

LES VAUX HOUSING TRUST
(INCORPORATED IN JERSEY, CHANNEL ISLANDS)
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

LES VAUX HOUSING TRUST

TRUST INFORMATION

Incorporation	The Trust is a Jersey Association incorporated under the Loi (1862) sur les teneures en fideicommiss et l'incorporation d'associations (as amended 1963)	
Chair	Mr F Du H Le Gresley Mr J A Le Fondré	(retired 12 July 2022) (appointed 12 July 2022)
Treasurer	Mr D J P Thérézien	
Secretary	Mr J A Le Fondré Mr M N De La Haye	(retired 12 July 2022) (appointed 12 July 2022)
Members	Mr D J P Thérézien Mr J A Le Fondré Mr M J Le Boutillier Mr T G Hart Mr G Hutchinson Mr M De La Haye	(Appointed 15 December 2021)
Auditor	Alex Picot 1st Floor The Le Gallais Building 6 Minden Place St Helier Jersey JE2 4WQ	
Address	12 Dumaresq Street St Helier Jersey JE2 3RL	
Bankers	NatWest International P O Box 11 16 Library Place St Helier Jersey JE4 8NH	

LES VAUX HOUSING TRUST

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LES VAUX HOUSING TRUST

STRUCTURE, GOVERNANCE & MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Incorporation and objectives

The Trust was incorporated under the Laws of Jersey, Channel Islands on 8th December 1989.

The principal objects of the Trust are to provide residential accommodation primarily though not necessarily or exclusively by way of rented accommodation, to persons in Jersey in need of such accommodation and to assist, financially or otherwise, such persons.

The registered office of the Trust is:

c/o I C N Toole & Co.
12 Dumaresq Street
St Helier
Jersey
JE2 3RL

The Trust also maintains a website whose address is: <http://www.lesvauxhousingtrust.org.je>

Members

The number of Members shall never be less than five and never more than seven.

The Members are responsible for the management of the Trust and are appointed for an indeterminate length of time. A Member shall *ipso facto* lose his membership:-

- i. upon his death;
- ii. if he becomes of unsound mind or becomes bankrupt within the meaning of Article 13 of the Interpretation (Jersey) Law 1954;
- iii. if he sends his written resignation to the Trust;
- iv. if he ceases to be resident in Jersey;
- v. if he be removed by a resolution passed by a simple majority of those Members present and voting at a Meeting of the Trust

The Chairman of the Trust shall be chosen by the Members from amongst their number and for such period as they shall determine.

The Members shall also appoint any one of their number or any third party to be Treasurer of the Trust and any one of their number or any third party to be Secretary of the Trust; such appointments to be upon such terms (honorary or otherwise) and for such periods as the Members shall in their absolute discretion determine.

The Members who have served during the year were:

Mr F Du H Le Gresley
Mr D J P Thérézien
Mr J A Le Fondré
Mr M J Le Boutillier
Mr G Ramskill
Mr T G Hart
Mr G Hutchinson
Mr M De La Haye

Mr G Ramskill resigned as a Member of the Trust on 8 September 2021 due to ill-health.
Sadly Mr Ramskill passed away on 6 October 2021.

LES VAUX HOUSING TRUST

STRUCTURE, GOVERNANCE & MANAGEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

Property and tenant administration

The Members have entered into an agreement with Maillard & Co. (formerly Voisin-Hunter Limited) for the management and administration of the Trust's properties, including their maintenance, dealing with the Trust's tenants and the collection of rental income.

Accountancy services

The Members have entered into an agreement with I C N Toole & Co Limited for the provision of accounting services to the Trust.

Property portfolio

As at 31 December 2021, the Trust's property portfolio consisted of 326 units of residential accommodation, a retail supermarket and 3 commercial shop units made up as follows:

Vale Court, St Helier

- 8 Studio flats
- 8 One bedroom flats

Landscape Grove, St Helier

- 8 Studio flats
- 32 One bedroom flats

St Saviour's Crescent, St Saviour

- 8 One bedroom flats
- 10 Two bedroom flats

Leonard Norman Close, St Saviour

- 4 One bedroom flats
- 7 Two bedroom flats
- 1 Three bedroom house

Berry House, St Helier

- 3 One bedroom flats
- 2 Two bedroom flats

John Le Fondré Court, St Helier

- 15 One bedroom flats
- 3 Two bedroom flats

Perquage Court, St Lawrence

- 36 One bedroom flats
- 36 Two bedroom flats

LES VAUX HOUSING TRUST

STRUCTURE, GOVERNANCE & MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

David Moon House Court, St Helier

26 One bedroom flats

16-25 Clos Lempriere, St Clement

10 Three bedroom houses

La Mabonnerie, Trinity

1 House (group home)

12 Clos de la Ville, St Helier

1 House (group home)

Jardin de Haut, St Mary

14 Two bedroom bungalows

Ville Vautier, St Ouen

6 One bedroom flats

12 Three bedroom houses

1 Four bedroom house

Mourant Lodge, Trinity

1 House (group home)

Grands Vaux Court (Maison Bryant), St Helier

1 One bedroom flat

7 Two bedroom flats

1 Retail supermarket

3 Commercial shop units

Grands Vaux Court (Maison Copp, Maison De La Mare and Maison Le Huquet), St Helier and St Saviour

31 One bedroom flats

20 Two bedroom flats

9 Three bedroom flats

Dun Na Ri, St Helier

4 One bedroom flats

1 One bedroom cottage

LES VAUX HOUSING TRUST

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of members' responsibilities

According to the constitution of the Trust, it is the responsibility of the members to prepare accounts. In preparing the accounts the members should:

- ensure that the accounts 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The members confirm they have complied with all the above requirements in preparing the accounts.

The members 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 members are aware, there is no relevant audit information of which the Trust's auditors are unaware, and each member has taken all steps that he or she ought to have taken as a member 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.

Business objectives and strategy

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

The Trust's tenants are mainly allocated through the Affordable Housing Gateway, a joint waiting list for all the Social Housing Providers. Whilst we are supportive for the criteria for inclusion on this list, we are still an independent housing trust. Therefore, the Members 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 the Affordable Housing Gateway.

We meet with the Trustees of other Housing Trusts on a regular basis to discuss items of mutual interest. We also meet 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 the Housing Minister, to share our view of the difficulties and the opportunities around providing affordable accommodation.

The Trust has been generating 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 properties and estates, making themselves available to our tenants. The Members also visit our sites at least once a year so that tenants can let them know of any concerns they may have in person.

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

LES VAUX HOUSING TRUST

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Internal financial control

The Members 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 11. The Trust is therefore dependent upon the financial controls of these third parties.

The Members receive regular reports from the property manager in respect of all of the Trust's properties.

LES VAUX HOUSING TRUST

CHAIR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

General overview

The restrictions imposed by Covid 19 regulations meant that our maintenance programme had fallen behind in 2020. In the first 6 months of 2021 we replaced 8 kitchens and 2 bathrooms at Perquage Court, 2 kitchens and 2 bathrooms at Landscape Grove, 1 kitchen and 1 bathroom at Leonard Norman Close and 1 kitchen and bathroom at 6-7 St Saviour's Crescent. As at the year end we have 10 flats across 5 of our estates which are awaiting new kitchens or bathrooms. The total spent on repairs and maintenance in 2021 was £592,235 compared with £315,818 in 2020.

The increased popularity of electric bicycles has meant that we have had to discourage tenants from leaving bicycles in hallways rather than in purpose-built bike stores. We have purchased a number of lockable, purpose-built bike storage units for the tenants at Maison Bryant. If these prove popular and well used we may purchase further units for other estates. Once completed, Grand Vaux Court will have two electric car charging points, none of our other estates have this facility.

Landscape Grove is one of our oldest estates and in need of a complete upgrade. Most of the work required is internal but we intend to thermal clad the buildings and replace doors and windows. We are presently working with our architects, as some of the external works will require planning consent.

Problems with illegal parking at Grand Vaux Court, Leonard Norman Close and Perquage Court have been resolved by employing G4S to manage the parking of vehicles.

Phase 2, Grand Vaux Court is due to complete in May 2022 and we look forward to welcoming new tenants for the 63 apartments. Phase 1 tenants will be pleased to see the building works come to an end after nearly 5 years of disruption. They will also be looking forward to using the new, landscaped recreation areas which are being created in the middle of the estate. The new children's play area will, I am sure, be a big attraction for young families to enjoy. Thanks must go to Tim Marsh and the team from ROK Construction for the exemplary way the site has been managed during the building programme.

All domestic rents were frozen in 2021 and will next be reviewed in February 2022. The last time rents were increased in line with cost of living was November 2019. We estimate that even our highest rents on the newer estates are now below 70% of market rents. As a social housing trust we aim to keep our rents as low as possible, provided that, we can meet our obligations to repay interest and capital on loans and can maintain all of our estates in good order in order to retain accredited status under the States of Jersey, Rent Safe Scheme.

The day to day management of our estates is ably run by Caroline Fernandes of Maillard and Co. The feedback from tenant representatives clearly show that problems are dealt with speedily and effectively. We are very fortunate to have Caroline managing the Trust's portfolio. We are also grateful for the secretarial services provided by Teresa Cracknell of Maillard and Co who provides very valuable support to myself, as Chairman.

At our September board meeting Geoff Ramskill decided to resign as Trustee due to ill health. Geoff joined the Board in 2013 after a very successful career in the construction industry, both locally and in the UK. His knowledge of property development was particularly valuable to the Board during the early stages of the Grand Vaux Court scheme. Geoff sadly passed away on the 5th October.

In June Michael de la Haye and Jemima Leach were co-opted onto the Board of Trustees. Jemima unfortunately had to resign later in the year as she was unable to attend meetings due to a change in residency. Michael was formally appointed to the Board in December to replace the late Geoff Ramskill. As always I would like to thank my fellow trustees for their contribution to the running of the Trust. We are most fortunate to have people who give freely of their own time, and without remuneration, to support the Trust's work.

LES VAUX HOUSING TRUST

CHAIR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial performance and position

Due to the rent freeze, rents receivable were only marginally up on the previous year, increasing by £18,930 compared to the previous year.

As at the 31st December we had total rent arrears (net of rents received in advance of £35,456) of £22,385 which equates to 0.6% of current rent. Our Bad Debt Provision is £35,814.

There were 32 tenant movements in the year including 9 at both, Perquage Court and Landscape Grove. Loss of rent due to voids during this period amounted to £39,027 equivalent to 1% of total available rents. Financing costs totalled £627,176 made up of interest on loans at £498,578 and loan arrangement and non-utilisation fees of £128,598. Non-utilisation fees will cease once the bank loan facility is fully drawn down.

Freehold land and buildings (including refurbishments) are stated in the balance sheet at cost less depreciation at a figure of £52,984,964. Vale Court, Landscape Grove and Perquage Court are fully depreciated and the values shown represents the land value only of each property. In 2017 our then portfolio of properties was professionally valued, on Existing Use Value as Jersey Social Housing (EUV-JSH) subject to tenancies, at £48m; however, the unencumbered vacant possession value was £73m. Since 2017 the Trust has built Grand Vaux Court Phase 1 and will soon complete Phase 2 which will take the EUV-JSH total value closer to £60m and the market value, without affordable restriction/vacant possession, to £93m. These figures do not reflect the unprecedented surge in property values over the last four years. The bank will be arranging for property valuations every three years, as part of the loan facility agreement, and we may decide to change our accounting practices to reflect market valuations rather than cost less depreciation.

Principal risks and uncertainties

The demand for social housing rental units is expected to rise significantly over the next 12 months due to the increasing unaffordability of private sector rents. Some private sector landlords are intent on selling off units of accommodation in order to take advantage of the high prices currently obtainable thus creating a housing crisis for middle to low income earners.

2022 is election year for the States of Jersey. New Ministers will be appointed in June and we can expect to see changes in political direction. Housing and Population Control must be the two priorities for our new government.



Chair

25/5/22

LES VAUX HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LES VAUX HOUSING TRUST

Opinion

We have audited the financial statements of Les Vaux Housing Trust (the "trust") for the year ended 31 December 2021 which comprise revenue account, balance sheet, statement of cash flows, statement of changes in reserves and notes to the financial statements, including a summary of significant accounting policies and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation are the United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- have been properly prepared in accordance with United Kingdom Accounting Standards;
- give a true and fair view of the state of the trust's affairs as at 31 December 2021 and of its profit for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 Members

As explained more fully in the members responsibilities statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members 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 members either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

LES VAUX HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LES VAUX HOUSING TRUST

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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

During our audit we assessed the risk of material misstatement of the financial statements as a result of non-compliance with relevant laws and regulations (irregularities), including fraud. Based on our understanding of the entity and its environment, together with discussion with senior management where appropriate, we were able to identify those laws and regulations which would have a direct effect on the financial statements as well as those which may have an effect on amounts in the financial statements, for instance through the imposition of fines or litigation. These included, but were not limited to, FRS 102 as well as general legislation applicable to a business operating in the social housing sector in Jersey, such as Data Protection requirements, Housing Law, and Health and Safety Regulation. The risks arising from these laws and regulations were discussed amongst the audit engagement team, including consideration as to how and where fraud might occur.

Based on our assessment, the Engagement Partner ensured that the audit engagement team was composed appropriately with suitable competence and capabilities in order to allow identification and recognition of non-compliance with laws and regulations. The risks identified were communicated to all engagement team members who remained alert during the course of the audit for any indication of irregularities, including fraud.

Our procedures in response to the risks identified included the following:

- Enquiry of management, including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- Review all available minutes of meetings held by those charged with governance;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In common with all audits carried out under the ISAs(UK), we carried out procedures in response to the threat of management override, including those considering the appropriateness of journal entries and judgements made in making accounting estimates;

There are inherent limitations in the audit procedures above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. In addition, the risk of not detecting material misstatement due to fraud is higher than detecting one resulting from error, as fraud may involve deliberate concealment by, for example forgery, collusion or intentional misrepresentations. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LES VAUX HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LES VAUX HOUSING TRUST

Use of our report

This report is made solely to the trust's members, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the trust's members 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 trust and the trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of Alex Picot

Chartered Accountants
Statutory Auditor

12 September 2022

1st Floor
The Le Gallais Building
6 Minden Place
St Helier
Jersey
JE2 4WQ

LES VAUX HOUSING TRUST

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Year ended 31 December 2021	Year ended 31 December 2020
	£	£	£
Rent receivable		3,545,556	3,526,626
Service charges receivable		6,401	3,115
Management expenses			
Management fees	160,972		155,670
Professional fees	4,885		(1,103)
Sundry	4,695		371
		(170,552)	(154,938)
Repairs and maintenance		(592,235)	(315,818)
Service costs			
Rates	45,370		50,431
Insurance	92,887		92,733
Heat, light and water	59,043		54,637
Cleaning	53,929		57,615
Service charges	10,206		10,206
Tenant re-location grants	-		15,482
Amortisation	3 13,176		13,176
		(274,611)	(294,280)
Total property expenses		(1,037,398)	(765,036)
Net income from properties before depreciation		2,514,559	2,764,705
Depreciation	4	(702,268)	(698,376)
Net income from properties		1,812,291	2,066,329
Interest on loans attributable to property	498,578		486,781
Loan arrangement and non-utilisation fees	128,598		89,659
		(627,176)	(576,440)
Net surplus after interest charge		1,185,115	1,489,889
Interest receivable		93	1,480
Net surplus after interest received		1,185,208	1,491,369

LES VAUX HOUSING TRUST

PROPERTY REVENUE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Net surplus after interest received	1,185,208	1,491,369
Other expenditure		
Audit	7,550	7,000
Accountancy	33,075	36,700
Administration and secretarial costs	12,944	12,944
Professional indemnity insurance	1,583	1,158
Professional fees - general	20,602	-
Bad debts (recovered)	(855)	10,421
General insurance	1,880	1,422
Bank overdraft interest and charges	1,756	1,581
Website costs	2,603	4,060
Charitable donation	1,000	-
General expenses	532	1,424
	(82,670)	(76,710)
Profit for the financial Year	1,102,538	1,414,659

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LES VAUX HOUSING TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	3		134,508		147,686
Tangible assets	4		52,984,964		43,661,585
			<u>53,119,472</u>		<u>43,809,271</u>
Current assets					
Debtors	5	504,429		326,121	
Cash at bank and in hand		367,664		481,233	
		<u>872,093</u>		<u>807,354</u>	
Creditors: amounts falling due within one year	6	(559,680)		(285,260)	
Net current assets			<u>312,413</u>		<u>522,094</u>
Total assets less current liabilities			<u>53,431,885</u>		<u>44,331,365</u>
Creditors: amounts falling due after more than one year	8		(31,997,311)		(23,999,327)
Net assets			<u><u>21,434,574</u></u>		<u><u>20,332,038</u></u>
Capital and reserves					
Property redevelopment reserve			6,000,000		6,000,000
Cyclical maintenance reserve			1,189,807		1,392,493
Property revenue reserve			14,244,767		12,939,545
Total equity			<u><u>21,434,574</u></u>		<u><u>20,332,038</u></u>

The financial statements were approved by the members and authorised for issue on 7 Sept. 2022 and are signed on its behalf by:

Mr J A Le Fondré
Chair

Mr D J P Thérézien
Treasurer

LES VAUX HOUSING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations		1,102,538		1,414,659	
Depreciation and amortisation		715,444		711,552	
Interest payable		498,578		486,781	
Interest receivable		(93)		(1,480)	
(Increase)/Decrease in debtors		(178,308)		146,568	
Increase/(Decrease) in creditors and accruals		261,835		(71,292)	
Net cash inflow from operating activities		2,399,994		2,686,788	
Interest paid		(487,336)		(498,153)	
Interest received		93		1,480	
Net cash used in investing and servicing of finance		(487,243)		(496,673)	
Capital expenditure and financial investment					
Purchase of tangible assets		(10,025,647)		(4,541,945)	
Purchase of decennial insurance policy		-		(47,390)	
Net cash used in capital expenditure and financial investment		(10,025,647)		(4,589,335)	
Financing					
New bank loan		8,000,000		1,650,000	
Loan principal repayments - States of Jersey		(673)		-	
Net cash generated from financing		7,999,327		1,650,000	
Net decrease in cash and cash equivalents		(113,569)		(749,220)	
Cash and cash equivalents at beginning of Year		481,233		1,230,453	
Cash and cash equivalents at end of Year		367,664		481,233	

LES VAUX HOUSING TRUST

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2021

	Cyclical maintenance reserve £	Property redevelopment reserve £	Property revenue reserve £	Total £
Balance at 1 January 2020	1,320,514	6,000,000	11,596,865	18,917,379
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	1,414,659	1,414,659
Transfer from cyclical maintenance reserve	71,979	-	(71,979)	-
Balance at 31 December 2020	1,392,493	6,000,000	12,939,545	20,332,038
Period ended 31 December 2021:				
Profit and total comprehensive income for the period	-	-	1,102,538	1,102,538
Transfer from cyclical maintenance reserve	(202,684)	-	202,684	-
Balance at 31 December 2021	1,189,809	6,000,000	14,244,767	21,434,576

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Trust information

Les Vaux Housing Trust is a Jersey Association incorporated under the Loi (1862) sur les teneures en fideicomis et l'incorporation d'associations (as amended 1963).

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and expenditure

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

1.4 Loan and deposit interest

Loan interest is charged in the period to which it relates. Deposit interest is credited on the date it is received.

1.5 Ten year insurance cover

On 25 May 2007 the Trust took out a latent defects insurance policy with Premier Guarantee to cover the development of 10 houses at Clos Lempriere, St Clement. The policy is for a period of 10 years from 10 June 2014. The total cost of the policy amounts to £8,290 made up of a survey fee of £2,800 and an insurance premium of £5,490. An amount of £4,172.50 was paid on 25 May 2007 and the balance of £4,117.50 was paid on 21 August 2014. The cost of the policy is being amortised over the period of cover.

On 5 March 2012 the Trust paid £10,073 representing a portion (14/33rds) of the Decennial Insurance Cover taken out with Premier Guarantee by Alpine Contractors Limited for Units 3-16, Fields 561 and 562 St. Mary. The cost of the policy was amortised over the period of cover.

On 8 June 2017 the Trust paid £38,018 representing 20% of the premium and 100% of the technical audit fee in respect of the Decennial Insurance Cover being taken out with Premier Guarantee for Blocks A, B and C of Phase 1 of the redevelopment of Troy Court and Valley Court, Les Grands Vaux, St. Saviour. The balance of the cost of the policy amounting to £75,378 was paid at practical completion of Phase 1 of the redevelopment. The total cost of the policy is being amortised over the period of cover.

On 17 June 2020 the Trust paid £47,390 representing 25% of the premium and 100% of the technical audit fee in respect of the Decennial Insurance Cover being taken out with Premier Guarantee for Blocks D, E and F of Phase 2 of the redevelopment of Troy Court and Valley Court, Les Grands Vaux, St. Saviour. The balance of the cost of the policy amounting to £76,171 will be paid at practical completion of Phase 2 of the redevelopment. The total cost of the policy will be amortised over the period of cover.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Cyclical maintenance reserve

Transfers are made from the accumulated property revenue reserve to create a reserve for cyclical maintenance which will be released back to the property revenue reserve as cyclical maintenance expenditure is incurred.

1.7 Tangible fixed assets

Freehold land and buildings (including refurbishments) are stated at cost less depreciation. Freehold buildings are depreciated on a straight line basis over their remaining useful economic lives of between 10 and 50 years. Land is not depreciated. Finance costs incurred up to completion of each building are capitalised, after which any further finance costs are expensed in the property revenue account. The following freehold properties are now fully depreciated and the value shown in the accounts represents the land value of each property: Troy Court and Valley Court (now part of Grands Vaux Court), Vale Court, Landscape Grove, and Perquage Court. All remaining freehold properties are being depreciated over a period of 50 years.

The Trust has decided to retain the value of its land and buildings at cost and not to adopt a policy of revaluation in future. Freehold buildings (including refurbishments) are depreciated over their useful economic lives of between 10 and 50 years.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No significant judgements have had to be made by management in preparing these accounts.

Key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the accounts are described below.

(a) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(b) Bad debt provisions

Certain amounts due to the Trust will not be paid due to the default of a small number of tenants. Our estimates of doubtful debts, based on our historical experience, are used in determining the level of debts that we believe will not be collected. These estimates consider a variety of factors including the debtors' personal and financial position.

3 Intangible fixed assets

	Building defects insurance £
Cost	
At 1 January 2021	179,149
Disposals	(10,073)
At 31 December 2021	169,076
Amortisation and impairment	
At 1 January 2021	31,465
Amortisation charged for the Year	13,176
Disposals	(10,073)
At 31 December 2021	34,568
Carrying amount	
At 31 December 2021	134,508
At 31 December 2020	147,686

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Intangible fixed assets

(Continued)

On 25 May 2007 the Trust took out a latent defects insurance policy with Premier Guarantee to cover the development of 10 houses at Clos Lempriere, St Clement. The policy is for a period of 10 years from 10 June 2014. The total cost of the policy amounts to £8,290 made up of a survey fee of £2,800 and an insurance premium of £5,490. An amount of £4,172.50 was paid on 25 May 2007 and the balance of £4,117.50 was paid on 21 August 2014. The cost of the policy is being amortised over the period of cover.

On 5 March 2012 the Trust paid £10,073 representing a portion (14/33rds) of the Decennial Insurance Cover taken out with Premier Guarantee by Alpine Contractors Limited for Units 3-16, Jardin de Haut, St. Mary. The cost of the policy was amortised over the period of cover.

On 8 June 2017 the Trust paid £38,018 representing 20% of the premium and 100% of the technical audit fee in respect of the Decennial Insurance Cover being taken out with Premier Guarantee for Blocks A, B and C of Phase 1 of the redevelopment of Troy Court and Valley Court, Les Grands Vaux, St. Saviour. The balance of the cost of the policy amounting to £75,378 was paid at practical completion of Phase 1 of the redevelopment. The total cost of the policy is due to be amortised over the period of cover.

On 17 June 2020 the Trust paid £47,390 representing 25% of the premium and 100% of the technical audit fee in respect of the Decennial Insurance Cover being taken out with Premier Guarantee for Blocks D, E and F of Phase 2 of the redevelopment of Troy Court and Valley Court, Les Grands Vaux, St. Saviour. The balance of the cost of the policy amounting to £76,171 will be paid at practical completion of Phase 2 of the redevelopment. The total cost of the policy will be amortised over the period of cover.

4 Tangible fixed assets

	Freehold land and buildings	Refurbishment	Total
	£	£	£
Cost			
At 1 January 2021	51,223,557	984,108	52,207,665
Additions	10,025,647	-	10,025,647
At 31 December 2021	61,249,204	984,108	62,233,312
Depreciation and impairment			
At 1 January 2021	7,649,327	896,753	8,546,080
Depreciation charged in the Year	699,636	2,632	702,268
At 31 December 2021	8,348,963	899,385	9,248,348
Carrying amount			
At 31 December 2021	52,900,241	84,723	52,984,964
At 31 December 2020	43,574,230	87,355	43,661,585

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Voisin-Hunter Limited	77,773	67,781
Rent arrears	57,841	57,161
Bad debt provision	(35,814)	(39,439)
Other debtors	1,043	3,263
Interest on tenants' deposits	55	173
Prepayments	30,730	25,167
Prepaid loan arrangement fees	200,100	129,500
GST control account	172,701	82,515
	<u>504,429</u>	<u>326,121</u>

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank interest payable	46,484	35,242
Rents received in advance	35,456	35,175
Other creditors	428,514	135,542
Accruals and deferred income	47,210	78,628
States of Jersey loan - amount due within one year	2,016	673
	<u>559,680</u>	<u>285,260</u>

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Loans

	2021 £	2020 £
Bank and States of Jersey loans		
Repayable in less than 1 year	2,016	673
Repayable in 1 to 2 years	213,631	2,016
Repayable in 2 to 5 years	2,542,383	1,414,442
Repayable in 5 years or more	29,241,297	22,582,869
	<u>31,999,327</u>	<u>24,000,000</u>

Bank loans

The Trust had a number of bank loans which were secured by way of registered bonds in respect of the following properties: John Le Fondré Court, David Moon House, Clos Lempriere, La Mabonnerie, Clos de la Ville, Jardin de Haut, Mourant Lodge and La Ville Vautier. These loans were all repaid in 2018.

In order to fund the redevelopment of the Trust's property at Troy Court, a new consolidated portfolio loan has been provided by The Royal Bank of Scotland International Limited trading as NatWest. The new loan facility of £28.1m (increased to £38m with effect from 23 October 2020) was also utilised to repay the existing loans in September 2018 as described above. The new loan is due to be repaid on the 10th Anniversary of the Agreement date (14 September 2028) and interest is charged on the loan at LIBOR plus 1.65%. The new consolidated loan, the balance of which stood at £30,750,000 as at 31 December 2021, is secured by way of a Judicial Hypothec over all the Trust's properties other than Dun Na Ri Apartments.

States of Jersey loan

A new States of Jersey loan was obtained in 2018 to fund the acquisition of Dun Na Ri Apartments. The loan, which is for a period of 36 years, is repayable by 28 February 2054 and bears interest at the fixed rate of 4.3% throughout the term of the loan. The loan, the balance of which stood as £1,249,327 as at 31 December 2021, is secured by a simple conventional hypothec over the property known as Dun Na Ri Apartments, St Helier, Jersey.

8 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Long term bank loans	7	30,750,000	22,750,000
Long term States of Jersey loans	7	1,247,311	1,249,327
		<u>31,997,311</u>	<u>23,999,327</u>

9 Tenants' deposits

Tenants' deposits totalling £24,925 are held by the Trust's managing agent, Maillard & Co. and Tenants' deposits totalling £91,121 are held by myDeposits Jersey under the Residential Tenancy (Deposit Scheme) (Jersey) Regulations 2014. These amounts are not reflected in these accounts.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Capital commitments

Dun Na Ri Apartments

On 16 March 2018 the Trust acquired 5 units of residential accommodation situated at 95 St Saviour's Road, St Helier from Mr N MacFirbhisigh for the sum of £1,250,000. The acquisition is being financed by a 36 year fixed rate loan from the States of Jersey that is due to be repaid by 2054. The balance on the loan from the States of Jersey to finance this property amounted to £1,249,327 as at 31 December 2021.

Troy Court redevelopment - Phase 1 and Phase 2

On 2 August 2017 the Trust entered into a contract with ROK Construction Limited in the sum of £12,430,158 to redevelop part of the existing site of Troy Court and the adjacent site of Valley Court, St Helier. Phase 1 of the re-development was completed on 13 May 2019.

During 2020 the Trust entered into two contracts with ROK Construct (2017) Limited in respect of Phase 2 of the re-development of Troy Court. These contracts are in the sums of £546,768 (demolitions) and £17,253,064 (new build). Phase 2 of the re-development is expected to be completed by mid-2022.

The development costs and associated expenses for Phase 1 and Phase 2 are being financed by a bank loan facility in the sum of £38,000,000 that is due to be repaid by 14 September 2028. The balance on the loan from the bank that has been utilised to finance the development and to repay existing bank borrowings (as described in Note 7) amounted to £30,750,000 as at 31 December 2021.

11 Related party transactions

Accountancy and administration services were provided during the year at a cost of £37,325 (2020: £41,550) by I C N Toole & Co Limited, a firm of which Denis Therezien, a member and current Treasurer of the Trust is a director. Amounts owed to I C N Toole & Co Limited at the year end were £9,000 (2020: £9,000).

Quantity Surveying services were provided during the year at a cost of £35,727 (2020: £38,000) by Woodward Burton Associates, a firm of which Tom Hart, a member, is also a partner. Amounts owed to Woodward Burton Associates at the year end were £nil (2020: £nil).

Legal and professional services were provided during the year at a cost of £900 (2020: £8,750) by Le Gallais and Luce, a partnership in which Malcolm Le Boutillier, a member, was a partner. Amounts owed to Le Gallais and Luce at the year end were £nil (2020: £nil).

John Le Fondré, a member and the Secretary of the Trust, was a member of The States of Jersey and held the office of Chief Minister of the States of Jersey Council of Ministers until 12 July 2022.

LES VAUX HOUSING TRUST

DETAILED PROPERTY REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Berry House	Clos De La Ville (No. 12)	Clos Lempriere (Nos. 16-25)	David Moon House	Dun Na Ri Apartments	Grands Vaux Court (MLH & MDLM)	Grands Vaux Court (MB)	Jardin de Haut (Nos. 3-16)	John Le Fondre Court	Landscape Grove
	£	£	£	£	£	£	£	£	£	£
Income										
Rent receivable	52,924	40,417	159,240	258,917	62,535	611,378	174,364	193,559	183,084	336,545
Management expenses										
Management fees	2,362	1,804	7,125	11,481	2,917	27,913	7,404	8,644	8,301	15,305
Professional fees	-	-	10	-	-	(41)	486	-	5	2,136
Sundry	-	-	-	165	-	4,430	-	-	50	-
	(2,362)	(1,804)	(7,135)	(11,646)	(2,917)	(32,302)	(7,890)	(8,644)	(8,356)	(17,441)
Repairs and maintenance	9,171	428	11,048	56,027	1,400	69,870	20,048	15,014	19,262	59,912
Service costs										
Rates	664	492	1,741	2,891	554	11,323	1,937	2,916	1,992	4,079
Insurance	1,864	1,435	4,914	7,468	1,064	21,680	3,106	4,317	5,686	7,447
Heat, light and water	218	-	-	4,866	-	25,374	99	-	3,355	6,123
Cleaning	2,633	670	-	9,747	-	1,600	1,020	3,160	7,123	9,098
Service charges	-	-	3,631	-	-	-	-	3,663	-	-
Tenant re-location grants	-	-	-	-	-	-	-	-	-	-
TV and cable services	-	-	-	-	-	-	-	-	-	-
Amortisation	-	-	829	-	-	11,340	-	1,007	-	-
	(5,379)	(2,597)	(11,115)	(24,972)	(1,618)	(71,317)	(6,162)	(15,063)	(18,156)	(26,747)
Total property expenses	(16,912)	(4,829)	(29,298)	(92,645)	(5,935)	(173,489)	(34,100)	(38,721)	(45,774)	(104,100)
Depreciation	(4,180)	(6,104)	(29,012)	(73,628)	(43,060)	(285,940)	(91,372)	(32,068)	(41,124)	-
Net income	31,832	29,484	100,930	92,644	13,540	151,949	48,892	122,770	96,186	232,445

LES VAUX HOUSING TRUST

DETAILED PROPERTY REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	La Mabonnerie	La Ville Vautier (Nos. 1-13 & Norman Close Westview)	Leonard Close	Mourant Lodge	Perquage Court Crescent (Nos. 6 & 7)	Vale Court	Total
	£	£	£	£	£	£	£
Income							
Rent receivable	35,582	271,522	136,109	31,482	676,971	121,277	3,545,556
Management expenses							
Management fees	1,588	12,579	6,271	1,405	31,043	5,703	160,972
Professional fees	-	2,194	-	-	90	5	4,885
Sundry	-	-	-	-	50	-	4,695
	(1,588)	(14,773)	(6,271)	(1,405)	(31,183)	(5,708)	(170,552)
Repairs and maintenance	2,348	70,231	14,890	78	209,051	4,127	592,235
Service costs							
Rates	236	3,489	1,423	282	7,973	1,287	45,370
Insurance	867	5,653	4,307	898	13,593	2,904	92,887
Heat, light and water	-	185	374	-	14,736	2,860	59,043
Cleaning	-	2,619	4,647	-	2,360	3,737	53,929
Service charges	-	2,912	-	-	-	-	10,206
Tenant re-location grants	-	-	-	-	-	-	-
TV and cable services	-	-	-	-	-	-	-
Amortisation	-	-	-	-	-	-	13,176
	(1,103)	(14,858)	(10,751)	(1,180)	(38,662)	(10,788)	(274,611)
Total property expenses	(5,039)	(99,862)	(31,912)	(2,663)	(278,896)	(20,623)	(1,037,398)
Depreciation	(11,948)	(48,308)	(11,200)	(8,888)	-	-	(702,268)
Net income	18,595	123,352	92,997	19,931	398,075	100,654	1,805,890

LES VAUX HOUSING TRUST

FREEHOLD PROPERTIES AND BUILDINGS DEFECT INSURANCE

FOR THE YEAR ENDED 31 DECEMBER 2021

Properties	Freehold Refurbishment property £	£	Accumulated depreciation £	Total £	Defects insurance £	Amortisation £	Total £
Berry House	483,941	-	(112,848)	371,093	-	-	-
Clos De La Ville (No. 12)	305,212	-	(80,794)	224,418	-	-	-
Clos Lempriere (Nos. 16-25)	1,809,460	80,764	(374,823)	1,515,401	8,290	(6,218)	2,072
David Moon House	3,681,303	-	(961,172)	2,720,131	-	-	-
Dun Na Ri Apartments	1,261,161	-	(171,905)	1,089,256	-	-	-
Grands Vaux Court (MC, MLH & MDLM)	31,792,425	-	(708,866)	31,083,559	160,786	(28,350)	132,436
Grands Vaux Court (MB)	2,677,475	-	(411,174)	2,266,301	-	-	-
Jardin de Haut (Nos. 3-16)	2,389,098	-	(320,348)	2,068,750	10,073	(10,073)	-
John Le Fondré Court	2,496,227	-	(656,493)	1,839,734	-	-	-
Landscape Grove	2,189,157	372,303	(961,460)	1,600,000	-	-	-
La Mabonnerie	597,461	-	(148,661)	448,800	-	-	-
La Ville Vautier (Nos. 1-13 & Westview flats)	3,565,457	-	(483,081)	3,082,376	-	-	-
Leonard Norman Close	1,012,707	18,184	(299,007)	731,884	-	-	-
Mourant Lodge	444,388	-	(68,882)	375,506	-	-	-
Perquage Court	4,606,887	245,604	(2,692,491)	2,160,000	-	-	-
St Saviour's Crescent (Nos. 6 & 7)	1,477,656	9,414	(431,315)	1,055,755	-	-	-
Vale Court	459,189	257,839	(365,028)	352,000	-	-	-
At 31 December 2021	61,249,204	984,108	(9,248,348)	52,984,964	169,076	(34,568)	134,508
At 31 December 2020	51,223,557	984,108	(8,546,080)	43,661,585	179,149	(31,463)	147,686