Appendix 1

CYNGOR
Sir y Fflint
Flintshire
COUNTY COUNCIL

FLINTSHIRE COUNTY COUNCIL

TREASURY MANAGEMENT

MID YEAR REPORT 2014/15

1.00 PURPOSE OF REPORT

1.01 To provide members with a mid-year update on matters relating to the Council's Treasury Management function.

2.00 BACKGROUND

2.01 Treasury management comprises the management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2.02 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.

2.03 The Council's policy is to appoint external consultants to provide advice on its treasury management function. The current external adviser is Arlingclose Ltd.

2.04 The Council has adopted the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.

2.05 In addition, the Welsh Government (WG) Guidance on Local Government Investments recommends that local authorities amend their investment strategies in light of changing internal or external circumstances.

2.06 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.

2.07 The Council approved the 2014/15 Treasury Management Strategy at its meeting on 18th February 2014.

3.00 ECONOMIC & INTEREST RATE REVIEW APRIL – SEPTEMBER 2014.

Provided by Arlingclose Ltd the Council's Treasury Management advisors.

Growth and Inflation:
The recent strong performance of the UK economy continued with output growing at 0.8% in Q1 2014 and at 0.9% in Q2. The services sector once again grew strongly. On the back of strong consumption growth, business investment appeared to be recovering quickly, albeit from a low base. The annual CPI

inflation rate fell to 1.5% year-on-year in August.

Revisions to the GDP methodology, now compliant with the European System of Accounting 2010, mean that growth is now estimated to be 2.7% above its pre-recession peak in Q1 2008 rather than just 0.2% higher, the general theme being that the recession was not as deep and the recovery was earlier than initially estimated. In anticipation of these revisions, the MPC has forecast growth at 3.4% in 2014.

Unemployment:
The labour market continued to improve, with strong employment gains and the headline unemployment rate falling to 6.2%. However, earnings growth remained very weak, rising just 0.6% for the three months May-July 2014 when compared to the same period a year earlier. The growth in employment was masked by a large number of zero-hour contracts and involuntary part-time working.

UK Monetary Policy:
The MPC made no change to the Bank Rate of 0.5% and maintained asset purchases at £375bn. However, there was a marked shift in tone from the Bank of England's Governor and other MPC members. In his Mansion House speech in June Governor Mark Carney warned that interest rates might rise sooner than financial markets were expecting. Following some mixed messages from Governor Carney later in the summer, the minutes of the August and September MPC meetings revealed a split vote with regards to the Bank Rate. Ian McCafferty and Martin Weale voted to increase Bank Rate by 0.25%, arguing economic circumstances were sufficient to justify an immediate rise. The MPC emphasised that when Bank Rate did begin to rise, it was expected to do so only gradually and would likely remain below average historical levels for some time to come.

In the Bank of England's August Inflation Report the Bank forecast growth to be around 3½% in 2014, easing back thereafter to around its pre-crisis historical average rate. Inflation was forecast to remain at, or slightly below, 2% before reaching the target at the end of the 2-year forecast period.

The Bank's Financial Policy Committee also announced a range of measures to cool the UK's housing market to avert the potential of spiralling house prices derailing a sustainable economic recovery. Key recommendations included lenders stress-testing mortgage applicants can cope with a 3% rise in interest rates; putting a 15% cap on the number of mortgages at more than 4.5 times the borrower's income; and a separate Treasury pledge banning anyone applying for a loan through the Help to Buy scheme borrowing more than 4.5 times their income. The Prudential Regulation Authority also announced that it intends to consult on capital requirements for mortgages.

The result of the Scottish referendum in the end was close, but not as close as many believed it might be. However, the political upheaval set in motion (the Prime Minister's linking of a more devolved Scotland to giving greater powers to English MPs over English-only legislation, the prospect of Scotland's potential freedom to raise taxes not being replicated elsewhere in the UK) is arguably likely to be just as problematic in the run-up to and beyond next year's general election.

Global:
Eurozone inflation continued to fall towards zero. HICP inflation (Harmonised Index of Consumer Prices – an indicator of inflation and price stability for the European Central Bank) registered just 0.3% in September, and there was mounting evidence that the already feeble recovery was losing pace. The unemployment rate remained stubbornly high at 11.5%. The European Central Bank lowered its official benchmark interest rate from 0.15% to 0.05%. The rate it pays on commercial bank balances held with it was also cut further into negative territory from -0.1% to -0.2% and the Marginal Lending Facility rate cut further to 0.3%. The ECB also announced a programme of acquiring Asset Backed Securities (ABS) from banks in an effort to encourage lending which was viewed as being one step away from full blown Quantitative Easing (QE) adopted by the US, UK and Japanese central banks. The minutes of the Bank of England's MPC meeting in September noted that "*weakness in the euro area had been the most significant development during the month"* and that, if it led once again to uncertainty about the sustainability of euro-area public and external debt, it could damage confidence and disrupt financial markets

There was no change from the US Federal Reserve as the central bank kept policy on its current track with a reduction in asset purchases by $10 billion per month. Asset purchases are expected to end by October 2014, expectations therefore turned towards the timing of rate increases. The US economy rebounded strongly in Q2 with annualised growth of 4.6%.

Market reaction:
Gilt yields have continued to decline and hit a financial year low at the end of August, before ticking upwards in the run up to the Scottish referendum. What has driven yields lower is a combination of factors but the primary drivers have been the escalation of geo-political risk within the Middle East and Ukraine alongside the slide towards deflation within the Eurozone (EZ).

Outlook:
The stronger economic growth seen in the UK over the past six months is likely to use up spare capacity more quickly than previously assumed. Arlingclose has brought forward the timing for the first rise in Bank Rate to Q3 2015.

In addition to two MPC members having voted for a rate rise in August and September, the rhetoric from Committee members has in general become more hawkish. However, the lack of inflationary pressure is expected to allow policymakers to hold off monetary tightening for longer than the market currently expects. The near-term risk is that the Bank Rate could rise sooner than anticipated.

The focus is now on the rate of increase and the medium-term peak and, in this respect; expectations are that rates will rise slowly and to a lower level than in the past.

The table below details the latest forecast for the Bank of England base rate as provided by our advisors Arlingclose:

	Dec 14	Mar 15	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17
Interest Rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.75%	1.75%

4.00 BORROWING REQUIREMENTS AND DEBT MANAGEMENT

4.01 PWLB (Public Works Loans Board) Certainty Rate Update.

The Authority qualifies for borrowing at the 'Certainty Rate' (0.2% below the PWLB standard rate) for a 12 month period from 1st November 2013. In August the Authority submitted its application to WG along with the 2014-15 Capital Estimates Return to access this reduced rate for a further 12 months from 1st November 2014.

4.02 Borrowing Activity to 30th September 2014.

The total long term borrowing outstanding, brought forward into 2014/15 totalled £172.1 million. Loans with the Public Works Loans Board are in the form of fixed rate (£143.1m) and variable rate (£10m). The remaining £18.95m is variable in the form of Lobo's (Lender's Option, Borrower's Option). The Council's average borrowing rate is currently 5.42%.

	Balance 01/04/2014 £m	Debt Maturing £m	New Debt £m	Balance 30/09/2014 £m
Capital Financing Requirement	**184.6**			**184.6**
Long Term Borrowing	172.1	0.00	0.00	172.1
TOTAL BORROWING	**172.1**	**0.00**	**0.00**	**172.1**
Other Long Term Liabilities *	7.6	0.00	0.00	7.6
TOTAL EXTERNAL DEBT	**179.7**	**0.00**	**0.00**	**179.7**
Increase/ (Decrease) in Borrowing £m				**0.0**

** relates to finance leases in respect of Deeside Leisure Centre (£5.0m) and Jade Jones Pavilion (£2.6m)*

4.03 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

4.04 No new long term borrowing has been undertaken so far during 2014/15.

Affordability (interest costs charged on new loans) and the "cost of carry" (costs associated with new loans) remain important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing.

4.05 Loans at Variable Rates

The extent of variable rate borrowing the Council can potentially undertake is influenced by the level of Reserves and Balances. The interest rate on the Council's £10m variable rate loans averaged 0.567%.

The Council has determined that exposure to variable rates is warranted. It also assists with the affordability and budgetary perspective in the short-to-medium term. Any upward movement in interest rates and interest paid on variable rate debt would be offset by a corresponding increase in interest earned on the Council's variable rate investments. The interest rate risk associated with the Council's strategic exposure of £10m is regularly reviewed with our treasury advisor against clear reference points, this being a narrowing in the gap between short and longer term interest rates by 0.5%. If appropriate, the exposure to variable interest rates will be reduced by switching into fixed rate loans.

4.06 Internal Borrowing

Given the significant cuts to local government funding putting pressure on Council finances, the strategy will be to minimise debt interest payments without compromising the longer-term stability of the portfolio.

The differential between the cost of new longer-term debt and the return generated on the Council's temporary investment returns was significant at around 3.4%.

The use of internal resources in lieu of borrowing has therefore continued to be the most cost effective means of funding capital expenditure, with £4.9m utilised for this purpose. This has lowered overall treasury risk by reducing both external debt and temporary investments.

The Council acknowledges that this position is not sustainable over the medium term and borrowing options and the timing of such borrowing continue to be assessed, with current expectations that the Council will need to borrow for capital purposes from 2015/16 onwards.

4.07 Lender's Option Borrower's Option Loans (LOBOs)

The Authority holds £18.95m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The option to change the terms on £18.95m of the Council's LOBOs was not exercised by the lender. The Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4.08 Debt Rescheduling

The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Authority's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

The Corporate Finance Manager, in conjunction with the Council's treasury advisors will continue to review any potential opportunities for restructuring the Council's debt in order to take advantage of potential savings as interest rates change and to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).

4.09 Welsh Housing Revenue Account (HRA) Subsidy Reform

The Housing (Wales) Act 2014 became law in Wales on 17th September 2014 and provides for the abolition of the Housing Revenue Account Subsidy (HRAS) system in Wales and the introduction of 'Self Financing' for the Housing Revenue Account. This is a negative subsidy system which requires stock owning authorities to make annual payments of rental income to Welsh Government and then onto the UK Treasury; Flintshire's payment is circa £6m per annum.

The Authority will be required to buy itself out of the current arrangement by making a 'settlement payment' to the Welsh Government; Flintshire's payment is estimated to be in the region of £80m, which will need to be borrowed from the PWLB. In return the Authority will be able to keep all future rental revenues generated from the housing stock. The Authority anticipates that the HRA will benefit from approximately £1m additional revenue budget each year (when interest on and repayment of the additional borrowing is taken into consideration). This will provide additional resource for investment in tenants' homes and will support achievement of the Welsh Housing Quality Standard (WHQS).

Self Financing will introduce a borrowing cap that will be set by Welsh Government for how much the Authority can borrow for the HRA in the future. The borrowing thresholds set will allow a council house building programme to commence in the future.

The exact timescales are being confirmed; though it is expected that exit from the HRAS will take place on 31st March 2015 with actual payments being transacted on 2nd April 2015. The settlement payment will not be determined by the Welsh Government until 31st March 2015.

5.00 INTERIM INVESTMENT AND PERFORMANCE REPORT

5.01 The Welsh Government's Investment Guidance gives priority to security and liquidity and the Authority's aim is to achieve a yield commensurate with these principles.

5.02 The maximum investments the Authority had on deposit at any one time totalled £83.3m. The average investment balance for the period was £71.1m and the average rate of return was 0.54%, generating investment income of £170k. The investment income received for the reporting period exceeded the budgeted figure of £124k by £46k.

5.03 Investments have been made with UK banks and building societies up to periods of 12 months, as well as utilising investment opportunities afforded by money market funds, instant access accounts, Debt Management Office and other Local Authorities.

5.04 The average debt balance held was £172.1m and the average rate paid was 5.42%, generating interest payable of £3.553m in line with budget forecasts.

	Investments		Borrowing	
	Interest received £'000	Interest rate %	Interest paid £'000	Interest rate %
Actual	170	0.54	3,553	5.42
Budget	124	0.50	3,556	5.42
Difference	+46	-	-3	-

5.05 *Credit Risk (security)*

Counterparty credit quality was assessed and monitored with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price. The minimum counterparty credit rating outlined in the 2014/15 Treasury Management Strategy was A-/A3/A- across rating agencies

Fitch, S&P and Moody's.

Counterparty Update (provided by Arlingclose Ltd)

The European Parliament approved the EU Bank Recovery and Resolution Directive (BRRD) on April 15, 2014. Taking the view that potential extraordinary government support available to banks' senior unsecured bondholders will likely diminish within its two-year rating horizon for investment-grade entities, in April Standard & Poor's revised the Outlook of Barclays, Deutsche Bank, Credit Suisse and ING Bank from Stable to Negative (note, this is not the same as a rating review negative).

In May, Moody's also changed the outlook from stable to negative for 82 European banks and from positive to stable for two European banks. The institutions affected on the Authority's lending list are Nationwide Building Society, Pohjola Bank, Svenska Handelsbanken, Landesbank Hessen-Thuringen, Bank Nederlandse Gemeenten and Nordea Bank.

In August Moody's changed its outlook for the UK banking system from stable to negative, citing the reduction of government support for systemic banks as the reason. Although the agency believes that the stand-alone financial strength of UK institutions is improving they believed that this is more than offset by the potential bail-in risk now faced by investors. Similarly, in August S&P revised the outlooks for major Canadian banks to negative following the government's announcement of a potential bail-in policy framework.

There was strong likelihood that the UK, alongside Germany and Austria, would accelerate the adoption of the BRRD and that the implementation of bail-in resolutions would be fast-tracked in these countries to 1st January 2015, a full year ahead of other EU nations.

Banks in the UK and EU face banks face stress tests this autumn, which may result in some institutions having to additionally bolster their capital buffers. The extent to which this might be required and the form they will have to take casts uncertainty over capital requirements in the system.

5.06 *Liquidity*

In keeping with the WAG's Government's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of Money Market Funds and call accounts.

5.07 *Yield*

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The Council's investment yield is outlined in 5.02.

7.00 COMPLIANCE

7.01 The Council can confirm that it has complied with its Prudential Indicators for the period April to September 2014. These were approved on 18th February 2014 as part of the Council's 2014/15 Treasury Management Strategy.

7.02 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the period April – September 2014. None of the Prudential Indicators have been breached and a prudent approach has been taking in relation to investment activity with priority being given to security and liquidity over yield.

8.00 OTHER ITEMS

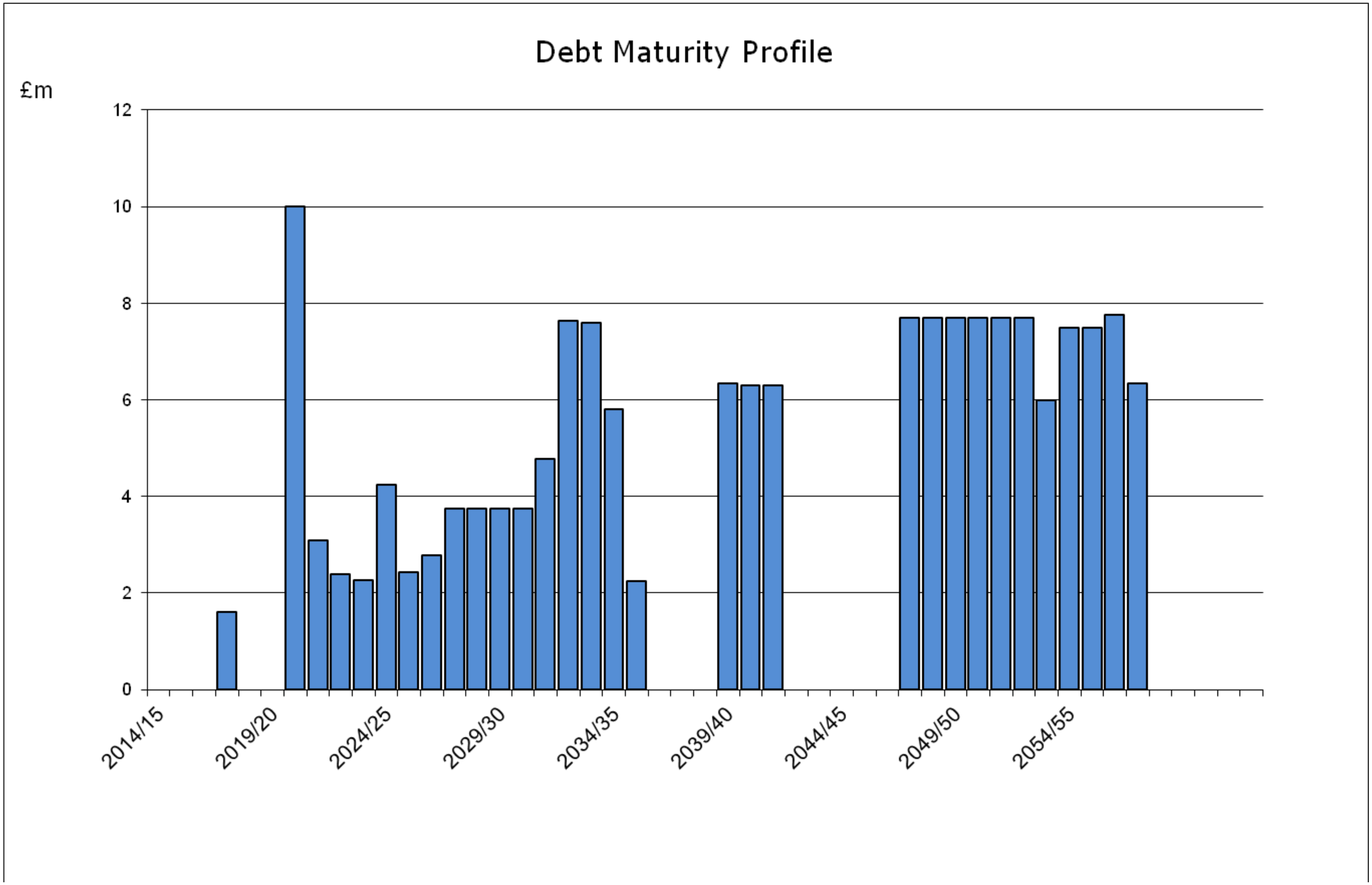
8.01 Other treasury management related activity that took place during April – September 2014 includes:

- The Corporate Finance Manager received a monthly update on treasury activities.
- The Treasury Management Annual Report 2013/14 was reported to Audit Committee in July. Cabinet and Council reviewed and approved the report in September.
- Quarterly Treasury Management updates were reported to the Audit Committee.
- The Council continues to be an active member of the CIPFA Treasury Management Forum and the TM Network Advisory Group.

9.00 CONCLUSION

9.01 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2014/15.

9.02 As indicated in this report none of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.


Debt Maturity Profile
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2034/35
2039/40
2044/45
2049/50
2054/55

FLINTSHIRE COUNTY COUNCIL - INVESTMENT PORTFOLIO

30th SEPTEMBER 2014 **APPENDIX 2**

Counterparty Name	Amount Invested £m	Start Date	Maturity Date	Interest Rate	Investment Interest £	Type of Investment	Period to Maturity
BANK OF SCOTLAND	4.0	04/04/14	02/04/15	0.95%	37,792	UK Bank	3 months+
BANK OF SCOTLAND	3.0	05/06/14	05/06/15	0.95%	28,500	UK Bank	3 months+
BANK OF SCOTLAND	**7.0**						
BARCLAYS	1.6	01/08/14	17/10/14	0.46%	1,553	UK Bank	1 month or less
BARCLAYS	2.1	03/09/14	28/10/14	0.41%	1,297	UK Bank	1 month or less
BARCLAYS	**3.7**						
BIRMINGHAM CITY COUNCIL	1.0	28/08/14	27/02/15	0.50%	2,507	Local Auth	3 months +
BIRMINGHAM CITY COUNCIL	**1.0**						
BNP PARIBAS	7.0	02/04/14	31/10/14	0.46%	18,702	MMF	1 month or less
BNP PARIBAS	**7.0**						
CUMBERLAND BUILDING SOCIETY	1.0	07/08/14	07/11/14	0.44%	1,109	UK BS	1 - 3 months
CUMBERLAND BUILDING SOCIETY	**1.0**						
FURNESS BUILDING SOCIETY	1.0	09/09/14	09/03/15	0.65%	3,223	UK BS	3 months +
FURNESS BUILDING SOCIETY	**1.0**						
GLASGOW CITY COUNCIL	2.0	02/12/13	01/12/14	0.60%	11,967	Local Auth	1 - 3 months
GLASGOW CITY COUNCIL	2.0	08/11/13	09/11/15	0.95%	38,052	Local Auth	12 months+
GLASGOW CITY COUNCIL	**4.0**						
HANDELSBANKEN	2.6	03/07/13	31/10/14	0.45%	15,547	Overseas	1 month or less
HANDELSBANKEN	**2.6**						
IGNIS STERLING LIQUIDITY FUND	6.4	01/04/14	31/10/14	0.48%	17,927	MMF	1 month or less
IGNIS STERLING LIQUIDITY FUND	**6.4**						
INSIGHT LIQUIDITY FUNDS LLP	2.5	01/04/14	31/10/14	0.41%	5,982	MMF	1 month or less
INSIGHT LIQUIDITY FUNDS LLP	**2.5**						
LANCASHIRE COUNTY COUNCIL	2.0	05/02/14	05/12/14	0.60%	9,962	Local Auth	1 - 3 months
LANCASHIRE COUNTY COUNCIL	**2.0**						
MARKET HARBOROUGH BUILDING SOCIETY	1.0	04/09/14	27/02/15	0.60%	2,893	UK BS	3 months +
MARKET HARBOROUGH BUILDING SOCIETY	**1.0**						
MORGAN STANLEY	4.4	01/04/14	31/10/14	0.41%	10,527	MMF	1 month or less
MORGAN STANLEY	**4.4**						
NATIONAL COUNTIES BUILDING SOCIETY	1.0	19/08/14	21/11/14	0.50%	1,288	UK BS	1 - 3 months
NATIONAL COUNTIES BUILDING SOCIETY	**1.0**						
NATIONWIDE BUILDING SOCIETY	1.4	16/06/14	17/04/15	0.81%	9,476	UK BS	3 months+
NATIONWIDE BUILDING SOCIETY	1.1	05/08/14	22/10/14	0.48%	1,128	UK BS	1 month or less
NATIONWIDE BUILDING SOCIETY	1.5	03/09/14	28/10/14	0.44%	995	UK BS	1 month or less
NATIONWIDE BUILDING SOCIETY	**4.0**						
OVERSEA-CHINESE BANKING CORPORATION	1.5	16/06/14	16/12/14	0.55%	4,136	Overseas	1 - 3 months
OVERSEA-CHINESE BANKING CORPORATION	1.0	03/09/14	18/12/14	0.53%	1,539	Overseas	1 - 3 months
OVERSEA-CHINESE BANKING CORPORATION	1.8	01/07/14	17/10/14	0.42%	2,237	Overseas	1 month or less
OVERSEA-CHINESE BANKING CORPORATION	**4.3**						
TOTAL	**52.9**			**0.56%**	**228,339**		

FLINTSHIRE COUNTY COUNCIL - INVESTMENTS SUMMARISED BY TYPE & MATURITY

30th SEPTEMBER 2014 **APPENDIX 2**

Type of Investment	Total Amount Invested	% of Total Portfolio	Period to Investment Maturity: 1 month or less	1 - 3 months	3 months +	12 months +
	£m		£m	£m	£m	£m
Debt Mangement Office (DMO)	0.0	0%				
UK Bank	10.7	20%	3.7		7.0	
UK Building Society (UK BS)	8.0	15%	2.6	2.0	3.4	
Overseas	6.9	13%	4.4	2.5		
Local Authorities	7.0	13%		4.0	1.0	2.0
Money Market Funds (MMF)	20.3	39%	20.3			
Total (£)	**52.9**		**31.0**	**8.5**	**11.4**	**2.0**
Total (%)		**100%**	**59%**	**16%**	**22%**	**3%**

FLINTSHIRE COUNTY COUNCIL - LONG TERM BORROWING ANALYSIS **APPENDIX 3**

30th SEPTEMBER 2014

	Loan Start Date	Principal Loan Outstanding £	Interest Rate %	Annual Interest £	Loan Maturity Date
	PWLB Fixed Rate Maturity Loans				
	20/03/86	2,436,316	9.50	231,450	30/11/25
	01/04/86	1,392,181	9.13	127,036	30/11/23
	01/04/86	1,218,158	9.13	111,157	30/11/21
	24/03/88	696,090	9.13	63,518	30/11/27
	25/08/88	696,090	9.50	66,129	31/03/28
	26/10/88	870,113	9.25	80,485	30/09/23
	26/05/89	1,044,135	9.50	99,193	31/03/25
	26/05/89	1,044,135	9.50	99,193	31/03/29
	28/09/95	561,642	8.25	46,335	30/09/32
	28/09/95	181,120	8.63	15,622	30/09/32
	28/09/95	348,045	8.25	28,714	30/09/27
	28/09/95	696,090	8.25	57,427	30/09/28
	28/09/95	1,740,226	8.25	143,569	30/09/29
	28/09/95	1,740,226	8.25	143,569	30/09/30
	28/09/95	1,740,226	8.25	143,569	30/09/31
	28/09/95	522,068	8.25	43,071	30/09/21
	28/09/95	696,090	8.25	57,427	30/09/24
	28/09/95	1,740,226	8.25	143,569	30/09/26
	28/09/95	1,000,282	8.63	86,274	30/09/22
	18/04/97	2,000,000	7.75	155,000	18/10/27
	18/04/97	2,000,000	7.75	155,000	18/10/28
	18/04/97	2,000,000	7.75	155,000	18/10/29
	18/04/97	2,000,000	7.75	155,000	18/10/30
	22/05/97	1,600,000	7.38	118,000	22/11/17
*	17/07/97	4,000,000	7.13	285,000	31/03/55
*	17/07/97	4,000,000	7.13	285,000	31/03/56
*	17/07/97	4,492,873	7.13	320,117	31/03/57
*	17/07/97	3,500,000	7.00	245,000	31/03/55
*	17/07/97	3,500,000	7.00	245,000	31/03/56
*	17/07/97	3,278,252	7.00	229,478	31/03/57
*	20/05/98	1,333,332	5.75	76,667	18/04/31
	20/05/98	1,050,000	6.00	63,000	18/04/26
	09/06/98	2,000,000	5.75	115,000	30/09/32
	09/06/98	3,000,000	5.75	172,500	30/09/33
	09/06/98	4,000,000	5.75	230,000	30/09/34
	17/09/98	3,850,000	5.25	202,125	31/03/58
	08/12/98	1,200,000	4.75	57,000	31/03/54
	08/12/98	2,500,000	4.75	118,750	31/03/58
	08/12/98	4,800,000	4.50	216,000	31/03/54
	01/04/99	6,000,000	4.63	277,500	31/03/53
	22/04/99	4,000,000	4.50	180,000	31/03/52
*	10/08/99	1,700,000	4.50	76,500	31/03/53
*	10/08/99	3,700,000	4.50	166,500	31/03/52
*	10/08/99	7,700,000	4.50	346,500	31/03/51
*	10/08/99	7,700,000	4.50	346,500	31/03/50
*	10/08/99	7,700,000	4.50	346,500	31/03/49
*	10/08/99	7,700,000	4.50	346,500	31/03/48
	05/04/01	2,500,000	4.75	118,750	31/03/25
	15/11/01	1,400,000	4.50	63,000	31/03/23
	15/11/01	1,350,000	4.50	60,750	31/03/22
*	02/08/05	1,700,000	4.45	75,650	18/04/31
*	02/08/05	4,900,000	4.45	218,050	18/04/32
*	02/08/05	4,600,000	4.45	204,700	18/04/33
*	02/08/05	1,800,000	4.45	80,100	18/04/34
*	02/08/05	2,244,611	4.45	99,885	18/04/35
	Total	**143,162,527**	**5.86**	**8,393,328**	
	Market Fixed Rate Loans (LOBOS)				
*	24/07/07	6,350,000	4.48	284,480	24/01/40
*	24/07/07	6,300,000	4.53	285,075	24/01/41
*	24/07/07	6,300,000	4.58	288,540	24/01/42
	Total	**18,950,000**	**4.53**	**858,095**	
	PWLB Variable Rate Maturity Loans				
*	05/05/10	10,000,000	0.57	56,700	05/05/20
		10,000,000	**0.57**	**56,700**	
	Totals				
	Fixed Rate	**162,112,527**		**9,251,423**	
	Variable Rate	**10,000,000**		**56,700**	
	Grand Total	**172,112,527**	**5.41**	**9,308,123**	

* New loan due to debt restructuring