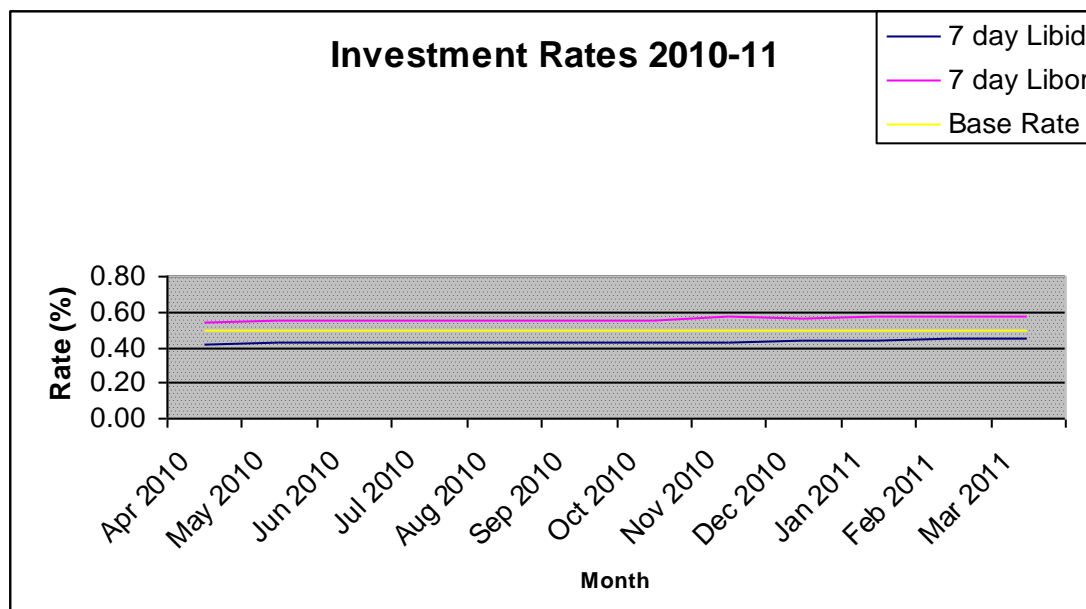


Interest Rate Movements 2010-11

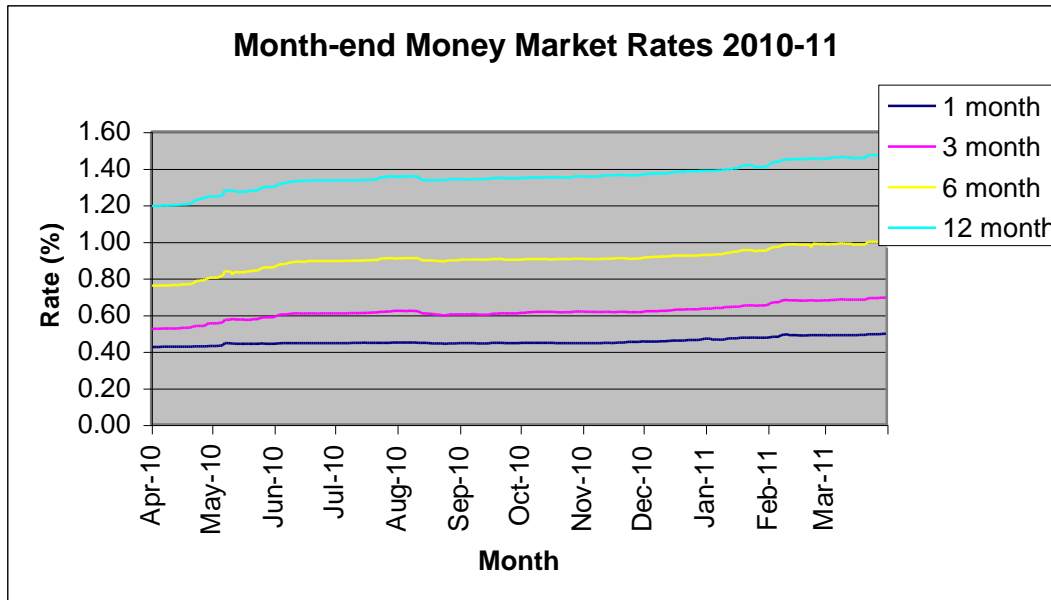
Definitions of key terms used are set out below.

Bank of England Base Rate	The interest rate at which the Bank of England lends to financial institutions. This affects interest rates set by commercial banks, building societies and other institutions. Changing interest rates affects spending in the economy. A reduction in interest rates makes saving less attractive and borrowing more attractive, stimulating spending. The opposite occurs when interest rates are increased.
Libor Rate	The London Interbank <i>Offered</i> Rate is based on the average rate at which banks offer to <i>lend</i> to other banks.
Libid Rate	The London Interbank <i>Bid</i> Rate is the rate bid by banks on Eurocurrency deposits, i.e., the rate at which a bank is willing to <i>borrow</i> from other banks.

Interest rates were closely monitored during the course of the year. The bank base rate remained at 0.5% throughout 2010-11. Throughout the year, the average 7 day London Interbank Bid Rate (LIBID), and average 7 day London Interbank Offered Rate (LIBOR) remained within narrow ranges, between 0.42% and 0.45% for LIBID and 0.54% and 0.58% for LIBOR. This is illustrated in the chart below:



Rates for money market investments rose gently in the first three months of 2010-11, levelled during the second and third quarters, then rose gently again during the fourth quarter. This is illustrated in the chart below:



The following table shows the minimum and maximum rates available during 2010-11. The minimum rates were available on 1 April 2010 and the maximum rates on 31 March 2011.

	1 month	3 months	6 months	12 months
Minimum rate	0.4225	0.5222	0.7575	1.1931
Maximum rate	0.4956	0.6931	1.0019	1.4738