,000	-105.48	AAA	-
30/11/2011	196	DMO	550,000	0.250	19-Jan-12	-550,000	-188.36	AAA	-
30/11/2011	197	DMO	250,000	0.250	30-Jan-12	-250,000	-104.45	AAA	-
30/11/2011	198	DMO	350,000	0.250	7-Feb-12	-350,000	-165.41	AAA	-
			7,455,000			-7,455,000	-1,329.55		

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
Dec									
01/12/2012	199	HSBC	130,000	0.310	2-Dec-11	-130,000	-1.10	AA	F1+
02/12/2011	200	HSBC	160,000	0.310	5-Dec-11	-160,000	-4.08	AA	F1+
05/12/2011	201	DMO	300,000	0.250	30-Dec-11	-300,000	-51.37	AAA	-
06/12/2011	202	HSBC	60,000	0.310	7-Dec-11	-60,000	-0.51	AA	F1+
07/12/2011	203	HSBC	100,000	0.310	8-Dec-11	-100,000	-0.85	AA	F1+
08/12/2011	204	HSBC	160,000	0.310	12-Dec-11	-160,000	-5.44	AA	F1+
09/12/2011	205	HSBC	70,000	0.310	12-Dec-11	-70,000	-1.78	AA	F1+
12/12/2011	206	HSBC	200,000	0.310	15-Dec-11	-200,000	-5.10	AA	F1+
13/12/2011	207	HSBC	100,000	0.310	14-Dec-11	-100,000	-0.85	AA	F1+
14/12/2011	208	HSBC	160,000	0.260	15-Dec-11	-160,000	-1.14	AA	F1+
15/12/2011	209	HSBC	440,000	0.260	19-Dec-11	-440,000	-12.54	AA	F1+
15/12/2011	210	DMO	500,000	0.250	7-Feb-12	-500,000	-184.93	AAA	-
16/12/2011	211	HSBC	50,000	0.260	19-Dec-11	-50,000	-1.07	AA	F1+
19/12/2011	212	HSBC	350,000	0.260	22-Dec-11	-350,000	-7.48	AA	F1+
23/12/2011	215	DMO	250,000	0.250	7-Feb-12	-250,000	-78.77	AAA	-
28/12/2011	216	HSBC	500,000	0.260	3-Jan-12	-500,000	-21.37	AA	F1+
			4,260,000			-4,260,000	-588.77		
Jan									
3-Jan-12	217	DMO	1,000,000	0.250	7-Feb-12	-1,000,000.00	-239.73	AAA	-
3-Jan-12	218	HSBC	350,000	0.310	9-Jan-12	-350,000.00	-17.84	AA	F1+
5-Jan-12	219	HSBC	180,000	0.310	9-Jan-12	-180,000.00	-6.12	AA	F1+
6-Dec-12	220	HSBC	60,000	0.310	9-Jan-12	-60,000.00	-1.53	AA	F1+
9-Jan-12	221	DMO	250,000	0.250	7-Feb-12	-250,000.00	-49.66	AAA	-
9-Jan-12	222	HSBC	150,000	0.310	20-Jan-12	-150,000.00	-14.01	AA	F1+
9-Jan-12	223	HSBC	190,000	0.310	23-Jan-12	-190,000.00	-22.59	AA	F1+
10-Jan-12	224	HSBC	90,000	0.310	11-Jan-12	-90,000.00	-0.76	AA	F1+
11-Jan-12	225	HSBC	120,000	0.310	13-Jan-12	-120,000.00	-2.04	AA	F1+
12-Jan-12	226	HSBC	80,000	0.310	13-Jan-12	-80,000.00	-0.68	AA	F1+
13-Jan-12	227	DMO	460,000	0.250	27-Feb-12	-460,000.00	-141.78	AAA	-

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
16-Jan-12	228	HSBC	140,000	0.310	23-Jan-12	-140,000.00	-8.32	AA	F1+
16-Jan-12	229	DMO	740,000	0.250	16-Mar-12	-740,000.00	-304.11	AAA	-
18-Jan-12	230	HSBC	100,000	0.310	17-Feb-12	-100,000.00	-25.48	AA	F1+
19-Jan-12	231	HSBC	100,000	0.310	6-Feb-12	-100,000.00	-15.29	AA	F1+
20-Jan-12	232	HSBC	100,000	0.310	23-Jan-12	-100,000.00	-2.55	AA	F1+
23-Jan-12	233	Barclays Bank	500,000	0.441	7-Feb-12	-500,000.00	-90.62	A	F1
24-Jan-12	234	HSBC	80,000	0.310	13-Feb-12	-80,000.00	-13.59	AA	F1+
27-Jan-12	235	HSBC	80,000	0.310	30-Jan-12	-80,000.00	-2.04	AA	F1+
30-Jan-12	236	DMO	450,000	0.250	16-Mar-12	-450,000.00	-141.78	AAA	-
31-Jan-12	237	DMO	350,000	0.250	1-Mar-12	-350,000.00	-71.92	AAA	-
31-Jan-12	238	Nationwide	1,000,000	0.430	7-Feb-12		-82.47	A+	F1+
7-Feb-12	238	Nationwide	Rolled over	0.640	16-Mar-12	-1,000,000.00	-666.30	A+	F1+
31-Jan-12	239	Lloyds TSB	500,000	0.200	7-Feb-12	-500,000.00	-19.18	A	F1
31-Jan-12	240	Barclays Bank	500,000	0.380	7-Feb-12	-500,000.00	-36.44	A	F1
31-Jan-12	241	HSBC	50,000	0.310	1-Feb-12	-50,000.00	-0.42	AA	F1+
31-Jan-12	242	HSBC	50,000	0.310	6-Feb-12	-50,000.00	-2.55	AA	F1+
			7,670,000			-7,670,000.00	-1,979.80		
Feb									
2-Feb-12	243	HSBC	150,000	0.310	20-Feb-12	-150,000.00	-22.93	AA	F1+
6-Feb-12	244	HSBC	140,000	0.310	7-Feb-12	-140,000.00	-1.19	AA	F1+
7-Feb-12	245	Barclays Bank	350,000	0.668	22-Mar-12	-350,000.00	-281.84	A	F1
7-Feb-12	246	DMO	800,000	0.250	16-Mar-12	-800,000.00	-208.22	AAA	-
7-Feb-12	247	DMO	550,000	0.250	26-Mar-12	-550,000.00	-180.82	AAA	-
8-Feb-12	248	HSBC	100,000	0.310	13-Feb-12	-100,000.00	-4.25	AA	F1+
9-Feb-12	249	HSBC	60,000	0.310	13-Feb-12	-60,000.00	-2.04	AA	F1+
10-Feb-12	250	HSBC	50,000	0.310	13-Feb-12	-50,000.00	-1.27	AA	F1+
13-Feb-12	251	HSBC	90,000	0.310	22-Feb-12	-90,000.00	-6.88	AA	F1+
13-Feb-12	252	HSBC	140,000	0.310	27-Feb-12	-140,000.00	-16.65	AA	F1+
15-Feb-12	253	HSBC	150,000	0.310	27-Feb-12	-150,000.00	-15.29	AA	F1+
15-Feb-12	254	DMO	300,000	0.250	5-Mar-12	-300,000.00	-39.04	AAA	-

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
16-Feb-12	255	HSBC	70,000	0.310	17-Feb-12	-70,000.00	-0.59	AA	F1+
17-Feb-12	256	HSBC	125,000	0.310	20-Feb-12	-125,000.00	-3.18	AA	F1+
20-Feb-12	257	HSBC	70,000	0.310	21-Feb-12	-70,000.00	-0.59	AA	F1+
20-Feb-12	258	HSBC	150,000	0.310	12-Mar-12	-150,000.00	-26.75	AA	F1+
21-Feb-12	259	HSBC	90,000	0.310	27-Feb-12	-90,000.00	-4.59	AA	F1+
23-Feb-12	260	HSBC	70,000	0.310	24-Feb-12	-70,000.00	-0.59	AA	F1+
24-Feb-12	261	HSBC	80,000	0.310	27-Feb-12	-80,000.00	-2.04	AA	F1+
27-Feb-12	262	DMO	300,000	0.250	26-Mar-12	-300,000.00	-57.53	AAA	-
28-Feb-12	263	HSBC	140,000	0.310	29-Feb-12	-140,000.00	-1.19	AA	F1+
29-Feb-12	264	HSBC	190,000	0.310	1-Mar-12	-190,000.00	-1.61	AA	F1+
			4,165,000			-4,165,000.00	-879.08		
Mar									
1-Mar-12	265	HSBC	50,000	0.310	2-Mar-12	-50,000.00	-0.42	AA	F1+
1-Mar-12	266	DMO	300,000	0.310	30-Mar-12	-300,000.00	-59.59	AAA	-
2-Mar-12	267	HSBC	90,000	0.250	5-Mar-12	-90,000.00	-2.29	AA	F1+
5-Mar-12	268	HSBC	50,000	0.310	6-Mar-12	-50,000.00	-0.42	AA	F1+
5-Mar-12	269	HSBC	100,000	0.310	12-Mar-12	-100,000.00	-5.95	AA	F1+
5-Mar-12	270	HSBC	150,000	0.310	19-Mar-12	-150,000.00	-17.84	AA	F1+
6-Mar-12	271	HSBC	60,000	0.310	8-Mar-12	-60,000.00	-1.02	AA	F1+
8-Mar-12	272	HSBC	150,000	0.310	12-Mar-12	-150,000.00	-5.10	AA	F1+
12-Mar-12	273	DMO	300,000	0.250	30-Mar-12	-300,000.00	-36.99	AAA	-
12-Mar-12	274	HSBC	150,000	0.310	19-Mar-12	-150,000.00	-8.92	AA	F1+
14-Mar-12	275	HSBC	65,000	0.310	15-Mar-12	-65,000.00	-0.55	AA	F1+
15-Mar-12	276	DMO	500,000	0.250	Still Outstanding		-58.22	AAA	-
15-Mar-12	277	HSBC	70,000	0.310	19-Mar-12	-70,000.00	-2.38	AA	F1+
19-Mar-12	278	HSBC	150,000	0.310	20-Mar-12	-150,000.00	-1.27	AA	F1+
19-Mar-12	279	HSBC	150,000	0.310	26-Mar-12	-150,000.00	-8.92	AA	F1+
19-Mar-12	280	HSBC	100,000	0.310	Still Outstanding		-11.04	AA	F1+

Date Invested	Temp Investment Number	Borrower	Amount Invested £	Interest Rate %	Date Repaid	Principal Repaid £	Interest Received / Due £	Fitch Ratings At Time of Investment	
								Long-Term	Short-Term
20-Mar-12	281	HSBC	80,000	0.310	22-Mar-12	-80,000.00	-1.36	AA	F1+
22-Mar-12	282	HSBC	150,000	0.310	26-Mar-12	-150,000.00	-5.10	AA	F1+
26-Mar-12	283	DMO	350,000	0.250	Still Outstanding		-14.38	AAA	-
26-Mar-12	284	HSBC	50,000	0.310	28-Mar-12	-50,000.00	-0.85	AA	F1+
26-Mar-12	285	HSBC	50,000	0.310	Still Outstanding		-2.55	AA	F1+
26-Mar-12	286	HSBC	100,000	0.310	Still Outstanding		-5.10	AA	F1+
27-Mar-12	287	HSBC	60,000	0.310	28-Mar-12	-60,000.00	-0.51	AA	F1+
28-Mar-12	288	HSBC	150,000	0.310	30-Mar-12	-150,000.00	-2.55	AA	F1+
29-Mar-12	289	HSBC	50,000	0.310	30-Mar-12	-50,000.00	-0.42	AA	F1+
30-Mar-12	290	DMO	550,000	0.250	Still Outstanding		-7.53	AAA	-
30-Mar-12	291	HSBC	250,000	0.310	Still Outstanding		-4.25	AA	F1+
			4,275,000			-2,375,000.00	-265.52		
Total Investments made April'11 to March'12			70,810,000			-68,910,000	-10,679.46		
Total Investments 2011/12			71,090,000			-69,190,000	-10,696.44		
MONIES INVESTED AT 31 March 2012									
15-Mar-12	276	DMO	500,000						
19-Mar-12	280	HSBC	100,000						
26-Mar-12	283	DMO	350,000						
26-Mar-12	285	HSBC	50,000						
26-Mar-12	286	HSBC	100,000						
30-Mar-12	290	DMO	550,000						
30-Mar-12	291	HSBC	250,000						
Total monies invested at 31 March 2012			1,900,000						