

Governance, Risk and Best Value Committee

10am, Tuesday, 18 January 2022

Treasury Management: Mid-Term Report 2021/22 - referral from the City of Edinburgh Council

Executive/routine
Wards
Council Commitments

1. For Decision/Action

- 1.1 The City of Edinburgh Council has referred the attached report to the Governance, Risk and Best Value Committee for scrutiny.

Stephen S. Moir
Executive Director of Corporate Services

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Referral Report

Treasury Management: Mid-Term Report 2021/22

2. Terms of Referral

- 2.1 The City of Edinburgh Council on 16 December 2021 considered a report which provided an update on Treasury Management activity undertaken in the first half of 2021/22.
- 2.2 On 9 December 2021, the Finance and Resources Committee had noted that there were some individual figures in the 2020/21 out-turn column in Table A2.1 which did not reflect some late changes to the 2020/21 out-turn. The totals and the numbers in subsequent years were all correct. A revised table A2.1 is attached at appendix 1 to this report
- 2.3 The City of Edinburgh Council agreed:
 - 2.3.1 To note the mid-term report on Treasury Management for 2021/22.
 - 2.3.2 To refer the report to the Governance, Risk and Best Value Committee for scrutiny.

3. Background Reading/ External References

Minute of the City of Edinburgh Council 16 December 2021.

Minute of Finance and Resources Committee 9 December 2021.

4. Appendices

- 4.1 Appendix 1 - Revised Table A2.1
- 4.2 Appendix 2 - report by the Executive Director of Corporate Services

Appendix 2

Debt Management Activity

Table A2.1 below which shows the out-turn for 2020/21 along with the Council's borrowing requirement over the current and next three years.

Capital Funding v. External Debt	2020/21	2021/22	2022/23	2023/24	2024/25
	Outturn	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Debt b/fd	1,336,171	1,347,045	1,433,124	1,378,698	1,334,734
Cumulative Capital Expenditure b/fd	1,374,600	1,468,555	1,687,417	1,924,262	2,108,059
Over/underborrowed b/fd	-38,429	-121,510	-254,293	-545,564	-773,325
GF Capital Financed by borrowing	78,588	146,321	102,793	79,073	88,398
Tram Capital Financed by borrowing	52,704	69,873	43,971	12,849	0
Lending to LLPs	19,313	15,026	10,388	72,000	70,500
HRA Capital Financed by borrowing	-1,579	46,935	145,743	93,243	91,003
less scheduled repayments by GF	-33,379	-38,872	-44,009	-42,575	-45,589
less scheduled repayments by Tram	-1	0	0	-4,942	-5,060
less scheduled repayments by LLPs	-6,973	-4,623	-4,834	-4,879	-5,859
less scheduled repayments by HRA	-14,174	-15,242	-16,619	-20,349	-23,609
less scheduled repayments by Joint Boards	-544	-556	-588	-623	-557
Underlying Need to Borrow	93,955	218,862	236,845	183,797	169,227
plus total maturing debt	59,126	53,921	54,426	43,964	43,199
Total Borrowing Requirement	153,081	272,783	291,271	227,761	212,426
Cumulative Borrowing Requirement		272,783	564,054	791,815	1,004,241
New Borrowing	70,000	140,000			
Debt at end of the year	1,347,045	1,433,124	1,378,698	1,334,734	1,291,535
Cumulative Capital Expenditure	1,468,555	1,687,417	1,924,262	2,108,059	2,277,286
Cumulative Over/(Under) Borrowed	-121,510	-254,293	-545,564	-773,325	-985,751

Table A2.1 – Summary of Capital Advances v External Debt

Finance and Resources Committee

10:00am, Thursday, 9th December 2021

Treasury Management: Mid-Term Report 2021/22

Executive/routine Executive
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Committee:
- 1.1.1 notes the mid-term report on Treasury Management for 2021/22; and
 - 1.1.2 refers the report to City of Edinburgh Council for approval and subsequent remit by the City of Edinburgh Council to the Governance Risk and Best Value Committee for scrutiny.

Stephen S. Moir
Executive Director of Corporate Services

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Report

Treasury Management: Mid-Term Report 2021/22

2. Executive Summary

- 2.1 The purpose of this report is to give an update on Treasury Management activity undertaken in the first half of 2021/22.
- 2.2 In accordance with the Strategy set in March 2021 the Council borrowed £140m from the Public Works Loan Board (PWLB) in the first half of the year to lock in attractive interest rates before Gilt yields increased, to help finance the substantial Capital Programme.
- 2.3 The investment return for 2021/22 continues to show out-performance against the Fund's benchmark, although low in absolute terms, while maintaining the security of the investments as a priority.

3. Background

- 3.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, the mid-term report has been prepared setting out activity undertaken.

4. Main report

4.1 UK Interest Rates

- 4.1.1 During the last six months of economic uncertainty due to the COVID-19 pandemic, the Bank of England's (BoE) Monetary Policy Committee (MPC) made no change to monetary policy maintaining UK Bank Rate at 0.1%. Inflation concerns have led to markets forecasting an increase in UK Bank Rate with the September Reuters poll showing an increase in late 2022 and possibly sooner. However, the anticipated level of inflation and comments by MPC members suggest that it could be as early as Q4 2021. Appendix 1 gives a summary of the first six months from the Council's Treasury Advisors.

4.2 Debt Management

- 4.2.1 The Council continued to fund its borrowing requirement by reducing its investments but also took the opportunity as previously mentioned to lock in attractive rates of interest to help fund the substantial Capital Investment Programme. Appendix 2 outlines the debt management activity during the period.
- 4.2.2 Some of the £140m borrowed secured funding for historical projects and Appendix 3 reviews the borrowing for the purchase of Waverley Court.

4.3 Investment Out-turn

- 4.3.1 The Council's cash balances are pooled and invested via the Treasury Cash Fund subject to the limits set out in the Treasury Management Policy Statement. Appendix 4 provides detail on Council's investments.
- 4.3.2 As can also be seen in Appendix 4 Treasury Cash Fund performance continues to out-perform its benchmark although investment returns remain low.

5. Next Steps

- 5.1 The Treasury team will continue to operate its Treasury Cash Fund with the aim of out-performing its benchmark of 7-day compounded Sterling Overnight Index Average (SONIA) and manage the Council's debt portfolio to minimise the cost to the Council while mitigating risk.
- 5.2 The Treasury team will also continue to review the Council's borrowing requirements, taking into account the significant planned capital investment set out in the ten-year capital plan, and the opportunities that the market presents.

6. Financial impact

- 6.1 The Treasury Cash Fund has generated significant additional income for the Council.
- 6.2 Loan charges associated with the borrowing will be managed within the approved budget.

7. Stakeholder/Community Impact

- 7.1 There are no adverse stakeholder/community impacts arising from this report.

8. Background reading/external references

- 8.1 None

9. Appendices

- 9.1 Appendix 1 - Economic Background
- 9.2 Appendix 2 - Debt Management Activity
- 9.3 Appendix 3 - Borrowing for the purchase of Waverley Court
- 9.4 Appendix 4 - Investment Out-turn
- 9.5 Appendix 5 - Debt outstanding 30 September 2021

Economic Background

Our Treasury Advisors, Arlingclose summarised the financial markets and gilt yields over the first six months of the financial year as follows:

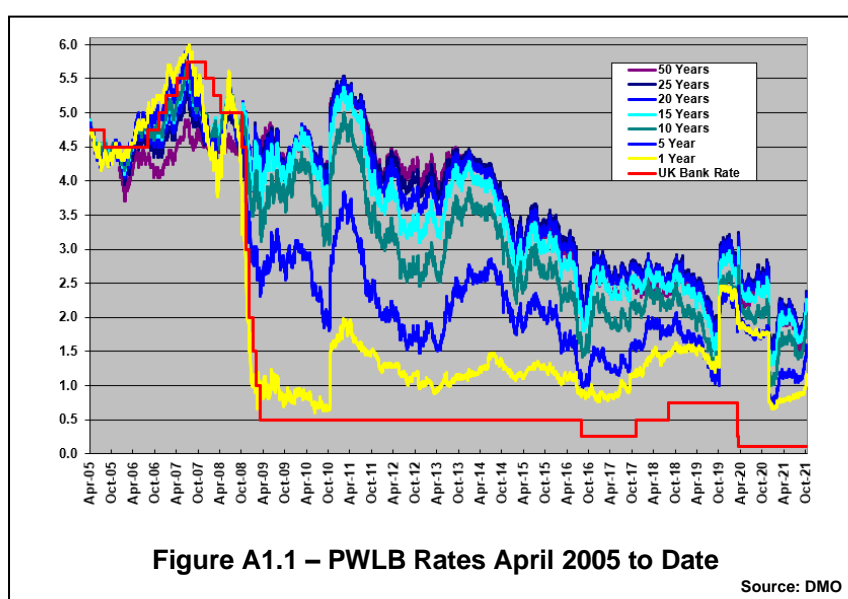
Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.

Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, that was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instance, lead to higher prices.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10-year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter.

Figure A1.1 below shows the PWLB borrowing rates since April 2005.



Debt Management Activity

Table A2.1 below which shows the out-turn for 2020/21 along with the Council's borrowing requirement over the current and next three years.

Capital Funding v. External Debt	2020/21	2021/22	2022/23	2023/24	2024/25
	Outturn	Estimate	Estimate	Estimate	Estimate
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plus total maturing debt	59,126	53,921	54,426	43,964	43,199
Total Borrowing Requirement	146,435	272,783	291,271	227,761	212,426
Cumulative Borrowing Requirement		272,783	564,054	791,815	1,004,241
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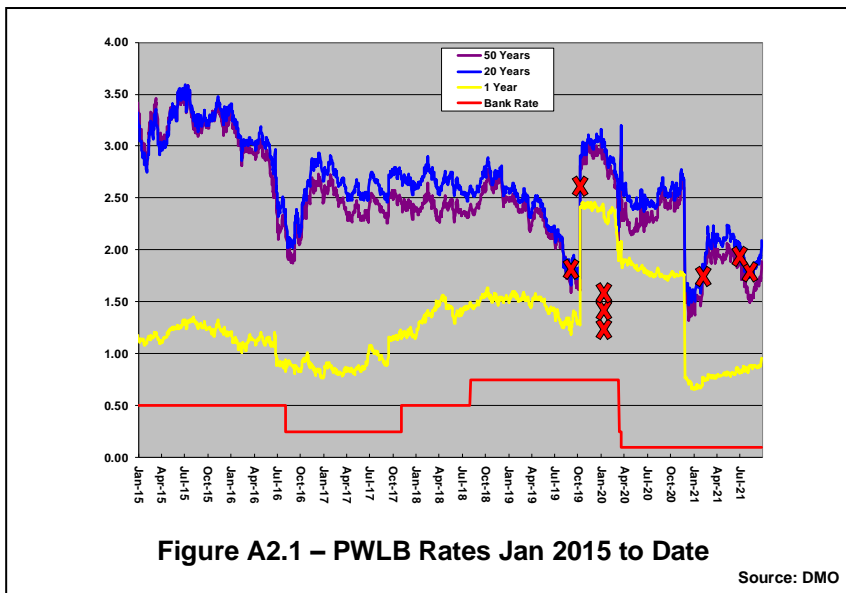
Table A2.1 – Summary of Capital Advances v External Debt

The Debt Management Strategy for 2021/22 as outlined in the Strategy Report was:

To address the borrowing requirement it is intended, subject to appropriate rates being available, to:

- *continue to reduce investment balances to temporarily fund capital expenditure;*
- *seek alternative sources of funds to the PWLB; and*
- *continue to lock out the risk on projects when the timing of capital expenditure becomes certain and interest rates are appropriate.*

Although the strategy to reduce cash further has been followed through, there were significant concerns over the prospects for inflation and the medium-term outlook for interest rates. The opportunity was therefore taken to lock in a further £140m of long term PWLB funding at sub two percent levels to manage some more of the Council’s interest rate risk. Figure A2.1 shows PWLB Borrowing Rates along with the timing of PWLB borrowing.



In addition to drawing down the £60m from PBB which had been pre-agreed in relation to the St. James Centre GAM project, since 2019/20, the Council has borrowed £386m from the PWLB at an average interest rate of 2.07%. Despite borrowing nearly £450m over the last 24 months, Table A2.1 shows that the Council still has a substantial cumulative borrowing requirement over the next few years if the capital expenditure is in line with current forecasts.

Borrowing for the Purchase of Waverley Court

2020/21 marked the maturity of the last of the external loans taken out to finance the purchase of Waverley Court in 2008. However, the Loans Fund capital advances to fund the purchase were for 28 years, so there is still currently a need to borrow. As the external loans matured, they were initially re-financed by reducing the Council's investments, and subsequently re-financed as part of the package of loans detailed in Appendix 2. This is therefore an appropriate time to reflect on the strategy for the borrowing for a major Council capital expenditure.

Waverley Court was purpose built for the Council and was on a 20 year fully repairing and insuring lease from Norwich Union Life & Pension Fund (NULAP). The lease had pre-determined five yearly lease uplifts in the lease rentals and was due to increase to £8.3m per annum by November 2021. As the Global Financial Crisis took hold, the opportunity arose to purchase the building which the Council took, subsequently winning the Property Deal of the Year at the Scottish Property Awards. Based on funding the purchase with Prudential Borrowing at an interest rate 4.75%, the Council was projected to save £38m in cash terms and own the building. Treasury's role in the purchase was the borrowing strategy, and that is reviewed here.

Figure A3.1 below shows that most PWLB borrowing rates were around 4.5% at the time Waverley Court was purchased. Subsequently, shorter rates came down as UK Bank Rate was reduced but longer rates stayed quite high, increasing to over 5% as the UK Government increased the margin over Gilts for PWLB Borrowing Rates.

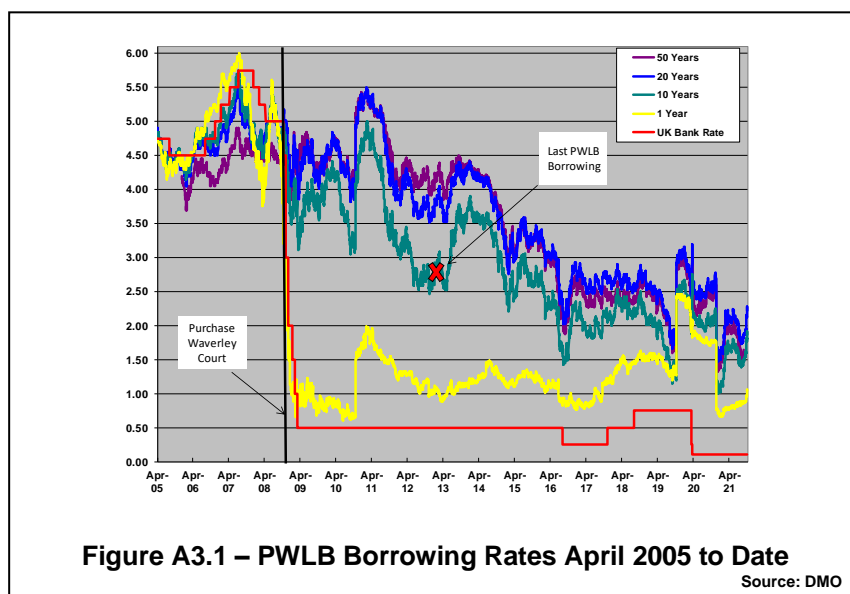


Table A3.1 below shows how the purchase was funded. A net £74m of Prudential Borrowing was needed to finance the purchase, and the business case was based on borrowing for 28 years at an interest rate of 4.75%. The Council operates a Loans Pool so doesn't borrow for individual projects. However, for some major projects Treasury looks at packages of loans to take the borrowing risk relative to the business case off the table. In this case the view was taken that interest rates were likely to come down so the long-term

risk was not taken off the table. The strategy adopted was two-fold – firstly to secure half the funding from the PWLB but with a short duration. Secondly, to borrow the other half as very short loans from other local authorities. This meant that as the UK Bank Rate tumbled, every time a loan matured, it was re-financed at a lower rate for the next month. In essence, this manufactured a synthetic variable rate structure for that half of the borrowing to take advantage of falling rates.

How Waverley Court was funded:		Cost of funding Waverley Court:	
Original Cost to be funded:	91,271,649		
less 08/09 capital receipts	9,847,694	2008/09	
	81,423,956	Average Actual Interest Rate	2.03
Made up of:		Actual Interest Incurred	600,428.23
PWLB Borrowing 08/09	40,000,000	Interest @4.75%	1,395,069.26
Temporary Borrowing @31/03/09	42,800,000	08/09 saving over business case	794,641.03
	82,800,000		
		2009/10	
Cost to be funded	81,423,956	Average Actual Interest Rate	2.93
less 09/10 capital receipts	6,808,596	Actual Interest Incurred	2,277,665.10
	74,615,360	Interest @4.75%	3,575,780.24
		09/10 saving over business case	1,298,115.14
Made up of:			
PWLB Borrowing 08/09	40,000,000		
PWLB Borrowing 09/10	34,615,360		
	74,615,360		

Table A3.1 – Funding the Purchase of Waverley Court

In April 2009, the remaining local authority loans were re-financed from the PWLB. This strategy generated £2m of savings relative to the business case over the first two years. Table A3.2 below shows the two tranches of loans which that were taken out.

Waverley Court Borrowing					
2008/09					
Borrowing Date	Maturity Date	Principal	Interest Rate	Term	
01-Dec-08	01-Jun-11	5,000,000	2.74	2.5	
01-Dec-08	01-Dec-13	10,000,000	3.45	5	
01-Dec-08	01-Jun-14	5,000,000	3.55	5.5	
08-Dec-08	08-Jun-11	10,000,000	2.27	2.5	
08-Dec-08	08-Dec-14	5,000,000	3.30	6	
10-Dec-08	10-Dec-16	5,000,000	3.61	8	
		40,000,000			

2009/10				
Borrowing Date	Maturity Date	Principal	Interest Rate	Term
21-Apr-09	21-Apr-14	10,000,000	2.64	5
21-Apr-09	21-Apr-19	10,000,000	3.4	10
21-Apr-09	21-Apr-20	10,000,000	3.54	11
21-Apr-09	21-Apr-13	4,615,360	2.39	4
		34,615,360		
		Total Borrowed	£74.6m	
		Average Interest Rate	3.08 %	
		Average Term	6.2 years	

Table A3.2 – External PWLB Borrowing for Waverley Court

However, all these loans have now matured and have been re-financed initially by reducing the Council’s investments and subsequently with long-term PWLB funding. As can be seen in Appendix 4, the loss of investment return over this period has been less than 1%, recently much less and recent long-term borrowing has been sub 2%. This is all against a business case predicated on borrowing at 4.75%.

As noted in Appendix 2, Treasury has gone from a strategy of filling in maturity gaps and creating interest rate risk to one of locking in historically low long-term interest rates to take the interest rate risk of current and previous projects off the table.

Figure A3.2 below shows the level of the Council’s borrowing along with the cost of that borrowing.

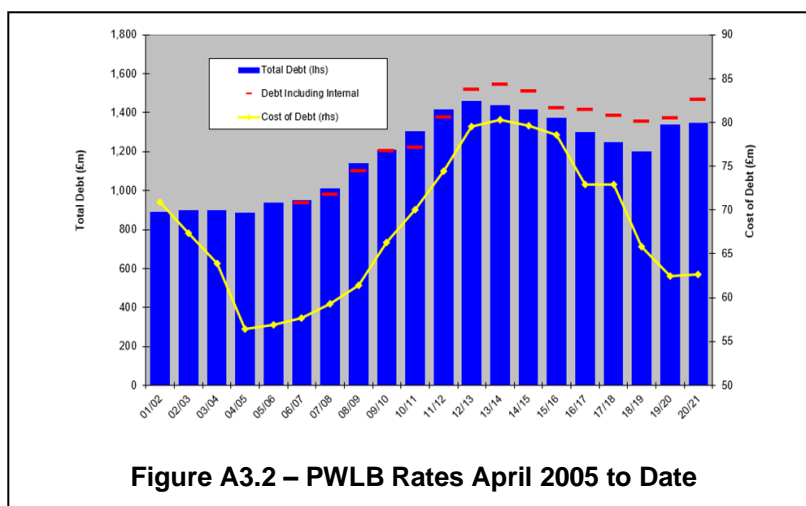


Figure A3.2 – PWLB Rates April 2005 to Date

Investment Out-turn

The Council’s cash balances are pooled and invested via the Treasury Cash Fund subject to the limits set out in the Treasury Management Policy Statement. Figure A4.1 below shows the daily investment in the Cash Fund since April 2009 highlighting the increased cash holdings due to borrowing. The Treasury Management strategy is to ensure that surplus funds are invested in accordance with the list of approved organisations for investment, minimising the risk to the capital sum and optimising the return on these funds consistent with those risks. The Cash Fund’s Investment Strategy continues to be based around the security of the investments.

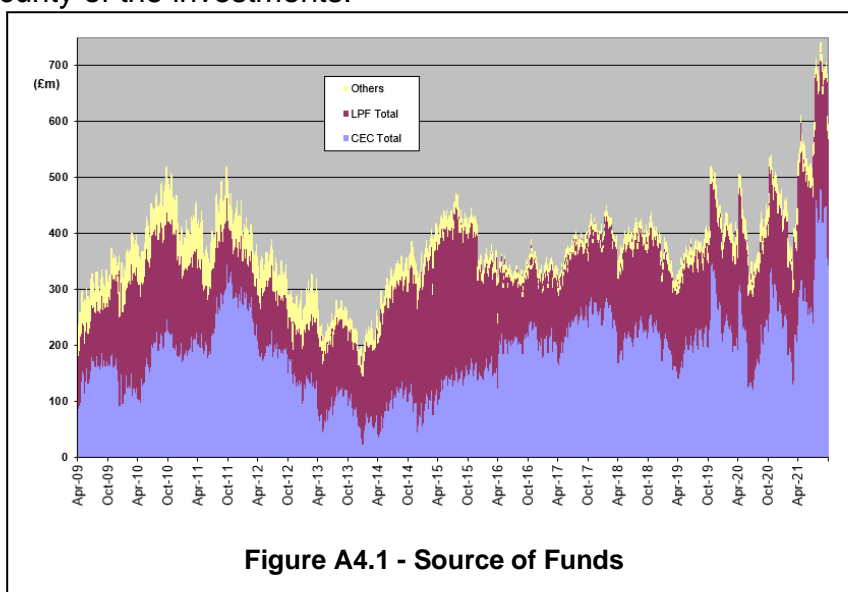


Figure A4.2 shows the rates achieved in the Friday auctions of UK Treasury Bills. As can be seen the lowest accepted and average yield on the 3-month maturity fell below zero on the first auction in October. The previous week Treasury was able to secure £20m 3-month UK Treasury Bills at a rate of 0.025%.

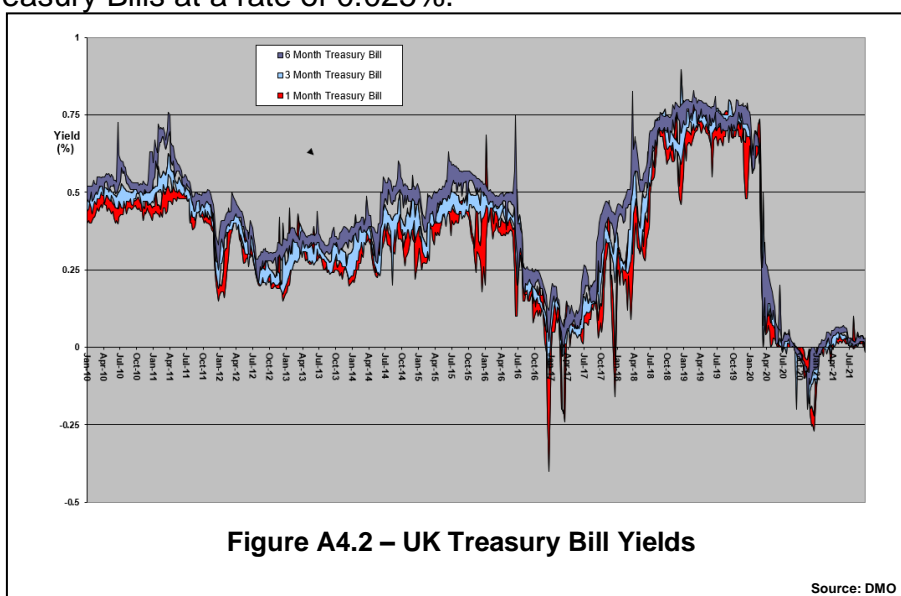
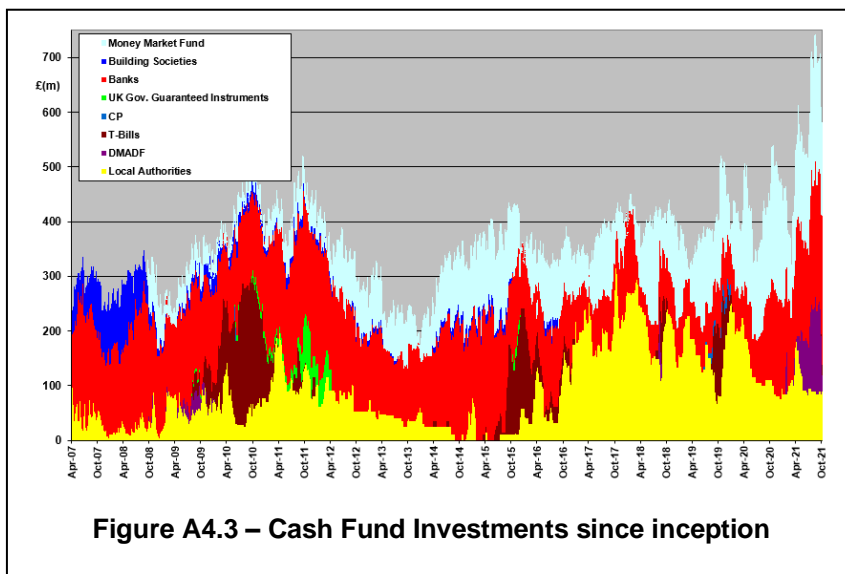
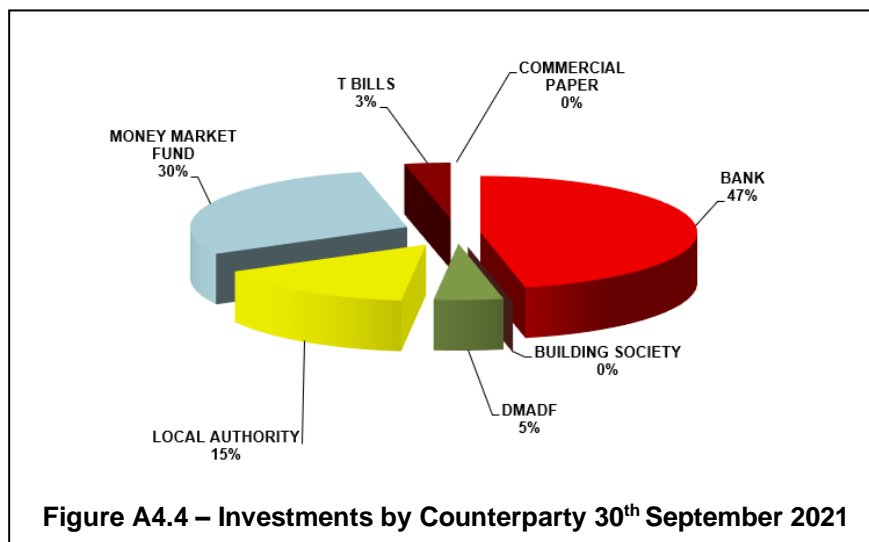


Figure A4.3 shows in detail the distribution on Cash Fund investments since inception in 2007. This shows the increased investment due to increased cash holdings and the investment within the Governments Debt Management Agency Deposit Facility (DMADF).

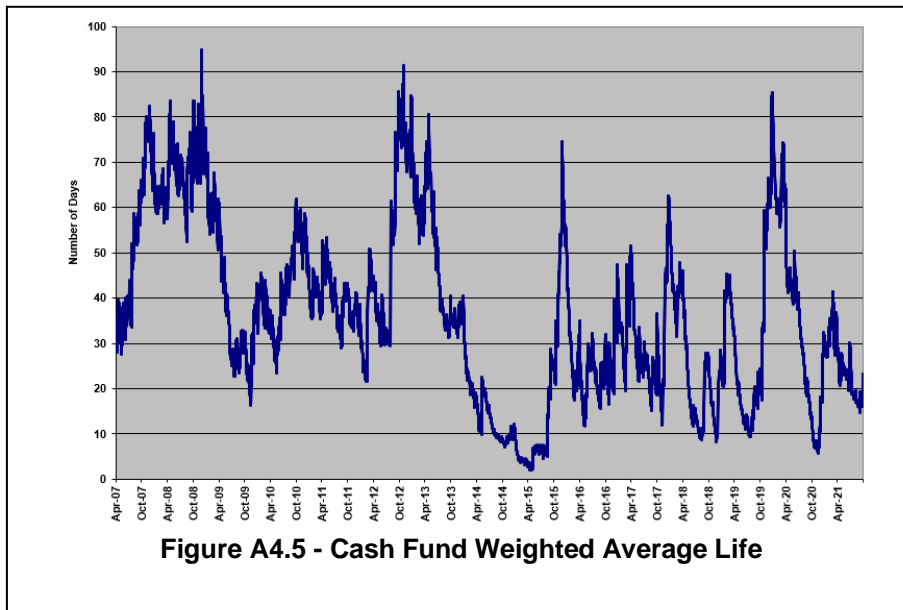


As can be seen in Figure A4.4, 15% of the fund was invested in Local Authority deposits between 7 different authorities, 3% with UK Treasury Bills, 5% invested with DMADF, 47% was invested with Banks in call accounts split between instant access and 31-day notice with HSBC and 30% on deposit with Money Market Funds. As previously mentioned, Treasury was successful in the 3-month UK Treasury Bill auction towards the end of September and achieved a rate of 0.025%.



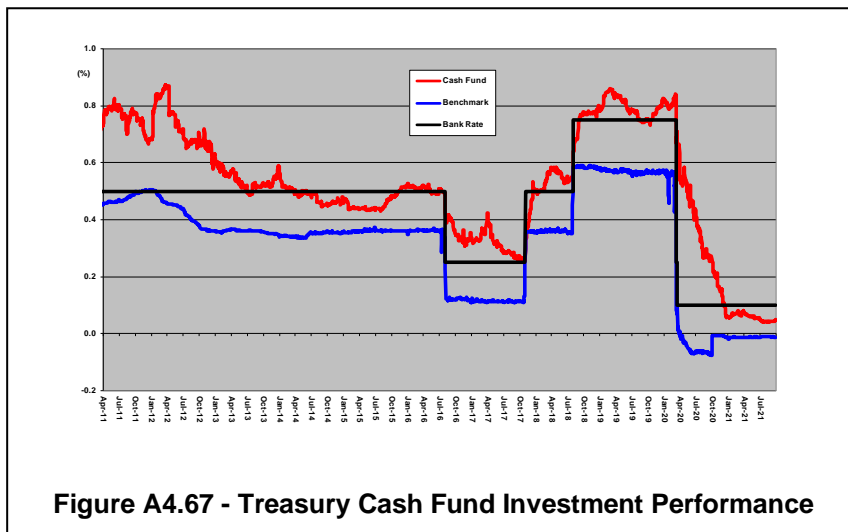
The strategy is to seek Local Authority and UK Treasury Bill trades which add value to relative MMF/Bank rates and make a positive performance contribution. The Local Authority market rates remain low but with the recent increase in Gilt yields we have been able to secure £20 million September 2022 1.75% UK Gilts. Treasury will continue to monitor yield increases and take advantage of any opportunity to achieve an increase rate with Government backed investments.

As can be seen in Figure A4.5 the weighted average life of the fund was just above 23 from the end of September. This was mainly due to longer term deposits being closer to maturity although there was a successful bid for a 3-month UK Treasury Bill and a 11-month deposit agreed with a Local Authority towards the end of the mid-term.



Cash Fund Performance

The annualised rate of return for the Cash Fund for the six months to September 2021 was 0.05% against a benchmark of -0.01%. Figure A4.6 below shows the daily investment performance of the Cash Fund against its benchmark since April 2011. As can be seen, Cash Fund performance has remained above the benchmark. Treasury will continue to seek trades which add value while retaining security of investments.



Debt outstanding 30th September 2021

Market Debt (non LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	08/10/2020	08/10/2045	59,142,025.46	2.613	1,556,590.56
M	30/06/2005	30/06/2065	5,000,000.00	4.4	220,000.00
M	07/07/2005	07/07/2065	5,000,000.00	4.4	220,000.00
M	21/12/2005	21/12/2065	5,000,000.00	4.99	249,500.00
M	28/12/2005	24/12/2065	12,500,000.00	4.99	623,750.00
M	14/03/2006	15/03/2066	15,000,000.00	5	750,000.00
M	18/08/2006	18/08/2066	10,000,000.00	5.25	525,000.00
M	01/02/2008	01/02/2078	10,000,000.00	3.95	395,000.00
			121,642,025.46		

Market Debt (LOBO)

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	12/11/1998	13/11/2028	3,000,000.00	4.75	142,500.00
M	15/12/2003	15/12/2053	10,000,000.00	5.25	525,000.00
M	18/02/2004	18/02/2054	10,000,000.00	4.54	454,000.00
M	28/04/2005	28/04/2055	12,900,000.00	4.75	612,750.00
M	01/07/2005	01/07/2065	10,000,000.00	3.86	386,000.00
M	24/08/2005	24/08/2065	5,000,000.00	4.4	220,000.00
M	07/09/2005	07/09/2065	10,000,000.00	4.99	499,000.00
M	13/09/2005	14/09/2065	5,000,000.00	3.95	197,500.00
M	03/10/2005	05/10/2065	5,000,000.00	4.375	218,750.00
M	23/12/2005	23/12/2065	10,000,000.00	4.75	475,000.00
M	06/03/2006	04/03/2066	5,000,000.00	4.625	231,250.00
M	17/03/2006	17/03/2066	10,000,000.00	5.25	525,000.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	03/04/2006	01/04/2066	10,000,000.00	4.875	487,500.00
M	07/04/2006	07/04/2066	10,000,000.00	4.75	475,000.00
M	05/06/2006	07/06/2066	20,000,000.00	5.25	1,050,000.00
M	05/06/2006	07/06/2066	16,500,000.00	5.25	866,250.00
			172,400,000.00		

PWLB

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
M	23/04/2009	23/04/2022	5,000,000.00	3.76	188,000.00
M	12/06/1995	15/05/2022	10,200,000.00	8	816,000.00
M	14/06/2010	14/06/2022	10,000,000.00	3.95	395,000.00
M	31/03/1995	25/09/2022	6,206,000.00	8.625	535,267.50
M	16/02/1995	03/02/2023	2,997,451.21	8.625	258,530.17
M	24/04/1995	25/03/2023	10,000,000.00	8.5	850,000.00
M	05/12/1995	15/05/2023	5,200,000.00	8	416,000.00
M	20/09/1993	14/09/2023	2,997,451.21	7.875	236,049.28
M	20/09/1993	14/09/2023	584,502.98	7.875	46,029.61
M	08/05/1996	25/09/2023	10,000,000.00	8.375	837,500.00
M	13/10/2009	13/10/2023	5,000,000.00	3.87	193,500.00
M	05/12/1995	15/11/2023	10,000,000.00	8	800,000.00
M	10/05/2010	10/05/2024	10,000,000.00	4.32	432,000.00
M	28/09/1995	28/09/2024	2,895,506.10	8.25	238,879.25
M	14/05/2012	14/11/2024	10,000,000.00	3.36	336,000.00
A	14/12/2009	14/12/2024	2,841,166.47	3.66	103,986.69
M	17/10/1996	25/03/2025	10,000,000.00	7.875	787,500.00
M	10/05/2010	10/05/2025	5,000,000.00	4.37	218,500.00
M	16/11/2012	16/05/2025	20,000,000.00	2.88	576,000.00
M	13/02/1997	18/05/2025	10,000,000.00	7.375	737,500.00
M	20/02/1997	15/11/2025	20,000,000.00	7.375	1,475,000.00
A	01/12/2009	01/12/2025	5,125,423.39	3.64	214,778.35
M	21/12/1995	21/12/2025	2,397,960.97	7.875	188,839.43
M	21/05/1997	15/05/2026	10,000,000.00	7.125	712,500.00
M	28/05/1997	15/05/2026	10,000,000.00	7.25	725,000.00
M	29/08/1997	15/11/2026	5,000,000.00	7	350,000.00
M	24/06/1997	15/11/2026	5,328,077.00	7.125	379,625.49
M	07/08/1997	15/11/2026	15,000,000.00	6.875	1,031,250.00
M	13/10/1997	25/03/2027	10,000,000.00	6.375	637,500.00
M	22/10/1997	25/03/2027	5,000,000.00	6.5	325,000.00
M	13/11/1997	15/05/2027	3,649,966.00	6.5	237,247.79
M	17/11/1997	15/05/2027	5,000,000.00	6.5	325,000.00
M	13/12/2012	13/06/2027	20,000,000.00	3.18	636,000.00
M	12/03/1998	15/11/2027	8,677,693.00	5.875	509,814.46
M	06/09/2010	06/09/2028	10,000,000.00	3.85	385,000.00
M	14/07/2011	14/07/2029	10,000,000.00	4.9	490,000.00
E	14/07/1950	03/03/2030	2,148.44	3	70.14
M	14/07/2011	14/07/2030	10,000,000.00	4.93	493,000.00
E	15/06/1951	15/05/2031	2,343.50	3	75.58
M	06/09/2010	06/09/2031	20,000,000.00	3.95	790,000.00
M	15/12/2011	15/06/2032	10,000,000.00	3.98	398,000.00
M	15/09/2011	15/09/2036	10,000,000.00	4.47	447,000.00
M	22/09/2011	22/09/2036	10,000,000.00	4.49	449,000.00

M	10/12/2007	10/12/2037	10,000,000.00	4.49	449,000.00
M	08/09/2011	08/09/2038	10,000,000.00	4.67	467,000.00
M	15/09/2011	15/09/2039	10,000,000.00	4.52	452,000.00
M	06/10/2011	06/10/2043	20,000,000.00	4.35	870,000.00
M	09/08/2011	09/02/2046	20,000,000.00	4.8	960,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	23/01/2006	23/07/2046	10,000,000.00	3.7	370,000.00
M	19/05/2006	19/11/2046	10,000,000.00	4.25	425,000.00
M	07/01/2008	07/01/2048	5,000,000.00	4.4	220,000.00
A	24/03/2020	24/03/2050	14,411,623.40	1.64	237,972.00
A	26/03/2020	26/03/2050	4,799,323.64	1.49	72,011.97
A	26/03/2021	26/03/2051	9,872,561.00	1.75	173,884.91
A	12/07/2021	12/07/2051	40,000,000.00	1.78	707,484.79
M	27/01/2006	27/07/2051	1,250,000.00	3.7	46,250.00
M	16/01/2007	16/07/2052	40,000,000.00	4.25	1,700,000.00
M	30/01/2007	30/07/2052	10,000,000.00	4.35	435,000.00
M	13/02/2007	13/08/2052	20,000,000.00	4.35	870,000.00
M	20/02/2007	20/08/2052	70,000,000.00	4.35	3,045,000.00
M	22/02/2007	22/08/2052	50,000,000.00	4.35	2,175,000.00
M	08/03/2007	08/09/2052	5,000,000.00	4.25	212,500.00
M	30/05/2007	30/11/2052	10,000,000.00	4.6	460,000.00
M	11/06/2007	11/12/2052	15,000,000.00	4.7	705,000.00
M	12/06/2007	12/12/2052	25,000,000.00	4.75	1,187,500.00
M	05/07/2007	05/01/2053	12,000,000.00	4.8	576,000.00
M	25/07/2007	25/01/2053	5,000,000.00	4.65	232,500.00
M	10/08/2007	10/02/2053	5,000,000.00	4.55	227,500.00
M	24/08/2007	24/02/2053	7,500,000.00	4.5	337,500.00
M	13/09/2007	13/03/2053	5,000,000.00	4.5	225,000.00
A	14/10/2019	10/04/2053	106,892,653.62	2.69	2,861,104.69
M	12/10/2007	12/04/2053	5,000,000.00	4.6	230,000.00
A	01/07/2021	01/07/2053	50,000,000.00	1.98	984,421.87
M	05/11/2007	05/05/2057	5,000,000.00	4.6	230,000.00
M	15/08/2008	15/02/2058	5,000,000.00	4.39	219,500.00
A	25/01/2019	25/01/2059	2,634,821.72	2.65	70,632.63
A	11/06/2019	11/06/2059	1,243,526.49	2.23	28,076.16
A	01/10/2019	01/10/2059	1,308,173.07	1.74	22,865.72
A	02/10/2019	02/10/2059	38,959,991.51	1.8	704,427.87
A	05/11/2019	05/11/2059	6,999,544.03	2.96	206,456.25
A	28/11/2019	28/11/2059	1,280,483.36	3.03	38,664.01
A	02/12/2019	02/12/2059	2,756,680.27	3.03	83,237.57
A	20/01/2020	20/01/2060	1,947,664.57	1.77	34,629.41
A	20/01/2020	20/01/2060	449,115.03	2.97	13,384.94
M	04/10/2019	04/04/2060	40,000,000.00	1.69	676,000.00
M	02/12/2011	02/12/2061	5,000,000.00	3.98	199,000.00
M	26/03/2020	26/03/2070	10,000,000.00	1.29	129,000.00
M	12/07/2021	12/07/2071	50,000,000.00	1.74	870,000.00
			1,142,411,851.98		

SALIX INTEREST FREE

Loan Type	Start Date	Maturity Date	Principal Outstanding (£)	Interest Rate (%)	Annual Interest (£)
Z	31/03/2015	01/04/2023	360,579.48	0.00	0.00
Z	22/09/2015	01/10/2023	109,899.85	0.00	0.00
Z	29/03/2019	01/04/2029	111,982.88	0.00	0.00
			582,462.21		