

Jersey Homes Trust

Annual report and financial statements

For the year ended 31 December 2024

JERSEY HOMES TRUST

CONTENTS

	Page
Directory	2
Chairman's Report	3 – 7
Trustees' Report	8 – 11
Independent Auditor's Report	12 – 13
Statement of Financial Position	14
Statement of Comprehensive Income	15
Statement of Changes in Reserves	16
Statement of Cash Flows	17 – 18
Notes to the Financial Statements	19 – 31

JERSEY HOMES TRUST DIRECTORY

Trustees

Adv Philip Le Cornu (Chairman)

Martyn Scriven (Treasurer/Deputy
Chairman)

Ian Moore (Chartered Accountant)

Christopher Clarke
(Developments Director)

Paul Labesse (Estates Director)

Frank Dearie (Secretary & Risk,
Regulation and Compliance)

Independent Auditors

PricewaterhouseCoopers CI LLP
Chartered Accountants
37 Esplanade
St Helier
Jersey, JE1 4XA

Legal Advisers

Ogier
44 Esplanade
St Helier
Jersey, JE4 9WG

Managing Agent and Registered Address

Brunel Management Limited
Brunel Chambers
Devonshire Place
St Helier
Jersey, JE2 3RD

Accountants

IQ EQ Fund Services (Jersey) Limited
2nd Floor Gaspé House
66-72 Esplanade
St Helier
JE1 1GH

Secretary

IQ EQ Fund Services (Jersey) Limited
(from 1 January 2025)
2nd Floor Gaspé House
66-72 Esplanade
St Helier
JE1 1GH

Independent Valuer

Jones Lang LaSalle Limited
30 Warwick Street
London
W1B 5NH

Formerly (until 31 December 2024)
Intertrust Corporate Services (Jersey)
Limited
44 Esplanade
St Helier
Jersey, JE4 9WG

JERSEY HOMES TRUST

CHAIRMAN'S REPORT

For the year ended 31 December 2024

Twenty-Ninth Annual Report of the Jersey Homes Trust

Reflections on the Year

At the macro level economic conditions remain challenging. Whilst the retail price index ("RPI") has now fallen, the effect of recent high inflation means that building and maintenance costs are also very elevated. In addition, Jersey Government measures to cool the housing market have resulted in a fall in sales and a stagnation in rent in the private market. Given the link between market rent and social housing rent, this will in turn place increasing pressure on the finances and business models of all social housing providers in the near future.

The Bridging Island Plan, a plan for 2022-25, identified 16 sites for affordable housing. Such has been the difficulty of bringing these sites to the planning stage, the Trust has so far only been able to contract to provide social rented housing on one site; the application for homes on that site was then refused by the Planning Committee. If we as an Island are serious about addressing the need for affordable housing there needs to be a genuine political will to make that happen. At present, the evidence would suggest that there is no such collective will.

Frustratingly, for the Trust this is the fifth year in a row where there have been no new housing developments commenced by the Trust. We have not been idle though, and there has been a significant development in the financing arrangements of the Trust which is the most significant recent strategic change for the Trust. These new arrangements have transformed the Trust's cashflow and that in turn transforms the way in which the Trust can look at its programme for renovation and renewal of existing housing stock as well as new investment.

Developments and Existing Properties

The Trust has ambition to develop new, affordable, social rental accommodation and we hope that ambition will bear fruit in 2025. That said, new sites are few and far between, the financing of new schemes is difficult given the costs of land and development, and even where those obstacles can be overcome, the process to obtain planning approval is fraught with difficulty and delay.

In the absence of development, the Trust has been busy this year. There has been a continued and marked focus on spending on the maintenance, upkeep and upgrading of our existing stock. Significant work has been carried out across our portfolio. This will be a continuing and constant feature over the coming years and will result in significant capital expenditure.

Refinancing

Significant work was undertaken this year to restructure the Trust's borrowing. Historically, borrowing was taken out on a project by project basis, and it had been secured in traditional facilities from banking institutions with security being taken, over time, over the whole portfolio. Those banks were extremely helpful and supportive partners for many years and the Trust is very grateful for their contributions.

JERSEY HOMES TRUST

CHAIRMAN'S REPORT

For the year ended 31 December 2024

Refinancing (continued)

Those arrangements were beginning to reach the end of their terms and the Trust was making significant capital repayments which were using the majority of the Trust's cashflow to service. This has been evident in the Trust's accounts for the last few years. Without changing those arrangements the Trust would have reached a debt free position in the next 8-10 years but would have had limited ability to embark on a major programme of renovation, or new developments during that time.

With the help of Colliers International Property Consultants as debt advisors, the Trust was able to repay all of its existing borrowing in the autumn of 2024 by closing a £60 million private placement with M&G Investments. This is a 25 year fixed interest arrangement with a bullet repayment, meaning that the cashflow of the Trust is entirely predictable. The security package also means that the Trust can enter into future borrowing, for future developments, and will have unencumbered assets to pledge.

Work will now begin in earnest on how to best utilise this financial change in terms of renovation and new development – within the confines of what can realistically be achieved.

My particular thanks to Ian Moore for his time, effort and wise counsel during this process.

Government

2024 saw a new Housing Minister, although the new Minister, Sam Mezec, has held the post before. I am pleased to say that the good working relationship that the Trust enjoyed during his first term as Housing Minister has continued into his second.

The Minister has continued to expand the criteria for entry onto the Gateway but, as set out last year, this has not seen the numbers on the Gateway expand significantly. There remain a number of people in need who cannot meet the criteria and thus there is no reliable data on the total number of islanders in need.

The Minister has been working hard to bring forward a new Residential Tenancy Law and we expect this to be brought forward in 2025. We do not anticipate this to have any major effect on the Trust and moreover the stated aim to give tenants more security of tenure is an aim that we support.

Given the new financing arrangements set out above, the Trust also believes that 2025 would be a good time to re-state our relationship with the States of Jersey and we look forward to continuing our positive discussions with the Minister in this regard.

Once again, I am extremely grateful to my fellow Trustees and our CEO, Steve Van Neste, for their tireless efforts.

JERSEY HOMES TRUST
CHAIRMAN'S REPORT
For the year ended 31 December 2024

Acknowledgements

To:

Nigel Sweeny (our monitoring surveyor);
Steve Van Neste and his team at Brunel Management (our property managers);
Paul Fleming and the team at IQEQ (accountancy services);
Tanya Simao and her colleagues at Intertrust (secretarial services);
and, of course, my wonderful Trustees (see below).

Thank you all for your outstanding support and service to the Trust over many years and to me personally this year.

PHILIP LE CORNU

CHAIRMAN
1st January 2025

JERSEY HOMES TRUST

CHAIRMAN'S REPORT

For the year ended 31 December 2024

The Jersey Homes Trust is a Jersey Housing Association, registered in the Royal Court on 9th June 1995 as an association for the purposes of the law entitled "Lois (1862) sur les teneures en fideicommiss et l'incorporation d'associations". The 1862 law provides for duly registered incorporated associations and trusts to hold land and property for charitable purposes.

The Trustees of The Jersey Homes Trust:

Philip Le Cornu, Chairman;

Martyn Scriven, Deputy Chairman; Treasurer;

Frank Dearie, Secretary and Risk, Regulation and Compliance;

Chris Clarke, (Chartered Structural Engineer) Developments Director;

Ian Moore, (Chartered Accountant) Accountant;

Paul Labesse, (Chartered Building Surveyor) Estates Director.

JERSEY HOMES TRUST
CHAIRMAN’S REPORT
For the year ended 31 December 2024

The estates of The Jersey Homes Trust as at 31st December 2024

PROPERTY	Number of bedrooms					Total
	1	2	3	4	5	
Brooklands	1	11	3	-	-	15
Berkshire Court	113	-	-	-	-	113
Belle Vue	24	53	11	2	-	90
Clement Court	27	5	-	-	-	32
Clos Du Ruisseau	-	-	19	-	-	19
Cherry Grove	-	12	-	-	-	12
Le Grand Clos	14	6	27	7	-	54
Garrett Anderson House	37	3	-	-	-	40
Hameau de la Mer	18	3	-	-	-	21
Jardin de la Mare	-	-	29	-	-	29
John Wesley Apts	17	23	1	-	-	41
Kent Lodge	-	7	-	-	-	7
Le Coie	49	46	-	-	1	96
La Folie	3	29	1	-	-	33
Le Jardin Fleuri	-	4	12	-	-	16
La Roseraie	4	14	27	-	-	45
Milbrook Gardens	-	5	-	-	-	5
Maison St Nicolas	-	6	-	-	-	6
Parkside	1	6	8	2	2	19
Clos Le Gallais	-	2	11	-	-	13
5 St Clements Road	9	1	-	-	-	10
St Paul’s Gate	-	17	-	-	-	17
St Saviour’s Court	-	24	4	-	-	28
Victoria Place Group Home	-	-	-	-	1	1
Victoria Place	22	51	4	-	-	77
TOTALS	339	328	157	11	4	839
Berkshire Court Shop						1
Le Coie Commercial Units						2
Total						842

The Trust owns the freehold of all properties listed, which also includes 3 commercial units.

JERSEY HOMES TRUST

TRUSTEES' REPORT

For the year ended 31 December 2024

The Trustees submit their annual report and the audited financial statements of the Jersey Homes Trust (the "Trust") for the year ended 31 December 2024.

Activities

The Trust is a Jersey Housing Association, registered in the Royal Court on 9 June 1995 as an association for the purposes of the law entitled "Lois (1862) sur les teneures en fideicommiss et l'incorporation d'associations". The 1862 law provides for duly registered incorporated associations and trusts to hold land and property for charitable purposes.

Results

The results for the year are shown in the Statement of Comprehensive Income on page 15.

Trustees

The Trustees of the Trust during the year were as shown on page 2.

Trustees' responsibilities

The Trustees have undertaken responsibility for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the income and expenditure for that year in accordance with United Kingdom Accounting Standards comprising Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with the Statement of Recommended Practice - Accounting by Registered Social Housing Providers 2018. In preparing those financial statements, generally accepted accounting practice requires that the Trustees:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards including FRS 102 have been followed subject to any material departure disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis (unless it is inappropriate to presume that the Trust will continue its activities).

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

The Trustees are required to act in accordance with the Constitution of the Trust. They are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities. The Trustees confirm they have complied with the Constitution dated 9 June 1995 as amended, the most recent such amendment dated 4 August 2016.

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 the 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.

JERSEY HOMES TRUST

TRUSTEES' REPORT

For the year ended 31 December 2024

Key financial policies and strategies

- ***Objectives, policies and strategies for development and financing***

The primary objective of the Trust is to provide social rented housing for Jersey residents in need. The creation of the Trust was fostered by the Housing Committee of the States of Jersey in accordance with their policy to support the development of social housing projects for the foreseeable future by housing trusts (Policy Guidelines No 4 issued December 1993).

The Trust has achieved its objective primarily through the development and operation of units of accommodation. Each development must be tailored for the needs of social housing tenants as well as meeting the design criteria of the Trustees as regards architectural appeal, sustainability and environmental considerations.

- ***Rental policy***

In accordance with the rental policy approved by the States, from 1 January 2022 rentals for new tenancies are set at 80% of equivalent market rentals. The rentals for pre-existing tenancies are increased annually, subject to an overall cap not to exceed the 80% of market measure.

- ***Long term stock maintenance and repair policy***

The properties owned by the Trust are to be held for the long term, and are subject to the Trust's policy of continuous maintenance, repair or refurbishment where considered appropriate.

- ***Reserves strategy***

The Trust will pay to the States of Jersey Housing Ministry any cash surplus arising from its activities which have not been set aside, reserved or committed. The Trust may set aside, reserve or commit sums from cash surpluses to:

- pay the debts and commitments (future or current) of the Trust,
- pay for current or set aside for future property repairs and maintenance,
- pay for current or set aside for future property acquisitions, improvements, refurbishment or development, and
- provide working capital for the Trust.

All current cash surpluses are set aside, reserved or committed to cover current and projected expenditure, interest payments and for future loan repayments, as scheduled with funders.

- ***Trustees remuneration***

For the year ended 31 December 2024, compensation paid or payable to the Trustees was £138,250 (2023: £110,500).

JERSEY HOMES TRUST

TRUSTEES' REPORT

For the year ended 31 December 2024

Internal financial control

The Trustees have overall responsibility for ensuring that the Trust maintains a system of internal financial control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that assets are safeguarded. There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets.

The Trust has no employees. The day to day operations of the Trust are all carried out by third parties, in which some of the Trustees have an interest, as disclosed in note 14. The Trust is therefore dependent upon the financial controls of these third parties.

The Trustees appoint a project team to each development project, including a project architect and a client representative who reports to the Trustees on a regular basis. The Trustees also receive regular reports from the property manager in respect of all of the Trust's properties.

Homes and bedspaces

	2024	2023
<i>Under management</i>	Units	Units
One bedroom flats	338	338
Two bedroom flats	271	271
Three bedroom flats	19	19
Four bedroom flats	2	2
Five bedroom flats	4	4
One bedroom houses	1	1
Two bedroom houses	57	57
Three bedroom houses	138	138
Four bedroom houses	9	9
Other facilities	3	3
	842	842

Independent auditors

PricewaterhouseCoopers CI LLP have expressed their willingness to continue in office.

Access to these financial statements through the Trust's website

The maintenance and integrity of the trust's website is the responsibility of the trustees; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

JERSEY HOMES TRUST

TRUSTEES' REPORT


For the year ended 31 December 2024

Risks and uncertainties

The Trustees consider that the key financial risks currently being managed by the Trust are as follows:

- (a) Voids and unoccupied units in the current properties;
- (b) Sufficient funding for development projects is not achieved;
- (c) The funding terms available are less preferable than as projected/required;
- (d) Fiscal policy enacted by the States of Jersey leads to rental income being lower than that per the financial models; and
- (e) Improper management of the housing properties leads to maintenance costs being higher than that per the financial models.

The Trustees closely monitor the impact of the above risks including the financial modelling of sensitivity analysis on a number of scenarios. This assists to provide an “early warning mechanism” which enables informed decisions to be made by the Trustees.

Signed by:

B05C8E5331854D7...
Trustee
26 June 2025

Signed by:

7865D2DFBF1B4E8...
Trustee

Independent auditor's report to the trustees of Jersey Homes Trust

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements of Jersey Homes Trust (the "trust") for the year ended 31 December 2024 have been properly prepared, in all material respects, in accordance with the accounting policies described in note 1 to the financial statements and the provisions of the Constitution of the Trust.

What we have audited

The trust's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in reserves for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the trust in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of matter - basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the trust to comply with the financial reporting provisions of the Constitution of the Trust. As a result, the financial statements may not be suitable for another purpose. This report, including the opinion, has been prepared for and only for the trustees as a body in accordance with the Constitution of the Trust and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other information

The trustees are responsible for the other information. The other information comprises all the information included in the Annual report and financial statements but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of the financial statements in accordance with the Constitution of the Trust and the accounting policies in note 1 to the financial statements and for determining that the accounting policies are acceptable in the circumstances. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PricewaterhouseCoopers CI LLP
Chartered Accountants
Jersey, Channel Islands
27 June 2025

JERSEY HOMES TRUST
STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Notes	31 December 2024 £	31 December 2023 £
Fixed assets			
Housing properties	6	<u>220,400,000</u>	<u>201,008,037</u>
Current assets			
Debtors and prepayments	1,7	1,276,253	1,147,720
Balance at managing agents	14	905,148	711,620
Cash at bank and in hand	8	<u>21,023,199</u>	<u>11,236,991</u>
		<u>23,204,600</u>	<u>13,096,331</u>
Creditors – amounts falling due within one year			
Bank loans	11	-	7,367,771
Creditors	9	895,991	180,022
Tenants' deposits	10	<u>15,064</u>	<u>15,264</u>
		<u>911,055</u>	<u>7,563,057</u>
Net current assets		<u>22,293,545</u>	<u>5,533,274</u>
Creditors – amounts falling due after more than one year			
Bank loans	11	-	46,387,235
Loan notes	12	60,000,000	-
		<u>(60,000,000)</u>	<u>(46,387,235)</u>
Net assets		<u>182,693,545</u>	<u>160,154,076</u>
Trust fund			
Housing property revaluation reserve	13	109,474,768	87,563,498
Retained reserves		<u>73,218,777</u>	<u>72,590,578</u>
		<u>182,693,545</u>	<u>160,154,076</u>

The financial statements were approved by the Trustees on 25 June 2025 and are signed on their behalf on 26 June 2025 by:

Signed by:

 B05C8E5331854D7...
Trustee

Signed by:

 7865D2DFBF1B4E8...
Trustee

The notes on pages 19 to 31 form an integral part of these audited financial statements.

JERSEY HOMES TRUST
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

		31 December 2024	31 December 2023
	<i>Notes</i>	£	£
Income from property rentals	1	12,662,104	11,944,509
Property expenses		(4,314,808)	(3,091,237)
Provision for bad debts	7	(29,171)	(25,685)
Net property income		8,318,125	8,827,587
Operating expenses	3	(1,988,937)	(1,232,869)
Operating surplus before depreciation		6,329,188	7,594,718
Depreciation	6	(2,831,668)	(3,343,209)
Operating surplus		3,497,520	4,251,509
Interest income		550,202	506,646
Other income	1,5	-	531,745
Interest expense	1,4	(3,419,523)	(3,367,489)
Surplus on ordinary activities		628,199	1,922,411
Other comprehensive income			
Unrealised gain on revaluation of housing properties		21,911,270	-
Total comprehensive income for the year		22,539,469	1,922,411

All of the operations of the Trust are classified as continuing.

The notes on page 19 to 31 form an integral part of these audited financial statements.

JERSEY HOMES TRUST
STATEMENT OF CHANGES IN RESERVES
For the year ended 31 December 2024

	Housing property revaluation reserve (note 13) £	Retained reserves £	Total trust fund £
At 31 December 2022	87,563,498	70,668,167	158,231,665
Surplus on ordinary activities	-	1,922,411	1,922,411
At 31 December 2023	87,563,498	72,590,578	160,154,076
Surplus on ordinary activities	21,911,270	628,199	22,539,469
At 31 December 2024	109,474,768	73,218,777	182,693,545

The notes on page 19 to 31 form an integral part of these audited financial statements.

JERSEY HOMES TRUST
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	31 December 2024		31 December 2023	
	£	£	£	£
Net cash inflow from operating activities (note 1)		6,262,765		7,555,728
Cash flow from investing activities				
Interest received	550,202		506,646	
Acquisition and construction of properties	(312,361)		(31,247)	
Net cash inflow from investing activities		237,841		475,399
Cash flow from financing activities				
Interest paid	(2,765,864)		(3,354,118)	
Loan notes issued	60,000,000		-	
Loan principal repayments	(53,755,006)		(6,987,702)	
Net cash inflow/(outflow) from financing activities		3,479,130		(10,341,820)
Increase/(decrease) in cash in the year		9,979,736		(2,310,693)
Cash and cash equivalents at beginning of the year		11,948,611		14,259,304
Cash and cash equivalents at end of the year		21,928,347		11,948,611
Cash and cash equivalents consists of:				
Balance at managing agents		905,148		711,620
Cash at bank and in hand		21,023,199		11,236,991
Cash and cash equivalents		21,928,347		11,948,611

The notes on page 19 to 31 form an integral part of these audited financial statements.

JERSEY HOMES TRUST
STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

Note 1 to Statement of Cash Flows	31 December	31 December
Reconciliation of operating surplus to net cash inflow from operating activities	2024	2023
	£	£
Operating surplus	3,497,520	4,251,509
Depreciation	2,831,668	3,343,209
Increase in debtors and prepayments	(128,533)	(54,008)
Increase in creditors and tenants deposits	62,110	15,018
	<u>6,262,765</u>	<u>7,555,728</u>

Note 2 to Statement of Cash Flows	31 December	31 December
Reconciliation of net cash flow to movement in net debt	2024	2023
	£	£
Increase/(decrease) in cash at bank & held at agents	9,979,736	(2,310,693)
Loan notes issued	(60,000,000)	-
Loan principal repayments	53,755,006	6,987,702
	<u>3,734,742</u>	<u>4,677,009</u>
Movement in net debt in the year	(41,806,395)	(46,483,404)
Opening net debt		
	<u>(38,071,653)</u>	<u>(41,806,395)</u>
Closing net debt		

Note 3 to Statement of Cash Flows
Analysis of changes in net debt

	1 Jan 2024	Cashflows	31 Dec 2024
	£	£	£
Cash at bank & held at agents	11,948,611	9,979,736	21,928,347
Debt due after one year	(46,387,235)	(13,612,765)	(60,000,000)
Debt due within one year	(7,367,771)	7,367,771	-
	<u>(53,755,006)</u>	<u>(6,244,994)</u>	<u>(60,000,000)</u>
	<u>(41,806,395)</u>	<u>3,734,742</u>	<u>(38,071,653)</u>

The notes on page 19 to 31 form an integral part of these audited financial statements.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Significant accounting policies

The financial statements have been prepared in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard as applicable in the UK and Republic of Ireland (“FRS 102”), as adopted/deemed appropriate in accordance with the Constitution of the Trust and have been prepared, where appropriate, in accordance with the Statement of Recommended Practice - Accounting by Registered Social Housing Providers 2018 (the “SORP”), except for the valuation of the housing properties and accounting policies as selected by the Trustees. The Trust is a public benefit entity.

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

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of fixed assets. The level of rounding applied in these financial statements is to the nearest pound sterling (“GBP”).

The preparation of financial statements in conformity with FRS 102 and the SORP requires the use of accounting estimates and exercise of judgement by the Trustees while applying the Trust’s accounting policies. These estimates are based on the Trustees’ best knowledge of the events which existed at the date of the Statement of Financial Position; however, the actual results may differ from these estimates. The most significant areas impacted by estimates and assumptions are described on pages 22 & 23.

Going concern

The Trust remains compliant with its banking covenants and maintains a significant current asset surplus. The Trustees are satisfied that projected rental income is sufficient to service current debt payments and have therefore authorised the preparation of these financial statements on a going concern basis.

Cashflow projections have been prepared for a period of 12 months from the date of approval of the financial statements and indicates sufficient liquidity to continue as a going concern.

Presentational and functional currency

The Trust’s functional and presentation currency is the GBP being the currency of the primary economic environment in which the Trust operates. The Trust does not enter into transactions in currencies other than the GBP.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position are comprised of cash held on current accounts and demand deposits.

Rental income

Rental income is accounted for on an accruals basis and represents income from social lettings.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Significant accounting policies – continued

Other income and expenditure

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

A grant or subsidy that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised as income in the period in which it becomes receivable.

Per an agreement with the States of Jersey, the Trust can reclaim interest above 4% (or in some cases 6%) paid on certain bank loans from the States of Jersey. The interest subsidies receivable are included within Debtors and prepayments on the Statement of Financial Position, and within the other income on the Statement of Comprehensive Income.

Loan interest

Loan interest is accounted for on an accruals basis.

Loan interest expense on loans for properties held for letting are included in the Statement of Comprehensive Income. Loan interest expense (and any other related borrowing/transaction costs) on loans to finance property developments is capitalised up to the date that the development is completed.

Financial instruments

The Trust has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets

a. Debtors and impairments

Debtors are non-derivative assets with fixed or determinable payments, the majority of which is made up of rental income receivable. The Trust includes in this category short term receivables and prepayments. Trade debtors are subsequently measured at amortised cost less provision for impairment.

The Trust provides for bad debts on rental income when there are circumstances or events which indicate that the counterparty will be unable to settle the amount due to the Trust. This assessment is undertaken on an annual basis.

Impairment losses are recognised in the Statement of Comprehensive Income. Subsequent reversals of an impairment loss are recognised when the original impairment indicator no longer exist.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Significant accounting policies – continued

Financial liabilities

a. Creditors

Creditors are non-derivative liabilities with fixed or determinable payments. The Trust includes in this category short term payables which are expected to be realised within 12 months of the Statement of Financial Position date.

b. Bank loans and loan notes

Bank loans and loan notes are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Financing costs

All costs in relation to financing are expensed in the Statement in the Comprehensive Income in the year that they are incurred

Housing properties

Housing properties are valued at Existing Use Value for Social Housing (“EUV-SH”) on a regular basis to ensure the carrying value does not materially differ from the fair value. The surplus or deficit on revaluation is the difference between the previous revalued amount of the property less subsequent accumulated depreciation and subsequent accumulated impairment losses and the amount of the current valuation. Revaluation surpluses are recognised in Other Comprehensive Income and accumulated in reserves (Housing property revaluation reserve). Works to existing properties will generally be capitalised under the following circumstances:

- a) Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; and/or
- b) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Works to existing properties which fail to meet this criteria are charged to the Statement of Comprehensive Income. The major components are deemed to be land as well as those listed below.

Housing properties carried under construction are recorded at cost (Under construction) until such time whereby the housing property is no longer under construction and is available for letting, at which stage it will be valued on the EUV-SH basis (Held for letting).

Commercial units are valued at fair value (not on the EUV-SH basis) less subsequent depreciation and impairment. The Trust has classified the commercial units as property, plant and equipment (housing properties) as they are not held by the Trust for capital appreciation or rental income based on market rates. Furthermore, these units are integral to the social housing scheme of which they are a part of and were not acquired separately from the housing itself.

JERSEY HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

1. Significant accounting policies – continued

Depreciation of housing properties

Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property. On initial acquisition of a new housing property the deemed cost of each component is allocated as a percentage of the total cost. For housing properties transferred into held for letting, depreciation is charged when the property is available for use. The expected useful life of each component is as follows:

	Expected life (years)
Structure (including partitions, drainage, walls, floors, ceilings and stairs)	100
Windows and doors	30
Roof	70
Kitchens	20
Bathrooms	30
Wiring and electrical installations	40
Plumbing and installations	30
Boilers	10 - 15
Lifts	25

Land that forms part of the housing property is not depreciated.

Retained reserves

The retained reserves are made up of accumulated surpluses generated on ordinary activities.

Critical accounting estimates and assumptions

The following are the key assumptions and estimates affecting the Trust:

a) Useful lives of tangible fixed assets

Tangible fixed assets are depreciated on a systematic basis based on the Trustees’ best estimate of the asset’s useful life. This estimate is based on a variety of factors such as the expected use, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

The trustees are of the opinion that 30% of the revalued amount is attributable to the land element and therefore not subject to depreciation.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Significant accounting policies – continued

Critical accounting estimates and assumptions (continued)

The following are the key assumptions and estimates affecting the Trust:

b) Impairment of assets

Under FRS 102 Impairment under Existing Use Value (EUV) for social housing occurs when the carrying value of a social housing property exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use.

As previously disclosed, the Trustees undertook an impairment review on its properties. This impairment review takes into account the economic and political environment in which the Trust operates, the financial model of each of the completed development projects compared with actual financial performance, and the physical conditions of all of the properties owned by the Trust.

The Trustees came to the conclusion that the fair value of the housing properties from the latest valuation produced by an external valuer exceeds the carrying amount and as such there is no impairment indicators

c) Categorisation of housing properties as property, plant and equipment

Under the requirements of the SORP, housing properties that are held for the provision of social housing must be treated as property, plant and equipment. All housing properties owned by the Trust are rented out to third parties in accordance with the rental policy approved by the States of Jersey (not charged on commercial rates) and the developments support the wider social housing community within the Island of Jersey. Given this, and the fact that the Trust is a not-for-profit body, the Trustees have determined that the Trust's properties meet the definition of property, plant and equipment and have been accounted for as such.

d) Valuation of housing properties

The Trust carries its housing properties on an EUV-SH basis using the latest valuation produced by an external valuer less subsequent accumulated depreciation less subsequent impairment. Any revaluation losses or gains are then recognised within other comprehensive income and accumulated in reserves (housing property revaluation reserve).

In line with the Trust's valuation policies adopted by the Trustees, the housing properties are subject to an external valuation every 3 years, or earlier as deemed appropriate by the Trustees, taking into account the following factors, but not limited to:

- Any requirements of financing providers;
- The Housing price index in general within Jersey (including the demand for Socially rented properties);
- Any significant capital expenditures/enhancements on the held for letting properties;
- Any impairment indicators;
- The increase in rental income year on year.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Significant accounting policies – continued

Critical accounting estimates and assumptions

d) Valuation of housing properties - continued

The Trust's housing properties were valued as at 26 July 2024 by independent professionally qualified valuers who hold a recognised professional qualification and have experience in the properties valued. The Trustees are of the opinion that there are no material difference in the valuation of the properties at 26 July 2024 and 31 December 2024 as disclosed in note 6

It is the Trust intention to perform a red book valuation each year from 2025 onwards.

2. Taxation

The Trust is exempt from income tax under the provisions of Article 115(ae) of the Income Tax (Jersey) Law, 1961.

3. Operating expenses

	2024 £	2023 £
Property management fees (note 14)	774,006	717,045
Trustee remuneration	138,250	110,500
Audit fees	27,500	74,130
Administration and accountancy fees	118,769	93,472
Insurance	207,570	193,385
Legal and professional fees	231,828	32,662
Refinancing costs	477,434	-
Bank charges	1,893	1,675
Consultancy fees	10,000	10,000
Other fees	1,687	-
	1,988,937	1,232,869

4. Interest expense

	2024 £	2023 £
Interest expense on loans attributable to housing properties	3,419,523	3,367,489
	3,419,523	3,367,489

5. Other income

	2024 £	2023 £
Interest subsidies receivable	-	531,745
	-	531,745

Per an agreement with the States of Jersey, the Trust can reclaim interest above 4% (or in some cases 6%) paid on certain bank loans from the States of Jersey.

JERSEY HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

6. Housing properties

	Held for letting £	Under construction £	Total housing properties £
31 December 2024			
At 1 January 2024	201,008,037	-	201,008,037
Additions	312,361	-	312,361
Depreciation	(2,831,668)	-	(2,831,668)
Unrealised gain on revaluation of housing properties	21,911,270	-	21,911,270
At 31 December 2024	<u>220,400,000</u>	<u>-</u>	<u>220,400,000</u>

	Held for letting £	Under construction £	Total housing properties £
31 December 2023			
At 1 January 2023	204,320,000	-	204,320,000
Additions	31,246	-	31,246
Depreciation	(3,343,209)	-	(3,343,209)
At 31 December 2023	<u>201,008,037</u>	<u>-</u>	<u>201,008,037</u>

On 22 October 2024, Jones Lang LaSalle Limited (“JLL”) (an independent valuer) has carried out a valuation of the housing properties which provides the EUV-SH as at the valuation date of 26 July 2024. The Trust has subsequently provided assurances to the independent valuer that there were no material changes to the portfolio of housing properties between the valuation date of 26 July 2024 and 31 December 2024. The valuer has then concluded that there would be no material difference in their opinion of the value of the portfolio between 26 July 2024 and 31 December 2024. Based on this the Trustees deemed that the value of £220,400,000 initially determined by their independent expert is the appropriate fair value as at 31 December 2024.

The valuation was carried out using the discounted cash flow method. The discounted cashflow calculation is a valuation of rental income and/or sale values per square foot considering non-recoverable costs and applying a discount rate to income over a period of years depending on the secured leases. The valuations were prepared using the EUV-SH (apart from the commercial units), as required by the SORP. The commercial units were valued using a rent and yield approach. The total of this valuation was £220,400,000.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. Housing properties - continued

The valuation was prepared in accordance with the RICS Valuation Standards (the “Red Book”). In undertaking the valuation, JLL adopted the International Accounting Standards Board’s definition of Fair Value in FRS 102 as ‘the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date’.

A number of housing properties owned are used as security against the borrowings of the Trust. For further details see note 12.

7. Debtors and prepayments

	2024	2023
	£	£
Current rentals due	356,190	416,015
Insurance prepaid	146,879	105,999
Interest subsidy receivable	531,745	531,745
Other debtors and prepayments	241,439	93,961
	<u>1,276,253</u>	<u>1,147,720</u>

During the year the Trust provided for net bad debts in respect of current rentals due of £29,171 (2023: £25,685).

8. Cash at bank and in hand

	2024	2023
	£	£
Cash at bank	<u>21,023,199</u>	<u>11,236,991</u>

As at 31 December 2024, all cash and cash equivalents were held in bank accounts at Barclays Private Clients International Limited.

9. Creditors

	2024	2023
	£	£
Loan interest payable	692,039	38,380
Other – non-property related	<u>203,952</u>	<u>141,642</u>
Creditors due in less than one year	<u>895,991</u>	<u>180,022</u>

All property expenses are paid within thirty days upon receipt of the invoices.

10. Tenants’ deposits

This amount of £15,064 represents deposits received from tenants (2023: £15,264). All deposits have been discontinued and are in the process of being repaid to the tenants.

JERSEY HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

11. Bank loans

	2024		2023	
	£	£	£	£
Repayable in less than 1 year		-		7,367,771
Repayable in 1 to 2 years	-		6,808,568	
Repayable in 2 to 5 years	-		28,970,250	
Repayable in 5 years or more	-		10,608,417	
		-		46,387,235
		-		53,755,006

On 15 March 2014, the Trustees entered into a Bond, Billets and Variation agreement with Barclays Bank Plc which allows for the cross collateralisation of existing loans that Barclays Bank Plc have with a charge over various properties, subject to a cap of £90,000,000. On 29 September 2017, the cap on the Bond, Billets and Variation agreement was increased to £110,000,000. This includes all developments with the exception of Le Coie, Le Grand Clos, Hameau de La Mer and Garrett Anderson House.

On 18 May 2018 the Trustees entered into a registered bond with Barclays Bank Plc valued at £3,500,000 in respect of Hameau de la Mer.

On 13 February 2006 and 27 October 2015, the Trustees entered into a registered bond with Lloyds Bank Plc valued at £8,600,000 and £12,250,000 respectively in respect of the Le Coie and Le Grand Clos developments.

All of the loans were from Barclays Bank Plc and Lloyds Bank Plc. The rate of interest incurred on each of the Barclays Bank Plc loans in the prior year amounted to LIBOR + 0.75% (apart from the 2017 facility with Barclays Bank Plc which suffered interest at LIBOR + 1.85% in the prior year). Due to the cessation of LIBOR as an available rate, from 1 January 2022 the Barclays Bank Plc loans incurred interest at a similar margin over the Banks Base Rate plus an applicable Credit Adjustment Spread. The rate of interest incurred on the Lloyds Bank Plc loans was and continued to amount to the Banks Base Rate + 0.75%.

On 25 October 2024, all loans with Barclays Bank Plc and Lloyds Bank Plc were repaid utilising the funds received from the Loan Notes issued (see note 12). All security relating to the loans was released.

JERSEY HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

11. Bank loans – continued

A summary of the loans outstanding at 31 December 2023 is shown below.

2023				Repayable in less than 1 year	Repayable in 1 to 2 years	Repayable in 2 to 5 years	Repayable in 5 years or more
Loans	Original facility	Repayments to date	Loan amount outstanding				
BARCLAYS Long term loans							
Victoria Place	12,500,000	(7,308,822)	5,191,178	889,233	963,191	3,338,754	
Belle Vue	11,865,000	(10,603,653)	1,261,347	1,150,172	111,175		
Kent Lodge	880,000	(880,000)	-				
St Clements Road	1,200,000	(891,421)	308,579	100,994	109,000	98,585	
St Saviours Court	3,800,341	(3,800,341)	-				
Jardin Fleuri	3,240,000	(2,137,825)	1,102,175	250,614	270,941	580,620	
La Roseaie	8,287,000	(4,295,781)	3,991,219	542,639	588,924	2,072,303	787,353
Berkshire Court	13,380,000	(6,877,733)	6,502,267	870,761	945,171	3,326,717	1,359,618
John Wesley	6,000,000	(3,069,880)	2,930,120	389,158	422,447	1,487,096	631,419
Parkside	3,200,000	(1,595,767)	1,604,233	203,726	221,252	779,465	399,790
La Folie	3,670,000	(836,130)	2,833,870	230,486	248,224	860,542	1,494,618
Clement Court	4,300,000	(2,749,772)	1,550,228	329,547	356,433	864,248	
Clos le Gallais	2,275,530	(588,118)	1,687,412	117,349	132,041	496,162	941,860
Clos Du Ruisseau	3,378,454	(810,943)	2,567,511	163,429	184,347	695,553	1,524,182
2017 Barclays Facility	15,000,000	(3,187,500)	11,812,500	750,000	750,000	10,312,500	
TOTAL	92,976,325	(49,633,686)	43,342,639	5,988,108	5,303,146	24,912,545	7,138,840

JERSEY HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024

11. Bank loans – continued

LLOYDS Long term loans						
Le Grand Clos	8,519,064	(2,250,223)	6,268,841	440,810	495,877	1,862,577
Le Coie	12,250,000	(8,106,474)	4,143,526	938,853	1,009,545	2,195,128
TOTAL	20,769,064	(10,356,697)	10,412,367	1,379,663	1,505,422	4,057,705
TOTAL OUTSTANDING BORROWINGS			53,755,006	7,367,771	6,808,568	28,970,250
						10,608,417

All loans with Barclays and Lloyds were repaid on 25 October 2024.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

12. Loan Notes

	2024 £	2023 £
Repayable in 5 years or more	<u>60,000,000</u>	<u>-</u>
Closing balance	<u>60,000,000</u>	<u>-</u>

On 25 October 2024 the Trust issued £60,000,000 of Senior Secured Notes (“the Notes”) with a maturity date of 31 March 2049 to two financial institutions. The notes are not listed and carry an interest rate of 6.208%.

The Notes are secured over the properties at Victoria Place, Belle Vue, Berkshire Court and Hameau de la Mer.

There are two covenants attached to the loan notes. Firstly the interest cover ratio which is calculated as the ratio of Adjusted Operating Surplus to Net Interest Payable for that Financial Year. When calculated on an annual basis, this ratio should not be less than 1.10:1.

The Trust must also meet an asset cover ratio. Per the ratio, the aggregate principal amount of the Notes must not exceed a certain amount defined in clause 9.15b per the Note Purchase Agreement dated 22 October 2024.

The Trustees can confirm that the Trust met both covenants at 31 December 2024 and expects to continue to meet the covenants for the next 12 months.

13. Housing property revaluation reserve

	2024 £	2023 £
Opening balance	87,563,498	87,563,498
Unrealised gain on revaluation of housing properties	<u>21,911,270</u>	<u>-</u>
Closing balance	<u>109,474,768</u>	<u>87,563,498</u>

Valuations have been carried out by JLL (an independent valuer) using the discounted cash flow method (see note 6 above). The valuations have been prepared using the EUV-SH (apart from the commercial units), as required by the SORP. The commercial units have been valued using a rent and yield approach.

The housing property revaluation reserve is unrealised and is therefore not available for distribution.

14. Related parties

The following are related parties as defined by Section 33 of FRS 102:

(a) The Trustees

Remuneration paid to the Trustees during the year ended 31 December 2024 amounted to £138,250 (2023: £110,500) of which nil was outstanding at the current and prior year end.

JERSEY HOMES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

14. Related parties (continued)

- (b) Brunel Management Limited (“Brunel”) through its relationship with Mr M C Van Neste and Mr S Van Neste

Brunel manages all of the Trust’s properties and receives a fee calculated on a cost-plus plus reimbursement for certain sundry expenses incurred. Brunel also receives an additional fee of £6,250 per calendar month for providing CEO consultancy services to the Trust. The total amount payable for all services during the year was £774,006 (2023: £717,045) of which £126,618 (2023: £89,968) remained outstanding and is included in creditors. Brunel maintains a segregated bank account on behalf of the Trust for the collection of rental and payment of property expenses. At 31 December 2024, this balance was £905,148 (2023: £711,620).

- (c) Labesse & Co. through its relationship with Mr P Labesse

Labesse & Co. act as the Trust’s surveyors. During the year ended 31 December 2024, £13,125 (2023: £13,125) was payable to Labesse & Co. none of which was outstanding at the year end (2023: nil).

- (d) Cranham Investments Limited through its relationship with Mr M C Van Neste and Mr S Van Neste

In 2021 the Trustees approved a small contract to lease storage space from Cranham Investments Limited at an annual rental of £4,680.

15. Capital commitments

The Trust had no capital commitments at the current or prior year reporting date.

16. Ultimate controlling party

The controlling parties of the Trust as defined by Section 33 of FRS 102 are the Trustees of the Trust, whose only benefits are as outlined in the Constitution and in note 3 and 14 above.

17. Subsequent events

There are no subsequent events to report.