

CTJ HOUSING TRUST
FINANCIAL STATEMENTS
AT 30 JUNE 2016

CTJ HOUSING TRUST

TRUSTEES

Diarmuid Lynes (Chairman)
Hugh Lawton (Treasurer)
Andrew Jelley
Angela Le Sueur
Charles Thacker (Secretary)
John Scally
Mike LARBALÉSTIER
James Reed
Zoe Blomfield

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

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FOR THE YEAR ENDED 30 JUNE 2016

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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.

Hugh Lawton is a Certified Accountant, Finance and Office Director of Atrium European Real Estate and former MD of American Express' treasury operations in Jersey. He has been a Trustee since 2014.

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.

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 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 (continued)

Trustees (continued)

James Reed

James Reed was appointed as a Trustee in November 2015. He is owner and Managing Director of Beau Pre Farm Limited, a company which currently owns and manages both residential and commercial property. After spending 12 years in the States, James has gained a wide range of experience in all aspects of government which will be very useful in his new role.

Zoe Blomfield

Advocate Zoe Blomfield is the Managing Partner of Viberts. Viberts deal with all property related matters on behalf of the Trust. Zoe is an Advocate and became a Trustee in December 2015 and will bring a wealth of experience in dealing with personal law and social issues

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 one further Trustee with a partner from the Trust's auditors in attendance. Members of the audit committee are:

Diarmuid Lynes
Hugh Lawton
Mike LARBALÉSTIER

Property Portfolio – 144 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

CTJ HOUSING TRUST

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Property Portfolio – 144 units (continued)

Clos des Charmes, St Peter

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

Les Freres, Grouville

20	Two bedroom bungalows
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The Cottage, St Helier

1	One bedroom cottage
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Minden Place, St Helier

Development property

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 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.

We have encompassed these objectives in the application submitted in February, 2016 to the Planning Department of the States of Jersey, for the demolition of the Scope Building 1-2 Minden Place and the erection of 31 units of Accommodation. Unfortunately, this Application was refused.

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 on a regular basis 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.

We value the excellent relationship we have with SHU.

At the year-end the Trust owned 144 housing units; all of which were tenanted. We also own unencumbered the Property 1-2 Minden Place which has temporary tenants pending Planning Permission. 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 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 2016**

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 £1,263,417 for the year compared to £1,193,805 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 acquired 1-2 Minden Street on 2nd October 2015. Immediately on Acquisition, we appointed a Project Manager Steve Southern of Southern Projects and we went out and asked for Tenders from a number of Professionals. We appointed Mike Waddington of Waddington's Architects as our Architect and other supporting Professionals were also appointed.

The Team worked extremely hard and came up with a very good and practical Scheme and before submission we have had discussions with both Planning and SHU. The Scheme was to demolish the existing Property and build 31 units of Accommodation:

16 Units of 1 Bedroom Flats for Single Occupancy
10 Units of 1 Bedroom Flats for Double Occupancy
5 Units of 2 Bedroom Flats.

The Rationale for these units was to be able to provide Accommodation for individuals who have been on the Edge of Society and are ready to occupy a home of their home but find it extremely difficult to get suitable Independent Accommodation. We would also be keen to allocate some of the Units by way of Shared Ownership through the Gateway. The Legislation for this is not yet in Place but I understand that the Immoveable Property Law that would allow this may be passed within the next 12 months.

We have worked extremely close with Planning Department and have taken on board all their suggestions and those for Parish and Transport Department, which includes some Public Realm improvements. We have met the Jersey Architectural Commission who were very supported and encouraged the use of Brick. In addition we have had to resubmit the application a second time and all the above has taken extra time and we have incurred additional costs.

The Scheme that was finally lodged was in my opinion excellent and a Landmark Building would have been build and 31 Homes provided to the States of Jersey. The Planning Department's report stated that the redevelopment of the existing site was an opportunity for new, much-needed, social housing in a highly sustainable town-center location, and would help regenerate the area.

The Planning Meeting was held on 22nd September and at which meeting the Housing Minister publically endorsed the scheme. However, I was saddened and perplexed by the Committee's Decision to reject the Application by 3 to 1.

Their initial comments in a Press Release are as follows:

"Planning Committee members said they supported the strong work and excellent reputation of CTJ Housing Trust, but were concerned about the scale, impact and design of the building in such a central location, and in particular, the use of brick in the design of the new building. They were also concerned about the lack of parking for the site, which they thought was unrealistic for its future residents."

The Trust at the earliest opportunity convened a Board Meeting and they fully support my recommendation to appeal the Decision and a formal Appeal will be lodged shortly after we receive their written objection which I understand will be on 20th October, 2016.

In addition I am very pleased to advise that we acquired a small one-bedroom cottage in St Helier in late August. Some Small remedial works have been undertaken and a tenant is now in occupation.

CHAIRMAN'S REPORT TO THE TRUSTEES OF
CTJ HOUSING TRUST (continued)
FOR THE YEAR ENDED 30 JUNE 2016

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 nine individuals of various backgrounds who give their time on a voluntary basis and since my last report we have appointed Zoe Bloomfield and James Reed.

Their support to me in running the Trust has been invaluable and I would like to thank them all for their valuable support, encouragement and help.


Diarmuid Lynes
Chairman
13th October 2016



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 2016 on pages 9 to 18. 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 4 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 2016 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.

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

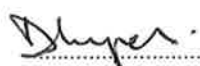
17 October

2016


CTJ HOUSING TRUST
BALANCE SHEET AT 30 JUNE 2016

	Note	2016		2015	
		£	£	£	£
TANGIBLE FIXED ASSETS	5		35,206,634		33,281,000
CURRENT ASSETS					
Debtors and prepayments	6	76,191		54,838	
Cash and cash equivalents	1.3	3,255,808		4,444,589	
		<u>3,331,999</u>		<u>4,499,427</u>	
CREDITORS: Amounts falling due within one year					
Loans payable	9	587,493		500,555	
Sundry creditors and accruals	7	17,863		35,640	
Tenants' deposits	8	58,300		61,300	
		<u>663,656</u>		<u>597,495</u>	
NET CURRENT ASSETS			<u>2,668,343</u>		<u>3,901,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			37,874,977		37,182,932
CREDITORS: Amounts falling due after more than one year					
Loans Payable	9		21,550,093		22,121,465
			<u>£16,324,884</u>		<u>£15,061,467</u>
CAPITAL AND RESERVES					
Income account	10		8,606,555		7,343,138
Capital account			7,718,329		7,718,329
			<u>£16,324,884</u>		<u>£15,061,467</u>

The financial statements were approved by the Trustees on 13 *October* 2016 and signed on their behalf by:



 Chairman



 Treasurer

CTJ HOUSING TRUST
INCOME ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 £	2015 £
Income from property rentals	1	1,984,410	1,891,436
Property expenses	2	(225,194)	(179,971)
Decrease/(increase) in provision for doubtful debts		12,091	(9,047)
NET PROPERTY INCOME		<u>1,771,307</u>	<u>1,702,418</u>
Operating expenses	3	(127,693)	(127,623)
NET OPERATING INCOME		1,643,614	1,574,795
Interest receivable		9,560	13,145
Interest payable and similar charges	4	(389,757)	(394,135)
RETAINED INCOME FOR THE YEAR		<u>£1,263,417</u>	<u>£1,193,805</u>

CAPITAL ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	2016 £	2015 £
BALANCE BROUGHT FORWARD	7,718,329	2,537,312
ADD: Gain on revaluation of Tangible Fixed Assets	-	5,181,017
BALANCE CARRIED FORWARD	<u>£7,718,329</u>	<u>£7,718,329</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 2016

	2016		2015	
	£	£	£	£
NET CASH FLOW FROM OPERATING ACTIVITIES (Note 1)		1,601,484		1,571,538
Returns on investing and servicing of finance				
Interest paid	(363,041)		(367,419)	
Interest received	9,560		13,145	
		<u>(353,481)</u>		<u>(354,274)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTING AND SERVICING OF FINANCE		(353,481)		(354,274)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(1,925,634)		-	
		<u>(1,925,634)</u>		<u>-</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(1,925,634)		-
Financing:				
Loan principal repayments	(511,150)		(436,822)	
		<u>(511,150)</u>		<u>(436,822)</u>
NET CASH OUTFLOW FROM FINANCING		(511,150)		(436,822)
(DECREASE)/INCREASE IN CASH IN THE YEAR (Notes 2 and 3)		<u>£(1,188,781)</u>		<u>£780,442</u>

CTJ HOUSING TRUST
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

1. Reconciliation of operating income to net cash inflow from operating activities		2016	2015
		£	£
Operating income		1,643,614	1,574,795
(Increase)/decrease in debtors and prepayments		(21,353)	27,823
Decrease in sundry creditors, accruals and tenants deposits		(20,777)	(31,080)
		<u>£1,601,484</u>	<u>£1,571,538</u>
2. Reconciliation of net cash flow to movement in net debt		2016	2015
		£	£
(Decrease)/increase in cash in the year		(1,188,781)	780,442
Loan advanced		-	-
Loan principal payments		511,150	436,822
Loan fee amortization		(26,716)	(26,716)
Movement in net debt in the year		(704,347)	1,190,548
Opening net debt		(18,177,431)	(19,367,979)
Closing net debt		<u>£(18,881,778)</u>	<u>£(18,177,431)</u>
3. Analysis of changes in net debt			
	1 July	Cash	30 June
	2015	flows	2016
	£	£	£
Cash and cash equivalents	4,444,589	(1,188,781)	3,255,808
Debt due within one year	(500,555)	(86,938)	(587,493)
Debt due after one year	(22,121,465)	571,372	(21,550,093)
	<u>(22,622,020)</u>	<u>484,434</u>	<u>(22,137,586)</u>
	<u>£(18,177,431)</u>	<u>£(704,347)</u>	<u>£(18,881,778)</u>

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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')(effective October 2010) 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 2016, 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 2016

2. PROPERTY EXPENSES	2016	2015
	£	£
Maintenance and gardening	156,165	115,055
Insurance	13,903	17,516
Rates	22,758	23,961
Heat, light and water	10,438	5,628
Cleaning and caretaking	7,083	6,851
Other	1,295	717
Service charges	6,598	8,248
Legal and professional fees	6,954	1,995
	<u>£225,194</u>	<u>£179,971</u>
 3. OPERATING EXPENSES	 2016	 2015
	£	£
Property management fees	87,745	83,904
Audit fee	2,805	2,750
Trustees insurance	4,200	4,783
Legal and professional	8,256	24,090
Administration and secretarial fee	12,459	11,316
Travel and other expenses	2,853	780
Valuation fees	9,375	-
	<u>£127,693</u>	<u>£127,623</u>
 4. INTEREST PAYABLE AND SIMILAR CHARGES	 2016	 2015
	£	£
Gross interest on loans due to lenders	386,766	394,100
Subsidy from the States of Jersey	-	-
Bank charges and interest	2,991	35
	<u>£389,757</u>	<u>£394,135</u>
Loan interest (net)		

CTJ HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2016

5. TANGIBLE FIXED ASSETS

	8, 12 & 12a Lempriere Street (i)(iii) £	Bas du Mont (ii)(iii) £	Le Bénédicte (ii)(iii) £	Clos des Charmes (ii)(iii) £	Les Freres (ii)(iii) £	1-2 Minden Place (iii)(iv) £	Cottage, St Helier (iii) £	Total £
At valuation or subsequent cost:								
At 1 July 2015	581,000	2,800,000	19,000,000	6,500,000	4,400,000	-	-	33,281,000
Purchases	-	-	-	-	-	1,762,332	163,302	1,925,634
At 30 June 2016	<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>£1,762,332</u>	<u>£163,302</u>	<u>£35,206,634</u>
At historic cost:								
At 30 June 2016	<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>£1,762,332</u>	<u>£163,302</u>	<u>£27,489,430</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 (30 June 2015) or cost where acquired after 30 June 2015.
- (iv) The property known as 1-2 Minden Place was purchased on 29 September 2015 for £1,623,430, inclusive of associated legal and professional costs. Since that date the Trust has capitalised the cost of applying for planning permission to build social housing on the site, as part of the cost of the buildings. In September 2016 planning permission was refused and this will shortly be put under appeal. Should the appeal process be unsuccessful, the trustees may decide to impair the carrying value of the property in the financial statements.

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

6. DEBTORS		2016	2015
		£	£
	Rent receivable	46,614	48,542
	Bad debt provision	(18,848)	(34,155)
		<u>27,766</u>	<u>14,387</u>
	Other debtors	48,425	40,451
		<u>£76,191</u>	<u>£54,838</u>

7. SUNDRY CREDITORS AND ACCRUALS		2016	2015
		£	£
	Rates	11,324	11,056
	Audit fees	2,805	2,750
	Accountancy fees	3,000	4,500
	Administration and secretarial	-	10,194
	Insurance	-	6,460
	Other	734	680
		<u>£17,863</u>	<u>£35,640</u>

8. TENANTS' DEPOSITS

£58,300 (2015: £61,300) 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

	2016	2015
	£	£
The Royal Bank of Scotland International (a)	326,149	326,149
HSBC Bank (b)	2,410,089	2,485,634
HSBC Bank (c)	12,370,284	12,636,645
HSBC Bank (d)	4,618,867	4,697,711
HSBC Bank (e)	2,756,100	2,846,500
Arrangement fee (over 5 years)	(15,625)	(23,125)
3% Base rate cap (over 20 years)	(328,278)	(347,494)
	<u>£22,137,586</u>	<u>£22,622,020</u>

Loan payment analysis

	£	£
Due within one year	587,493	500,555
Due in more than one year but not more than two years	672,264	587,493
Due in more than two years but not more than five years	4,678,938	4,381,496
Due in more than five years	<u>16,198,891</u>	<u>17,152,476</u>
	<u>£22,137,586</u>	<u>£22,622,020</u>

CTJ HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2016

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 Bénédice). 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 2016

10. INCOME ACCOUNT

	2016	2015
	£	£
At beginning of the year	7,343,138	6,149,333
Net income retained for the year	1,263,417	1,193,805
At end of the year	<u>£8,606,555</u>	<u>£7,343,138</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 2016 or 30 June 2015 other than to refund travel expenses and incidentals.
- (b) Two Trustees of the trust, C Thacker and Z Blomfield, are partners of Viberts Law Firm. Viberts provide conveyancing services to the Trust. The total amount payable during the year was £14,145 (2015: nil), of which nil was outstanding at the year end (2015: nil).

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 party 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.

CTJ HOUSING TRUST
INCOME ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Les Freres £	Lempriere Street £	Bas du Mont £	Le Bénéfice £	Clos des Charmes £	1-2 Minden Place £	2016 Total £	2015 Total £
INCOME								
Rent receivable	230,714	39,096	188,295	1,086,606	389,144	50,555	1,984,410	1,891,436
MANAGEMENT FEES	10,181	2,064	8,269	48,377	17,105	1,749	87,745	83,904
PROPERTY EXPENSES								
Maintenance and gardening	21,661	19,386	5,737	89,938	17,688	1,755	156,165	115,055
Insurance	3,283	181	1,082	3,777	1,680	3,900	13,903	17,516
Rates	3,160	479	2,106	11,847	5,166	-	22,758	23,960
Heat, light and water	658	1,482	3,251	3,228	1,460	359	10,438	5,629
Cleaning and caretaking	-	-	6,152	-	931	-	7,083	6,851
Other	500	-	-	-	-	795	1,295	717
Provision for doubtful debts	-	(1,155)	(831)	(9,674)	(431)	-	(12,091)	9,047
Service charge	-	-	-	-	6,598	-	6,598	8,248
Legal and professional fee	700	-	15	15	1,000	5,224	6,954	1,995
	29,962	20,373	17,512	99,131	34,092	12,033	213,103	189,018
NET INCOME FROM PROPERTIES	190,571	16,659	162,514	939,098	337,949	36,773	1,683,562	1,618,514
Audit fee							2,805	2,750
Trustees insurance							4,200	4,783
Professional fees							8,256	24,090
Travel and other expenses							2,853	780
Administration and secretarial							12,459	11,316
Valuation fees							9,375	-
							39,948	43,719
OTHER INCOME AND EXPENSES							1,643,614	1,574,795
Bank deposit interest received	-	-	-	-	-	-	9,560	13,145
Bank charges and interest	-	-	-	-	-	-	(2,991)	(35)
Loan interest payable and similar charges	96,829	4,905	35,661	181,735	67,636	-	(386,766)	(394,100)
NET INCOME RETAINED	£93,742	£11,754	£126,853	£757,363	£270,311	£36,773	£1,263,417	£1,193,805

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