

CTJ HOUSING TRUST
FINANCIAL STATEMENTS
AT 30 JUNE 2015

CTJ HOUSING TRUST

TRUSTEES

Diarmuid Lynes (Chairman)
Hugh Lawton (Treasurer)
Andrew Jelley
Angela Le Sueur
Charles Thacker
John Scally
Mike LARBALÉSTIER

AUDIT COMMITTEE

Diarmuid Lynes
Hugh Lawton
Mike LARBALÉSTIER

MANAGING AGENT

Voisin Hunter Limited
One The Esplanade
St Helier
Jersey JE2 3QA

ACCOUNTANTS

Alex Picot Limited
Chartered Accountants
95/97 Halkett Place
St Helier
Jersey JE1 1BX

AUDITORS

Alex Picot
Chartered Accountants
95/97 Halkett Place
St Helier
Jersey JE1 1BX

BANKERS

HSBC
PO Box 14
St Helier
Jersey JE4 8NU

RBS International
PO Box 64
St Helier
Jersey JE4 8PJ

CTJ HOUSING TRUST
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FOR THE YEAR ENDED 30 JUNE 2015

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CTJ HOUSING TRUST

STRUCTURE, GOVERNANCE AND MANAGEMENT

Incorporation and Objectives

The Trust was incorporated under the Laws of Jersey, Channel Islands on 19 January 1996. The objects of the Trust are:

- to provide residential accommodation for rent to persons in Jersey in need of such accommodation;
- to promote and encourage the acquisition, development and construction of residential and social accommodation;
- to seek to increase the availability of residential accommodation to persons in need of such accommodation and seek to improve the standard, design and specification of such accommodation.

The registered office of the Trust is:

c/o Voisin Hunter Limited
One The Esplanade
St Helier
Jersey
JE2 3QA

The Trust also maintains a website whose address is:

<http://www.ctjhousingtrust.org.je>

Trustees

The Trustees are responsible for the running of the Trust. Trustees are appointed for a period of three years and are eligible for re-election. The Trustees have resolved that the Chairman, Treasurer and Secretary are appointed for one year only although eligible for re-election.

In the event that a new Trustee is to be appointed, not for the re-election of a retiring Trustee, the position will be advertised in the Jersey Gazette. Whilst initial interviews are conducted by the Chairman appointments are a matter for all the Trustees.

Trustees who have served during the year were:

Diarmuid Lynes (Chairman) succeeded our first Chairman, Reg Jeune CBE who retired in October 2007. Diarmuid Lynes has been a Trustee since 1995. He was formerly Managing Director of AIB in Jersey and is now retired.

Charles Day (resigned 13 November, 2014)

Hugh Lawton (appointed 2 October 2014) is a Certified Accountant, a Senior Consultant with Sator Regulatory Consulting Limited and former MD of American Express' treasury operations in Jersey.

Andrew Jelley is an architect and advises us on building matters and has been a Trustee since 1995. In his professional capacity his firm has acted in the building of our houses.

Edward Le Quesne MBE (died October 2014)

Angela Le Sueur is a retired teacher. Angela was very active in the initial allocation process for housing new tenants and has been a Trustee since 2001.

John Scally is a retired Chartered Surveyor with over forty years experience of the property world and joined the Trust in April 2009.

Charles Thacker (appointed Secretary November 2014) is an Advocate and provides us with a legal view on matters that come up for discussion between Trustees. His firm, Viberts, have handled the acquisitions of our properties. He was appointed a Trustee in 1995.

Mike Larbalestier

Mike Larbalestier is a Chartered Fellow of the Chartered Institute for Securities and Investment. He has been an investment manager/director locally since 1984, working for Rossborough Financial, Abacus, Morgan Grenfell, and Quilter Goodison. He was appointed in February 2012.

CTJ HOUSING TRUST

STRUCTURE, GOVERNANCE AND MANAGEMENT

Property and Tenant Administration

The Trustees have entered into an agreement with Voisin-Hunter Limited for the administration of properties, their maintenance and dealing with tenants including the collection of rental income.

Accountancy Services

The Trustees have entered into an agreement with Alex Picot Limited for the provision of accounting services to the Trust including the preparation of quarterly management accounts. These services are provided by a different team and partner from the one responsible for the annual audit.

Audit Committee

The audit committee meets at least once each year and is responsible for the overseeing the preparation of the Financial Statements of the Trust, reviewing internal controls, and approving the Financial Statement for adoption at an annual general meeting of the Trustees.

The audit committee comprises the Chairman, Treasurer and two further Trustees with a partner from the Trust's auditors in attendance. Members of the audit committee are:

Diarmuid Lynes
Charles Day (resigned 13 November 2014)
Hugh Lawton (appointed 13 November 2014)
Mike LARBALÉSTIER

Property Portfolio – 143 units

Lempriere Street, St Helier

1 One bedroom flat
2 Four bedroom houses

Bas du Mont, St Helier

1 One bedroom flat
6 Two bedroom flats
9 Three bedroom flats

Le Benefice, St Clements

64 Three bedroom houses
9 Four bedroom houses

Clos des Charmes, St Peter

12 One bedroom flats
3 Two bedroom houses
16 Three bedroom houses

Les Freres, Grouville

20 Two bedroom bungalows

CTJ HOUSING TRUST

TRUSTEES' REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

According to the constitution of the Trust, it is the responsibility of the Trustees to prepare financial statements. In preparing the financial statements the Trustees should:

- ensure that the financial statements are in accordance with generally accepted accounting principles and show a true and fair view of the surplus or deficit of the Trust for the year and of the state of affairs of the Trust at the end of the year;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Trust will continue in business.

The Trustees confirm they have complied with all the above requirements in preparing the financial statements.

The Trustees are responsible for keeping accounting records which are sufficient to show and explain the Trust's transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

CTJ HOUSING TRUST

TRUSTEES' REPORT (continued)

BUSINESS OBJECTIVES AND STRATEGIES

The objective of the Trust is to provide social rented housing to the residents of Jersey.

Our objectives are to manage the assets of the Trust on a prudent and controlled basis. We have the capability of taking on more units with the resultant borrowing and recently purchased 1-2 Minden Place, the former Scope Furnishing shop and showrooms. This will be demolished and replaced by a new building, providing as many as 28 units of accommodation. We are continuing to look at providing accommodation for the more marginalized, most likely in partnership with a charity or charities providing support for a particular disadvantaged group. We would like also to provide Shared Equity Housing particularly for young people and look forward to working with the Government to achieve these aims.

The Trust's tenants are allocated through Gateway, a joint waiting list for all the Housing Trusts. Whilst we are supportive for the criteria for inclusion on this list, we are still an independent charity. Therefore, the Trustees have reserved the right, in exceptional circumstances, to determine if a potential tenant should be housed by the Trust, notwithstanding that they do not meet the strict criteria of Gateway.

We meet with the Trustees of other Housing Trusts to discuss items of mutual interest. We now meet on a quarterly basis with the Management of the Strategic Housing Unit of the Chief Minister's Department to keep abreast of proposed changes in social housing and to discuss with them our Plans and Goals as we progress. We have also met with Deputy Anne Pryke, the Housing Minister, to share our view of the difficulties and the opportunities around providing affordable accommodation.

The value of the closer relationship ensured that we were able to meet at short notice with the Director of Corporate Policy to receive assurance that they would support us in our proposal to develop social housing on the site.

At the year-end the Trust owned 143 housing units; all of which were tenanted. The Trust has been generating significant cash flow surpluses; these will be needed to meet future loan repayment commitments and to invest in new housing units. The long-term projection for the Trust shows that is financially viable. The management agents frequently attend our developments, making themselves available to our tenants. They have encouraged the creation of tenants associations. The Trustees visit our sites at least once a year to be approachable for tenants to let them know of any concerns they may have in person.

The Trustees wish to join with the Chairman in expressing our sadness at losing Ed Le Quesne, MBE. His commitment and drive to the provision of social housing will, for a long time, be an inspiration to the Board of Trustees.

The Trustees believe they are meeting the objective of the Trust and are responsible landlords.

**CHAIRMAN'S REPORT TO THE TRUSTEES OF
CTJ HOUSING TRUST
FOR THE YEAR ENDED 30 JUNE 2015**

The CTJ Housing Trust exists to provide social rented housing to the residents of Jersey. I believe that we are succeeding in that objective.

I am pleased to report that we have had a very satisfactory year and all our estates are running smoothly. Our income account shows a surplus of £1,193,805 for the year compared to £1,121,677 for the previous year. The Trustees are of the opinion that the surplus needs to be retained to meet future liabilities of the Trust.

In last year's statement I mentioned that we were looking at two sites but unfortunately neither of them materialised. In late summer we were introduced to another site and, having evaluated the property with our Professional Advisors, we decided to proceed. I am delighted to state that on 2nd October, 2015 we became the owners of 1-2 Minden Street (old Scope Furnishing building). The property does not have the benefit of planning permission, but we are hopeful that we will get 28 units of one and two bedrooms. We have already appointed a Project Manager. It is a two-year project and we are hopeful that we will have the work completed and residents in place by January, 2018.

The above acquisition will help us to house people as outlined in our revised objectives: "To provide homes to the disadvantaged people in Jersey who perhaps would not otherwise be able to obtain accommodation through other providers".

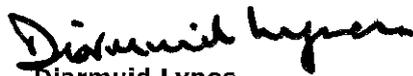
We have regular meetings with the Housing Minister and the Civil Servants within the Strategic Housing Unit and in these meetings we have stressed to them the difficulty in obtaining sites. In fact, I have indicated strongly that it would be very beneficial if redundant properties of the States could be identified, as that should allow us to take on a further project in 18 months time.

I am very sad to report that Edward G Le Quesne MBE, one of our founding Trustees, passed away last October. In fact it was through Ed's drive and determination that the Trust was formed and he worked extremely hard to ensure that the Trust was a success.

I would like to thank our Managing Agents, Voisin-Hunter Ltd, for the professional manner in which they have managed our properties. Our relationship has worked extremely well and I am pleased to report that once again our rent arrears have reduced during the past year.

I would also like to thank Alex Picot & Co who provide accountancy services to the Trust, including the production of the quarterly Management Accounts.

Our Board of Trustees comprises seven individuals of various backgrounds and we are at the moment seeking to appoint two further Trustees to share the increased workload after taking on the large project at Minden Street.


Diarmuid Lynes
Chairman
12 October 2015



Alex Picot
chartered accountants

95-97 Halkett Place
St. Helier, Jersey
Channel Islands JE1 1BX

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CTJ HOUSING TRUST

We have audited the financial statements of CTJ Housing Trust for the year ended 30 June 2015 on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards.

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustees Responsibilities on page 3 in respect to the financial statements the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit opinion

An audit includes obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the entity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. We read the financial and non-financial information in the Trustees' and Chairman's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the entity's affairs as at 30 June 2015 and of its net income for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Accounting Standards; and
- the information given in the Trustees' and Chairman's Report is consistent with the financial statements.

5 May

2016

Donald Raymond Connolly
For and on behalf of
Alex Picot Chartered Accountants

CTJ HOUSING TRUST
BALANCE SHEET AT 30 JUNE 2015

	Note	2015		2014	
		£	£	£	£
TANGIBLE FIXED ASSETS	5		33,281,000		28,099,983
CURRENT ASSETS					
Debtors and prepayments	6	54,838		82,661	
Cash and cash equivalents	1.3	4,444,589		3,664,147	
		<u>4,499,427</u>		<u>3,746,808</u>	
CREDITORS: Amounts falling due within one year					
Loans payable	9	500,555		408,506	
Sundry creditors and accruals	7	35,640		66,920	
Tenants' deposits	8	61,300		61,100	
		<u>597,495</u>		<u>536,526</u>	
NET CURRENT ASSETS			<u>3,901,932</u>		<u>3,210,282</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			37,182,932		31,310,265
CREDITORS: Amounts falling due after more than one year					
Loans Payable	9		22,121,465		22,623,620
			<u>£15,061,467</u>		<u>£8,686,645</u>
CAPITAL AND RESERVES					
Income account	10		7,343,138		6,149,333
Capital account			7,718,329		2,537,312
			<u>£15,061,467</u>		<u>£8,686,645</u>

The financial statements were approved by the Trustees on *15 October* 2015 and signed on their behalf by:



 Chairman



 Treasurer

CTJ HOUSING TRUST
INCOME ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £	2014 £
Income from property rentals	1	1,891,436	1,818,271
Property expenses	2	(179,971)	(214,745)
Increase in provision for doubtful debts		(9,047)	(1,161)
NET PROPERTY INCOME		<u>1,702,418</u>	<u>1,602,365</u>
Operating expenses	3	(127,623)	(106,843)
NET OPERATING INCOME		<u>1,574,795</u>	<u>1,495,522</u>
Interest receivable		13,145	18,972
Interest payable and similar charges		(394,135)	(392,817)
RETAINED INCOME FOR THE YEAR		<u><u>£1,193,805</u></u>	<u><u>£1,121,677</u></u>

CAPITAL ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	2015 £	2014 £
BALANCE BROUGHT FORWARD	2,537,312	2,537,312
ADD: Gain on revaluation of Tangible Fixed Assets	5,181,017	-
BALANCE CARRIED FORWARD	<u><u>£7,718,329</u></u>	<u><u>£2,537,312</u></u>

All operations of the Trust are classified as continuing.

There is no difference between the retained income for the year and its historical cost equivalent. The Trust has no gains and losses other than the income and expenditure for the year.

CTJ HOUSING TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	2015		2014	
	£	£	£	£
NET CASH FLOW FROM OPERATING ACTIVITIES (Note 1)		1,571,538		1,546,948
Returns on investing and servicing of finance				
Interest paid	(367,419)		(372,782)	
Interest received	13,145		18,973	
		<hr/>		<hr/>
NET CASH OUTFLOW FROM RETURNS ON INVESTING AND SERVICING OF FINANCE		(354,274)		(353,809)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	-		(4,098,383)	
		<hr/>		<hr/>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		-		(4,098,383)
Financing:				
Loan principal repayments	(436,822)		(346,819)	
Loan drawdown	-		3,000,000	
Loan arrangement and cap fees	-		(417,372)	
		<hr/>		<hr/>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(436,822)		2,235,809
INCREASE/(DECREASE) IN CASH IN THE YEAR (Notes 2 and 3)		<u>£780,442</u>		<u>£(669,435)</u>

CTJ HOUSING TRUST
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

1. Reconciliation of operating income to net cash inflow from operating activities	2015	2014	
	£	£	
Operating income	1,574,795	1,495,552	
Decrease/(increase) in debtors and prepayments	27,823	(8,367)	
(Decrease)/increase in sundry creditors and accruals	(31,080)	59,793	
	<u>£1,571,538</u>	<u>£1,546,948</u>	
2. Reconciliation of net cash flow to movement in net debt	2015	2014	
	£	£	
Increase/(decrease) in cash in the year	780,442	(669,435)	
Loan advanced	-	(2,582,629)	
Loan principal payments	436,822	346,819	
Loan fee amortization	(26,716)	(20,035)	
	<u>1,190,548</u>	<u>(2,925,280)</u>	
Movement in net debt in the year	1,190,548	(2,925,280)	
Opening net debt	(19,367,979)	(16,442,699)	
	<u>£(18,177,431)</u>	<u>£(19,367,979)</u>	
Closing net debt			
3. Analysis of changes in net debt	1 July	Cash	30 June
	2014	flows	2015
	£	£	£
Cash and cash equivalents	<u>3,664,147</u>	<u>780,442</u>	<u>4,444,589</u>
Debt due within one year	(408,506)	(92,049)	(500,555)
Debt due after one year	<u>(22,623,620)</u>	<u>502,155</u>	<u>(22,121,465)</u>
	<u>(23,032,126)</u>	<u>410,106</u>	<u>(22,622,020)</u>
	<u>£(19,367,979)</u>	<u>£1,190,548</u>	<u>£(18,177,431)</u>

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES

1.1 Principal accounting policies

The financial statements have been prepared in accordance with generally accepted accounting standards in the United Kingdom, as adopted/deemed appropriate in accordance with the constitution, and have been prepared, where appropriate, in accordance with the Statement of Recommended Practice – Accounting by Registered Social Landlords ('the SORP') given that the SORP has been prepared for social landlords registered as housing associations within the United Kingdom.

The following accounting policies set below have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

1.2 Basis of preparation

The financial statements have been prepared under the historical cost convention and under the presumption that the Trust is carrying on business as a going concern.

1.3 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of deemed deposits and short term deposits with maturities of 12 months or less. As at 30 June 2015, all cash and cash equivalents were held in bank accounts at HSBC Bank plc and Royal Bank of Scotland International Ltd.

1.4 Income and expenditure

Income and expenditure is accounted for on an accruals basis, except for certain property expenses disbursed by the managing agent which are accounted for on a cash basis, due to the nature of the transactions.

Rental income is not arranged on an arm's length basis since residential rentals must not exceed the maximum rentals set by the States of Jersey Housing Department's own fair rent structure.

1.5 Loan interest

Loan interest is accounted for on the date it is charged. Interest charged during refurbishment of investment properties is capitalised until the development is completed and thereafter it is charged to the Income and Expenditure Account.

1.6 Deposit interest

Deposit interest is credited to the Income account on the date it is received.

1.8 Tangible fixed assets

Freehold properties held are stated in the financial statements at valuation.

1.7 Taxation

The Trust has been granted charitable status within the terms of Article 115(a) of the Income Tax (Jersey) Law 1961, with the result that its income, to the extent that it is applied for charitable purposes is exempt from income tax.

CTJ HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2015

2. PROPERTY EXPENSES		2015	2014
		£	£
Maintenance and gardening	115,055	154,798	
Insurance	17,516	16,716	
Rates	23,961	19,749	
Heat, light and water	5,628	5,470	
Cleaning and caretaking	6,851	6,953	
Other	717	276	
Service charges	8,248	5,392	
Legal and professional fees	1,995	5,391	
	<u>£179,971</u>	<u>£214,745</u>	
 3. OPERATING EXPENSES		 2015	 2014
		£	£
Property management fees	83,904	80,121	
Audit fee	2,750	2,070	
Trustees insurance	4,783	4,000	
Legal and professional	24,090	6,623	
Administration and secretarial fee	11,316	13,875	
Travel and other expenses	780	154	
	<u>£127,623</u>	<u>£106,843</u>	
 4. LOAN INTEREST		 2015	 2014
		£	£
Gross interest on loans due to lenders	394,100	392,758	
Subsidy from the States of Jersey	-	-	
Loan interest (net)	<u>£394,100</u>	<u>£392,758</u>	

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

5. TANGIBLE FIXED ASSETS

	8, 12 & 12a Lempriere Street (i) £	Bas du Mont (ii) £	Le Bénéfice (ii) £	Clos des Charmes (ii) £	Les Freres (ii) £	Total £
At valuation and subsequent cost at 1 July 2014	581,000	2,487,000	15,510,000	5,420,000	4,101,983	28,099,983
Revaluation	-	313,000	3,490,000	1,080,000	298,017	5,181,017
At valuation at 30 June 2015	<u>£581,000</u>	<u>£2,800,000</u>	<u>£19,000,000</u>	<u>£6,500,000</u>	<u>£4,400,000</u>	<u>£33,281,000</u>
At historic cost at 30 June 2015	<u>£407,825</u>	<u>£2,826,653</u>	<u>£13,371,640</u>	<u>£4,855,695</u>	<u>£4,101,983</u>	<u>£25,563,796</u>

(i) The property has a legal charge secured against it with The Royal Bank of Scotland International.

(ii) These properties have a legal charge secured against them with HSBC Bank.

(iii) The properties are shown at trustees' valuation at 30 June 2015.

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

6. DEBTORS	2015	2014
	£	£
Rent receivable	48,542	62,996
Bad debt provision	(34,155)	(25,108)
	<u>14,387</u>	<u>37,888</u>
Other debtors	40,451	44,773
	<u>£54,838</u>	<u>£82,661</u>

7. SUNDRY CREDITORS AND ACCRUALS	2015	2014
	£	£
Rates	11,056	9,827
Audit fees	2,750	2,320
Accountancy fees	4,500	4,500
Retention	-	50,250
Administration and secretarial	10,194	-
Insurance	6,460	-
Other	680	23
	<u>£35,640</u>	<u>£66,920</u>

8. TENANTS' DEPOSITS

£61,300 (2014: £61,100) represents deposits received from tenants. All deposits shall be repaid to the tenants at the expiry or earlier determination of the tenancy subject only to the deduction therefrom of any arrears of rent and a reasonable amount in respect of any damage to the premises by the tenant.

9. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
The Royal Bank of Scotland International (a)	326,149	326,149
HSBC Bank (b)	2,485,634	2,552,584
HSBC Bank (c)	12,636,645	12,855,243
HSBC Bank (d)	4,697,711	4,760,585
HSBC Bank (e)	2,846,500	2,934,900
Arrangement fee (over 5 years)	(23,125)	(30,625)
3% Base rate cap (over 20 years)	(347,494)	(366,710)
	<u>£22,622,020</u>	<u>£23,032,126</u>

Loan payment analysis

	£	£
Due within one year	500,555	408,506
Due in more than one year but not more than two years	587,493	480,834
Due in more than two years but not more than five years	4,381,496	4,224,409
Due in more than five years	17,152,476	17,918,377
	<u>£22,622,020</u>	<u>£23,032,126</u>

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

9. **CREDITORS:** Amounts falling due after more than one year (continued)

Loan payment analysis (continued)

- (a) The loan from The Royal Bank of Scotland International is at the Bank's Base Rate plus 1% per annum, repayable over 26 years and is secured by a first ranking Registered Promissory Note in the sum of £414,500 over the Trust's property at Lempriere Street and a Security Interest Agreement in respect of monies held with the bank in the Rent Account. Repayment of the loan is in accordance with a schedule of repayments.

The rate of interest paid on this loan is limited to 4% per annum; a sum equal to the difference between interest at the rate of 4% on the amount outstanding, and, if greater than 4%, the actual interest rate payable in accordance with the terms of the borrowing, will be paid by the States of Jersey Housing Committee. The level of interest subsidy paid will be reviewed every fifth year; the last review being due in 2013.

- (b) The loan from HSBC Bank is at the Bank's Base Rate plus 0.95% per annum, repayable over 25 years and is secured by a registered promissory note in the sum of £2,920,000 attaching to Land and Property at Bas du Mont, Pier Road, St Helier. Repayment of the loan is in accordance with a schedule of repayments:

The rate of interest paid on this loan is limited to 4% per annum; a sum equal to the difference between interest at the rate of 4% on the amount outstanding, and, if greater than 4%, the actual interest rate payable in accordance with the terms of the borrowing, will be paid by the States of Jersey Housing Committee. The level of interest subsidy paid will be reviewed every fifth year.

- (c) The loan from HSBC Bank is at the Bank's Base Rate plus 0.95% repayable over 25 years and is secured by a Registered Promissory Note in the sum of £13,400,000 attaching to Land and Property at Hodge Nursery, Grande Route de St Clement, Le Marais, St Clement (now Le Bénédicte). Repayment of the loan is in accordance with a schedule of repayments.

The rate of interest paid on the loan is limited to 6% per annum; a sum equal to the difference between interest at the rate of 6% on the amount outstanding and, if greater than 6%, the actual interest rate payable in accordance with the terms of borrowing, will be paid by the States Housing Committee. The level of subsidy will be reviewed every fifth year.

- (d) The loan from HSBC Bank is at the Bank's Base Rate plus 0.95% repayable over 25 years and is secured by a Registered Promissory Note in the sum of £4,920,000 attaching to Land and Property at fields 181, 182 and 183, La Rue de la Pointe, St Peter (now Clos des Charmes). Repayment of the loan is in accordance with a schedule of repayments.

The rate of interest paid on the loan is limited to 6% per annum; a sum equal to the difference between interest at the rate of 6% on the amount outstanding and, if greater than 6%, the actual interest rate payable in accordance with the terms of borrowing, will be paid by the States Housing Committee. The level of subsidy will be reviewed every fifth year.

- (e) The loan from HSBC Bank bears interest at the Bank's Base Rate plus 2% and is repayable in July 2018, being 5 years after the drawdown date. However the loan is being repaid over a 25 year repayment plan on the basis that it will be renewed on similar terms in July 2018. The loan is secured by a Registered Promissory Note in the sum of £3,000,000 attaching to Land and Property at Field 148, Rue des Maltières, Grouville (now Les Freres).

In August 2013 the Trust entered into a Base Rate Cap agreement with HSBC Bank Plc, whereby the Bank's Base is limited to 3% per annum until August 2033. The fee for the agreement of £381,122 was capitalised against the outstanding balance of the loan and is being amortised over the life of the agreement.

An arrangement fee of £36,250 was paid on drawdown, and was capitalised against the outstanding balance of the loan. It is being amortised over the life of the loan.

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2015

10. INCOME ACCOUNT

	2015	2014
	£	£
At beginning of the year	6,149,333	5,027,656
Net income retained for the year	1,193,805	1,121,677
At end of the year	<u>£7,343,138</u>	<u>£6,149,333</u>

These funds are being retained at year end to fulfil loan commitments in the future years.

11. RELATED PARTIES

The following are related parties as defined by Financial Reporting Standards No 8 "Related Party Disclosures" (FRS 8):

- (a) The Trustees
No fees or expenses were paid to the Trustees for the year ended 30 June 2014.
- (b) There are no entities transacted by the Trust during the year where the Trustees have a relationship with.

In accordance with the Constitution, in respect of any contract or arrangement services rendered to the Trust by a Trustee (defined as a "Member" in the Constitution) acting as an employee, director, partner or member of a firm or company appointed by the Trustees to render such services, the following provisions apply and were adhered to during the year:

- (a) Individual Trustees shall not be part to any Trustee discussion nor vote in relation to any aspect of the contract or arrangement between the Trust and the individual Trustee;
- (b) Such professional services rendered to the Trust may be remunerated; and
- (c) No Trustee shall be remunerated for performing any service or duty to the Trust in the capacity only of the Trustee.

The controlling parties of the Trust as defined by FRS 8 are the Trustees of the Trust, whose only benefits are outlined above.

12. ULTIMATE CONTROLLING PARTY

In the opinion of the Trustees, there is no controlling party as all Trustees are bound by the Constitution dated 19 January 1996.

13. POST-BALANCE SHEET EVENT

On 4 September, 2015, the Trustees met to consider the purchase, without planning permission, of 1-2 Minden Place, St Helier. This was unanimously approved and the property was purchased for £1.6 million in the Royal Court on 2 October 2015. The acquisition will not have a detrimental impact on the Trust's finances. It is planned to demolish the existing building and construct new purpose built affordable accommodation, which will be put into the Gateway for social housing.

**CTJ HOUSING TRUST
INCOME ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015**

	Les Freres £	Lempriere Street £	Bas du Mont £	Le Bénifice £	Clos des Charmes £	2015 Total £	2014 Total £
INCOME							
Rent receivable	226,457	38,415	187,128	1,062,901	376,535	1,891,436	1,818,271
MANAGEMENT FEES	9,972	1,670	8,332	47,275	16,655	83,904	80,121
PROPERTY EXPENSES							
Maintenance and gardening	9,828	1,159	4,864	40,301	58,903	115,055	154,798
Insurance	6,506	422	2,011	6,527	2,050	17,516	16,716
Rates	3,920	706	2,123	11,805	5,406	23,960	19,749
Heat, light and water	562	(91)	1,613	2,714	831	5,629	5,470
Cleaning and caretaking	-	-	5,732	165	954	6,851	6,953
Other	-	-	-	717	-	717	276
Provision for doubtful debts	-	4,650	(120)	4,911	(394)	9,047	1,161
Service charge	-	-	-	-	8,248	8,248	5,392
Legal and professional fee	1,970	-	-	15	10	1,995	5,391
	<u>22,786</u>	<u>6,846</u>	<u>16,223</u>	<u>67,155</u>	<u>76,008</u>	<u>189,018</u>	<u>215,906</u>
NET INCOME FROM PROPERTIES	<u>193,699</u>	<u>29,899</u>	<u>162,573</u>	<u>948,471</u>	<u>283,872</u>	<u>1,618,514</u>	<u>1,522,244</u>
Audit fee						2,750	2,070
Trustees insurance						4,783	4,000
Professional fees						24,090	6,623
Travel and other expenses						780	154
Administration and secretarial						11,316	13,875
						<u>43,719</u>	<u>26,722</u>
						1,574,795	1,495,522
OTHER INCOME AND EXPENSES							
Bank deposit interest received	-	-	-	-	-	13,145	18,972
Bank charges and interest	-	-	-	-	-	(35)	(61)
Loan interest payable and similar charges	(98,882)	(4,893)	(36,658)	(185,065)	(68,602)	(394,100)	(392,756)
NET INCOME RETAINED	<u>£94,817</u>	<u>£25,006</u>	<u>£125,915</u>	<u>£763,406</u>	<u>£215,270</u>	<u>£1,193,805</u>	<u>£1,121,677</u>

This schedule does not form part of the audited financial statements
Schedule 1