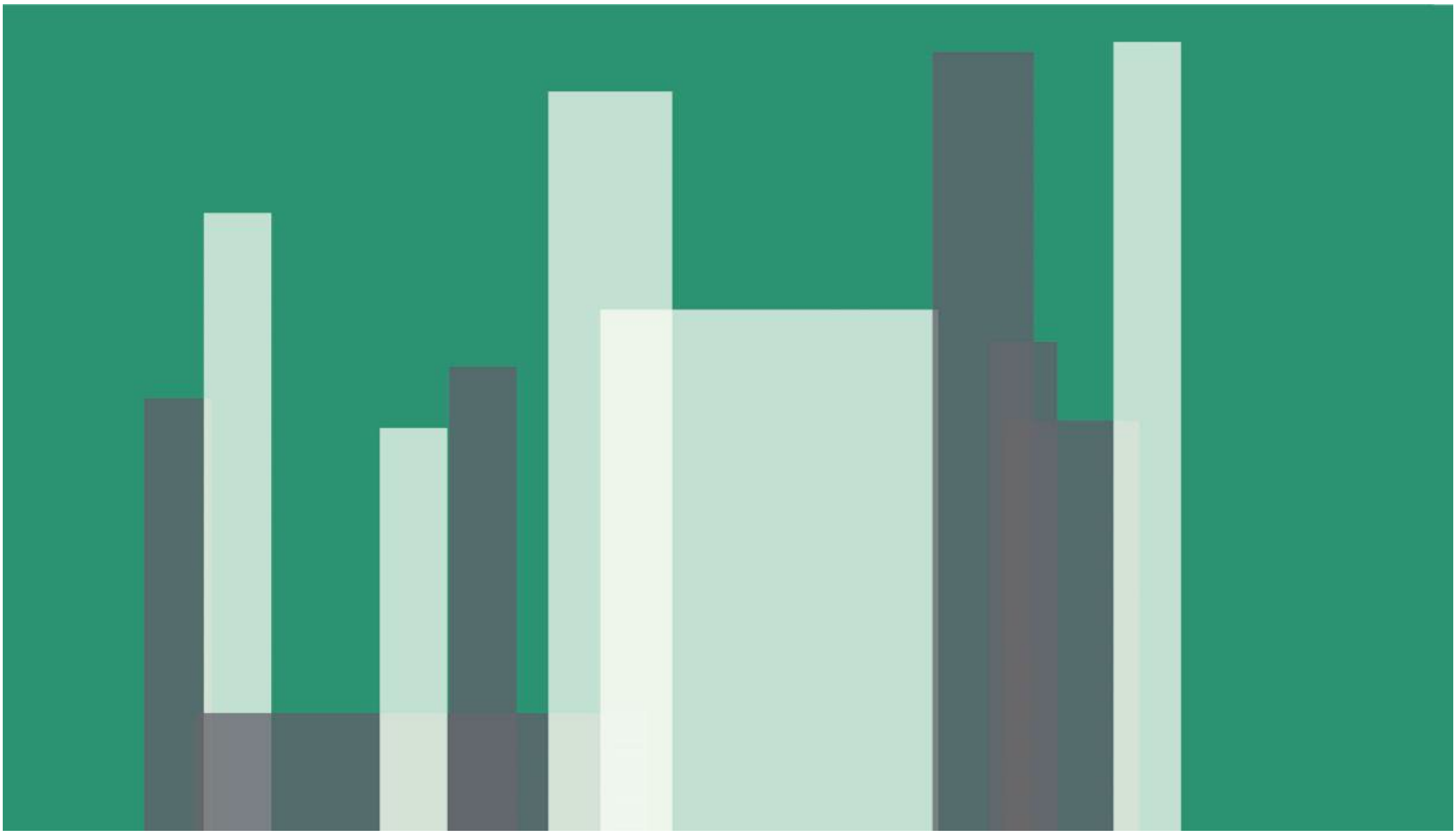
The Housing Finance Corporation Limited

Interim Report & Accounts 2020



Contents

Interim Management Report

	Note	As at 30 September 2020 (unaudited)	As at 30 September 2019 (unaudited)	As at 31 March 2020 (audited)
	Note	**£000**	£000	£000
New Business Income	11	**2,328**	761	1,120
Operating Income Net of Interest	11	**3,674**	3,638	7,445
Total Income Net of Interest		**6,002**	4,399	8,565
Administration Expenditure		**(2,617)**	(2,609)	(5,178)
Profit before Tax		**3,385**	1,790	3,387
Loan Book		**7,638,658**	7,331,049	7,453,761
Retained earnings		**44,445**	39,549	41,703

Review

The Board is pleased to present its interim accounts for the six-month period ended 30 September 2020.

During this period, the group made a pre-tax surplus of £3.385m compared to £1.790m for the same period last year. This growth was driven principally from arrangement fees receivable on £292.9m of new lending in the period.

Total income net of interest has increased by £1.603m (36.4%) from £4.399m to £6.002m compared to the same period last year and costs are £8k higher at £2.617m.

Revenue represents principally arrangement fees for new lending, annual administration fees receivable on the loan book and some sundry income.

Arrangement fees are derived from new lending originated through THFC and Blend Funding Plc. Blend is funded under a Euro Medium Term Note (EMTN) programme and offers diverse and flexible lending structures to its borrowers including most recently the ability to fix issue price and defer drawdown. The timing of receipts of arrangement fees is driven by market conditions and demand from borrowers.

Operating income (before arrangement fees) net of interest grew by 1.0% in the period ended 30 September 2020. This was driven by a combination of indexation on existing annual fees and volume uplifts from lending in the period.

Administration expenditure increased marginally in the period to £2.617m from £2.609m but the ratio of operating expenses to loan book at 30 September 2020 fell to 0.03%, compared to 0.04% at 30 September 2019.

During the period ended 30 September 2020, a total of £292.9m of new money sourced from bond issues was advanced to housing associations by members of the THFC group (2019: £45.5m) resulting in a group loan book of £7.64bn at 30 September 2020 compared to £7.33bn at 30 September 2019.

On 30 September 2020 the 5.65% Index Linked Debenture stocks issued by the group's subsidiary. THFC (Indexed) Limited, matured and the final payments of interest and principal were made to stockholders on that date.

Total group reserves stood at £44.4m (2019: £39.5m) All reserves are non-distributable. There are restrictions over the use of Affordable Housing Finance PLC's reserves as set out in the Licence with the Ministry of Housing, Communities and Local Government.

Coronavirus Pandemic

As we publish our interim statement the UK will have entered into its eighth month of social distancing restrictions, economic and other measures to counter the spread and impact of the virus. The pandemic is causing unprecedented economic hardship and we continue to monitor the performance of our borrowers in this context.

Latest management information from borrowers indicates that repairs, maintenance and development spend remains below budgeted levels, resulting from the near cessation of works that occurred in the three months ended 30 June 2020. A number of borrowers are expected to be well below budget in terms of development in the current year, although in terms of repairs and maintenance many report good progress in clearing the backlog. These two factors have tended to boost liquidity positions, but we remain mindful of the potential impact of below budget market sales.

There is little evidence that the national lockdown is having any material adverse impact to date on rental incomes although any reductions in this area should be substantially mitigated by the high percentage of tenant rentals covered by housing benefit.

In terms of financial markets, the group (and housing associations in their own name) have continued to be frequent issuers in the Capital Markets throughout the period of lockdown and commanding credit spreads which indicate that investors continue to regard the sector as relatively low risk, despite the current uncertainties.

Our conclusion then is that the social housing sector remains resilient to the ongoing impact of the pandemic.

Operationally the group has continued to operate successfully on a home-working basis whilst maintaining a robust control framework.

We remain in regular contact with our borrowers, valuers and other relevant organisations to maintain a watching brief on the impact of the pandemic on the sector but are not aware of anything which will materially affect any of our borrowers' ability to service their debt.

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

a) The condensed set of interim financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole as at 30 September 2020 as required by DTR 4.2.4R;

b) The interim management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the group faces; and

c) The condensed set of interim financial statements have been prepared in accordance with IAS 34.

Forward-looking statements

These interim financial statements may contain forward-looking statements with respect to the financial condition, results, operations and businesses of the group. Although the group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Such statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future.

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this statement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Nothing contained in these condensed interim financial statements, the latest Annual Report, or THFC's website, should be construed as a profit-forecast or an invitation to deal in the securities of the group.

Colin Burke
Company Secretary
By order of the Board
17 November 2020

Condensed Group Statement of Comprehensive Income

Six-month period ended 30 September 2020

	Note	**Six months ended 30 September 2020 (unaudited)**	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
OPERATING INCOME	**Note**	**£000**	£000	£000
On loans to housing associations				
Interest receivable	5	**134,865**	134,335	266,967
Discount amortised		**670**	604	1,901
Premium amortised		**(6,139)**	(4,919)	(10,991)
Income from securitised assets		**785**	899	1,742
Indexation on investments		**506**	639	998
Premium receivable on prepayment		**10**	175	378
Other interest		**108**	208	457
Fees receivable and other income		**5,877**	4,184	8,099
		136,682	136,125	269,551
OPERATING EXPENDITURE				
On debenture stocks, secured bonds, bank loans and other loans				
Interest payable	6	**135,645**	135,231	268,700
Discount amortised		**670**	604	1,901
Premium amortised		**(6,139)**	(4,919)	(10,991)
Indexation on loans payable		**504**	639	998
Premium payable on prepayment		**-**	171	378
Administration expenses		**2,617**	2,609	5,178
		133,297	134,335	266,164
SURPLUS BEFORE TAXATION		**3,385**	1,790	3,387
Taxation		**(643)**	(340)	(692)
Surplus after taxation		**2,742**	1,450	2,695
Other comprehensive income		**-**	-	909
TOTAL COMPREHENSIVE INCOME		**2,742**	**1,450**	3,604

Condensed Group Statement of Financial Position

As at 30 September 2020

ASSETS	Note	**As at 30 September 2020 (unaudited)**	As at 30 September 2019 (unaudited)	As at 31 March 2020 (audited)
		£000	£000	£000
Non-current assets				
Loans	7	**7,561,479**	7,271,545	7,373,538
Intangible assets		**86**	92	78
Property, plant and equipment		**1,435**	1,655	1,554
Deferred tax asset		**175**	333	175
Current assets				
Loans	7	**77,179**	59,504	80,223
Other receivables		**42,751**	42,314	43,558
Short-term deposits		**22,498**	22,392	16,761
Cash and cash equivalents		**57,545**	49,412	56,692
TOTAL ASSETS		**7,763,148**	7,447,247	7,572,579
EQUITY AND LIABILITIES				
Non-Current liabilities				
Financial liabilities – borrowings	8	**7,563,592**	7,272,900	7,374,247
Leases		**1,107**	1,208	1,187
Deferred tax liabilities		**192**	100	192
Provision for other liabilities and charges		**809**	2,090	914
Current liabilities				
Financial liabilities – borrowings	8	**77,179**	58,913	81,479
Trade and other payables		**75,098**	72,068	72,405
Leases		**159**	179	159
Current tax liabilities		**567**	240	293
TOTAL LIABILITIES		**7,718,704**	7,407,698	7,530,876
EQUITY				
Called up share capital		**-**	-	-
Retained earnings		**44,445**	39,549	41,703
TOTAL EQUITY				
TOTAL EQUITY AND LIABILITIES		**7,763,148**	7,447,247	7,572,579

The accompanying notes on pages 8-16 are an integral part of these condensed consolidated financial statements. These condensed consolidated financial statements on pages 4-16 were approved by the board on 17 November 2020.

The Housing Finance Corporation Limited

Registration Number: IP25862R

Condensed Group Statement of Changes in Equity

Six-month period ended 30 September 2020

	Share capital	Retained earnings	Total equity
	£	£000	£000
Balance as at 1 April 2020 (audited)	10	41,703	41,703
Shares issued in year	1	-	-
Shares cancelled in year	(2)	-	-
Surplus for period	-	2,742	2,742
Other comprehensive income	-	-	-
Balance as at 30 September 2020 (unaudited)	**9**	**44,445**	**44,445**
Balance as at 1 April 2019 (audited)	9	38,099	38,099
Shares cancelled in year	-	-	-
Surplus for period	-	1,450	1,450
Other comprehensive income	-	-	-
Balance as at 30 September 2019 (unaudited)	**9**	**39,549**	**39,549**
Balance as at 1 April 2019 (audited)	9	38,099	38,099
Shares issued in year	3	-	-
Shares cancelled in year	(2)	-	-
Surplus for period	-	2,695	2,695
Other comprehensive income	-	909	909
Balance as at 31 March 2020 (audited)	**10**	**41,703**	**41,703**

Condensed Group Statement of Cash flows

Six-month period ended 30 September 2020

	Note	**Six months ended 30 September 2020 (unaudited)**	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
NET CASH FLOW FROM OPERATING ACTIVITIES	**Note**	**£000**	£000	£000
Cash generated from operating activities	9	**6,441**	4,006	5,339
Interest received on loans to housing associations		**135,397**	134,538	267,289
Interest paid on debenture stocks, secured bonds, secured notes, bank loans and other loans		**(134,895)**	(143,521)	(276,816)
Loans to housing associations		**(292,890)**	(45,456)	(179,879)
Repayment of loans by housing associations		**103,030**	43,320	50,614
New borrowings		**292,890**	45,456	179,879
Repayment of amounts borrowed		**(102,887)**	(45,488)	(51,581)
Tax paid		**(369)**	(640)	(900)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		**6,717**	(7,785)	(6,055)
CASH FLOW FROM INVESTING ACTIVITIES				
Movement on short-term deposits		**(5,737)**	(13,039)	(7,408)
Purchase of property, plant and equipment		**(4)**	(159)	(176)
Principal element of lease payments		**(96)**	-	(61)
Purchase of intangible equipment		**(27)**	(9)	(12)
NET CASH USED IN INVESTING ACTIVITIES		**(5,864)**	(13,207)	(7,657)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**853**	(20,992)	13,712
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**56,692**	70,404	70,404
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**57,545**	49,412	56,692

Notes to the Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

The Housing Finance Corporation Limited ("THFC" or "the company") provides funding for housing associations. THFC is a private limited company domiciled and incorporated in England and Wales and registered under the Co-operative and Community Benefit Societies Act 2014.

Funding to housing associations is sourced through issuing debenture stocks, secured bonds, secured notes, bank funding and long-term loans from related companies. The debenture stocks and secured bonds issued by THFC and certain subsidiaries are listed on the Professional Securities Market of the London Stock Exchange. Secured notes issued by blend Funding plc are listed on the International Securities Market.

The interim condensed consolidated financial statements of THFC together with its subsidiaries (the "group") for the six months ended 30 September 2020 were approved by the Board of Directors for issue on 17 November 2020.

2. BASIS OF PREPARATION & STATUTORY ACCOUNTS

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 September 2020 have been prepared using accounting policies consistent with IFRS as adopted by the European Union and, as regards the parent company financial statements, applied in accordance with the provisions of the Co-operative and Community Benefit Societies Act 2014. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 March 2021. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements for the year ended 31 March 2020.

The financial statements have been prepared under the historical cost convention. A summary of the more important group accounting policies is set out below.

The condensed set of interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting.

Statutory accounts

Financial information contained in this document does not constitute statutory accounts within the meaning of section 98 of the Co-operative and Community Benefit Societies Act 2014.

The financial information for the six months ended 30 September 2020 and 30 September 2019 is unaudited and has not been subject to review in accordance with International Standards on Review Engagements (UK and Ireland) 240 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Notes to the Condensed Consolidated Financial Statements
(continued)

3. ACCOUNTING POLICIES

The same accounting policies, presentation and methods of computation are followed in the condensed consolidated financial statements as applied in the group's latest annual consolidated financial statements except as described below:

Interims tax policy

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Changes in accounting policies and disclosures

A number of new and amended standards and interpretations are effective from 1 April 2020 but they do not have a material effect on the Group's financial statements.

Loans to housing associations, debenture stocks, secured bonds, bank borrowings and other borrowings

The terms of the loans to housing associations are substantially matched to those on which the funds have been raised through the issue of debenture stocks, secured bonds, secured notes bank borrowings and other borrowings and hence both loans and funds borrowed are accounted for on a similar basis as set out below:

1. Loans to housing associations are expected to run to contractual maturity and are classified as loans and receivables. Debenture stocks, secured bonds, secured notes, bank borrowings and other long-term borrowings are classified as financial liabilities.

2. Loans to housing associations are stated at amortised cost. The discounts or premiums on issue are deducted from/added to the original loan value and credited or charged to the statement of comprehensive income over the expected life of the loan so that the interest receivable or payable, as adjusted for the amortisation of discounts or premiums, gives a constant yield to maturity.

3. The related debenture stocks, secured bonds, secured notes, bank borrowings and other borrowings are also stated at amortised cost.

Impairment of Financial assets

The group assesses on a forward-looking basis the expected credit losses (ECL) associated with any debt instruments carried at amortised cost. The group may recognise a loss allowance for such losses at each reporting date.

The IFRS 9 impairment model has three stages – Stage 1 (low risk), Stage 2 (significantly increased risk) and Stage 3 (default).

The group may recognise a 12-month expected credit loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk (stage 2) that would no longer render the instrument low risk. Stage 3 requires objective evidence that an asset is credit impaired.

Management apply their own judgement to resulting outcomes by considering such factors as the group's own loss experience, low loan to value ratios and other relevant factors.

No financial assets have been impaired as at 30 September 2020 (2019: None).

Interest receivable and payable

Interest receivable on loans to housing associations, interest payable on debenture stocks, bonds, secured notes, bank borrowings and other loans is accounted for on an effective interest rate basis. Premiums/discounts on issue are added to/deducted from the original loan or bond value and charged/credited to the statement of comprehensive income over the expected life of the loan or bond using the effective interest rate method so that the interest receivable and interest payable, as adjusted for the amortisation of premiums and discounts, gives a constant yield to maturity. If, and when, prepayments take place premiums receivable and payable on prepayment of debenture stocks, bonds and notes are taken to the statement of comprehensive income in the period in which the prepayment takes place.

Securitised assets and related income

Securitised assets are recorded in the condensed consolidated financial statements at amortised cost. Income arising from the assets is accounted for on an effective interest rate basis.

Fees and premiums receivable

Fees receivable and other income comprise arrangement fees payable on completion of loan transactions, annual fees for the ongoing service provided to borrowers and premiums receivable on completion of loan prepayment transactions. All fees receivable are charged in line with contractual arrangements.

Fees are measured at the transaction price received or receivable allocated to the performance obligation satisfied and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

As the expected period between transfer of a promised good or service and payment from the borrower is one year or less then no adjustment for a financing component has been made.

Arrangement fees and premiums receivable are recognised on the completion of the transaction with the borrower.

Annual fees for the ongoing service provided to borrowers is recognised over the period in which the services are provided.

Critical Judgments - Impairment

The directors have concluded that no impairment provision is required in relation to its loans to borrowers in accordance with IFRS 9. This is for a number of reasons which includes, but is not limited to, the credit quality of its borrowers and the group's zero loss experience to date. As the group is not subject to any net credit risk, any incurred loss would be matched by a similar adjustment to the gross liability.

4. GOING CONCERN

Given the uncertainties around Covid-19, the group has assessed the likely impact of the ongoing Covid-19 pandemic on its business operations and finances. The group makes loans to registered providers of social housing and its viability is dependent on the ongoing receipt of interest, principal and fees from its borrowers in accordance with their respective loan agreements thereby ensuring that the group is able to meet its obligations under the terms of its funding arrangements in addition to covering operating costs. There are a number of key areas where the pandemic could potentially affect the cash flows of borrowers and impact their ability to service debt or meet other obligations. Having reviewed these areas, the group has concluded that there are sufficient mitigants in place to ensure there is no material impact on its borrowers' businesses such that they would encounter difficulty in meeting their loan obligations. These mitigants include government measures to support tenant incomes, the high proportion of tenant rental income payable by housing benefit and the strong liquidity position of the sector in general.

After making enquiries, the directors have formed a judgment at the time of approving the condensed consolidated financial statements that there is a reasonable expectation that THFC and the group have adequate resources to continue in operational existence for the foreseeable future, being a period of no more than 12 months from the approval of these statements. For this reason, the directors continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements
(continued)

5. INTEREST RECEIVABLE

	Six months ended 30 September 2020 (unaudited)	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
On loans to housing associations:	**£000**	£000	£000
Interest receivable	**134,865**	134,736	267,370
Interest deferred	**-**	(401)	(403)
	134,865	134,335	266,967

6. INTEREST PAYABLE

	Six months ended 30 September 2020 (unaudited)	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
On debenture stocks, secured bonds, bank borrowings and other borrowings which are:	**£000**	£000	£000
Interest payable	**135,645**	135,698	269,169
Interest deferred	**-**	(467)	(469)
	135,645	135,231	268,700

Notes to the Condensed Consolidated Financial Statements
(continued)

7. LOANS TO BORROWERS

	Six months ended 30 September 2020 (unaudited)	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
	£000	£000	£000
Loans to housing associations			
At beginning of period	**7,435,226**	7,312,078	7,312,078
Premium on new issues	**56,390**	456	28,267
Loans repaid during the period	**(101,743)**	(42,165)	(48,236)
Loans advanced during the period	**236,500**	45,000	151,612
	7,626,373	7,315,369	7,443,721
Discount amortised for the period	**670**	604	1,901
Premium amortised for the period	**(6,139)**	(4,919)	(10,991)
Interest deferred for the period	**-**	(401)	(403)
Indexation for the period	**506**	640	998
At end of period	**7,621,410**	7,311,293	7,435,226
Securitised assets			
At beginning of period	**18,535**	20,913	20,913
Loans repaid during the period	**(1,287)**	(1,157)	(2,378)
At end of period	**17,248**	19,756	18,535
Total loans and receivables	**7,638,658**	7,331,049	7,453,761
Due within one year	**77,179**	59,504	80,223
Due after more than one year	**7,561,479**	7,271,545	7,373,538
Total	**7,638,658**	7,331,049	7,453,761

Notes to the Condensed Consolidated Financial Statements
(continued)

8. FINANCIAL LIABILITIES

	Six months ended 30 September 2020 (unaudited)	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
	£000	£000	£000
Debenture stocks, secured bonds, secured notes, bank borrowings and other borrowings			
At beginning of period	**7,455,003**	7,335,265	7,335,265
Premium on new borrowings	**56,390**	456	28,267
Repaid during the period	**(102,887)**	(45,489)	(51,581)
Borrowings during the period	**236,500**	45,000	151,612
	7,645,006	7,335,232	7,463,563
Discount amortised	**670**	604	1,901
Premium amortised	**(6,139)**	(4,919)	(10,991)
Deferred Interest	**-**	(467)	(469)
Indexation	**511**	640	999
At end of period	**7,640,048**	7,331,090	7,455,003
Subordinated loans	**723**	723	723
Total borrowings	**7,640,771**	7,331,813	7,455,726
Amounts falling due within one year	**77,179**	58,913	81,479
Amounts falling due after one year	**7,563,592**	7,272,900	7,374,247
Total	**7,640,771**	7,331,813	7,455,726

Notes to the Condensed Consolidated Financial Statements
(continued)

9. RECONCILIATION OF PROFIT TO NET CASH GENERATED FROM OPERATIONS

	Six months ended 30 September 2020 (unaudited)	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
	£000	£000	£000
Surplus before taxation	**3,384**	1,790	3,387
Interest receivable	**(134,806)**	(129,401)	(257,904)
Interest payable	**135,645**	130,293	259,610
Adjustments for:			
Depreciation and amortisation	**72**	84	293
Finance costs	**17**	-	83
Net employer contribution after administration costs	**(105)**	(103)	(206)
Decrease / (increase) in other receivables	**290**	1,409	(105)
Increase / (decrease) in other payables	**1,944**	(66)	181
Net cash inflow from operation activities	**6,441**	4,006	5,339

10. RELATED PARTY TRANSACTIONS

T.H.F.C. (Services) Limited, a subsidiary undertaking, levies a service charge to THFC and its other subsidiaries reflecting their share of administrative overhead that is incurred during the year. Each subsidiary's share of the charge is based on their own level of activity during the year.

THFC and each subsidiary will settle the charge in cash as and when required by THFCS. The total service charge payable by THFC to THFCS during the period ended 30 September 2020 was £0.088m (30 September 2019: £0.212m). For the year ended 31 March 2020 it was £2.669m (2019: £3.134m). The amount due to/(from) THFCS at 30 September 2020 was £0.076m (30 September 2019: (£1.723m)) (31 March 2020: £0.074m).

The group provides administrative services to the following related companies under management agreements:

- Haven Funding Plc
- Haven Funding (32) Plc
- Harbour Funding Plc
- Sunderland (SHG) Finance Plc
- T.H.F.C. (Funding No. 1) Plc
- T.H.F.C. (Funding No. 2) Plc
- T.H.F.C. (Funding No. 3) Plc

Notes to the Condensed Consolidated Financial Statements
(continued)

The group earned fees of £79,378 (30 September 2019: £74,407) for providing these services and had amounts owing from/ (due to) these companies at 30 September 2020 of £9,622 (30 September 2019: £9,860). Directors of these companies are also directors of THFC.

Total interest charged by T.H.F.C. (Funding No.1) Plc, T.H.F.C. (Funding No.2) Plc, and T.H.F.C. (Funding No.3) Plc were as follows:

	Six months ended 30 September 2020 (unaudited)	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
	£000	£000	£000
T.H.F.C. (Funding No.1) Plc	**6,027**	6,060	12,087
T.H.F.C. (Funding No.2) Plc	**11,839**	11,904	23,613
T.H.F.C. (Funding No.3) Plc	**24,390**	23,629	47,658

11. NEW BUSINESS INCOME & OPERATING INCOME NET OF INTEREST

	Six months ended 30 September 2020 (unaudited)	Six months ended 30 September 2019 (unaudited)	Year ended 31 March 2020 (audited)
NEW BUSINESS INCOME	**£000**	£000	£000
Arrangement fees	**2,296**	732	1,012
Sundry income	**32**	29	108
	2,328	761	1,120
OPERATING INCOME NET OF INTEREST			
Fees receivable and other income	**6,002**	4,184	8,099
- Less new business income	**(2,328)**	(761)	(1,120)
Other interest	**108**	208	457
Interest receivable	**134,869**	134,335	266,967
Interest payable	**(135,645)**	(135,231)	(268,700)
Income from securitised assets	**785**	899	1,742
Premium receivable	**10**	175	378
Premium payable	**-**	(171)	(378)
	3,801	3,638	6,531

Notes to the Condensed Consolidated Financial Statements
(continued)

12. EVENTS AFTER THE INTERIM PERIOD

On 12th October 2020 a further issue of secured medium-term notes with a nominal value of £250m was made through bLEND Funding Plc to finance further loans to borrowers. From this issue, £100m was drawn on the issue date, £100m was issued with a deferred draw down date, and the remaining £50m was unallocated retained bonds. The unallocated bonds were later allocated; £20m was drawn down on 5th November and the remaining £30m was allocated with a deferred draw down date.