

LES VAUX HOUSING TRUST
(INCORPORATED IN JERSEY, CHANNEL ISLANDS)
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020

LES VAUX HOUSING TRUST

COMPANY 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
Treasurer	Mr D J P Thérézien
Secretary	Mr J A Le Fondré
Members	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
Auditor	Alex Picot 95-97 Halkett Place St Helier Jersey JE1 1BX
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 2020

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

Property and tenant administration

The Members have entered into an agreement with 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.

LES VAUX HOUSING TRUST

STRUCTURE, GOVERNANCE & MANAGEMENT **FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020, 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

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)

LES VAUX HOUSING TRUST

STRUCTURE, GOVERNANCE & MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

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 2020

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 10. 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 2020

General overview

2020 will be a year to remember for all the wrong reasons. Lockdowns, social distancing, and working from home became part of our daily lives and the subject of regular conversations with family, friends and working colleagues. The Covid 19 pandemic led to governments around the world exercising unprecedented control over the daily lives of citizens.

Locally a rent freeze on domestic rents was enforced by the States of Jersey which was of no concern to the Trust as we had already advised our tenants that rents would not be increased in 2020.

Our managing agents, Voisin-Hunter, provided outstanding service to our tenants across all our estates, despite the Covid 19 restrictions, and, on behalf of the board of trustees, I wish to place on record our grateful thanks and appreciation of the work of Caroline Fernandes and Charlie Barratt, who have often gone "the extra mile" to help tenants.

Work on Phase 2, Grands Vaux Court, was not interrupted by lockdowns, and is scheduled to complete by mid May 2022. The residents of Phase 1 apartments are looking forward to a more peaceful lifestyle and the use of the new recreation spaces that will be provided at the end of the building programme. The team at ROK Construction are to be commended for the way they have worked with tenants ensuring that the site is kept safe and tidy.

During the year we spent £315,818 on repairs and maintenance of our estates, which is roughly half the figure spent in 2019 (£590,837). The main reason for the reduction is the restrictions on entering households imposed by Covid 19 regulations.

Three new galvanised iron balconies were installed at the upper flats at Westview, La Ville Vautier. The houses the Trust own on this estate are due to be repainted in 2021 and new front doors installed.

£88,250 was spent at Landscape Grove and £90,654 at Perquage Court. We continue to upgrade bathrooms and kitchens when flats are vacated on these two estates. Visitor parking spaces have been created at Perquage Court whilst further landscaping has been carried out at Landscape Grove. We have also contributed to the cost of resurfacing the roads within this estate.

The trust has accredited status under the States of Jersey, Rent Safe Scheme. All properties have achieved four star rating. The new apartments at Grands Vaux Court have a five star rating.

All domestic rents were frozen in 2020 and will next be reviewed in September 2021.

I would like to thank my fellow trustees for their contribution to the overall governance of the trust. Due to Covid 19 restrictions on gatherings we only held two meetings in 2020, although we did manage our annual visit to the estates and held a meeting with tenant representatives.

We are also grateful for the support of our bankers, The Royal Bank of Scotland International Ltd trading as NatWest, who are financing the development at Grands Vaux Court.

Financial performance and position

Rents receivable increased by £73,656 on the previous year.

As at the 31st December we had total rent arrears (net of rents received in advance of £35,175) of £21,984 which equates to 0.6% of current rent. Our Bad Debt Provision is £39,439.

There were 20 tenant movements in the year. Seven at Perquage Court and four at Landscape Grove. Loss of rent due to voids during this period amounted to £18,337 equivalent to 0.5% of total available rents.

LES VAUX HOUSING TRUST

CHAIR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

Some of our tenants will have experienced financial hardship due to loss of employment or reduction in income during 2020, caused by the closure of some businesses during the two lockdowns. We will continue to help these tenants in 2021 but anticipate a rise in rent arrears and Bad Debt Provisions.

We have a fixed price contract for the Phase 2 development at Grands Vaux Court. However, for other maintenance and repair work on our estates we anticipate costs of labour and materials will increase in excess of inflation, due to potential shortages of supply and competition.

Mr F Du H Le Gresley
Chair

16 February 2021

**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 2020 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. 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 2020 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.

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

Responsibilities of the members

As explained more fully in the member's 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.

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;

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

Auditor's responsibilities for the audit of the financial statements (continued)

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

14 September **2021**

Alex Picot
Chartered Accountants

LES VAUX HOUSING TRUST

PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019
	£	£	£	£
Rent receivable		3,526,626		3,452,970
Management expenses				
Management fees	155,670		150,667	
Professional fees	(1,103)		15,113	
Sundry	371		682	
		(154,938)		(166,462)
Repairs and maintenance		(315,818)		(590,837)
Service costs				
Rates	50,431		54,448	
Insurance	92,733		75,386	
Heat, light and water	54,637		59,741	
Cleaning	57,615		55,532	
Service charges	10,206		9,746	
Tenant re-location grants	15,482		9,642	
TV and cable services	-		1,647	
Amortisation	3 13,176		7,506	
		(294,280)		(273,648)
Total property expenses		(765,036)		(1,030,947)
Net income from properties before depreciation		2,761,590		2,422,023
Depreciation	4	(698,376)		(557,147)
Net income from properties		2,063,214		1,864,876
Interest on loans attributable to property		486,781		564,008
Loan arrangement and non-utilisation fees		89,659		79,414
		(576,440)		(643,422)
Net surplus after interest charge		1,486,774		1,221,454
Interest receivable		1,480		2,010
Other income		3,115		4,736
Net surplus after interest received		1,491,369		1,228,200

LES VAUX HOUSING TRUST

PROPERTY REVENUE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

	£	2020 £	£	2019 £
Net surplus after interest received		1,491,369		1,228,200
Other expenditure				
Audit	7,000		7,000	
Accountancy	36,700		38,750	
Administration and secretarial costs	12,944		12,944	
Professional indemnity insurance	1,158		1,158	
Bad debts (recovered)	10,421		(18,573)	
General insurance	1,422		458	
Bank overdraft interest and charges	1,581		3,101	
Website costs	4,060		-	
General expenses	1,424		606	
		(76,710)		(45,444)
Profit for the financial year		1,414,659		1,182,756

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 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Intangible assets	3		147,686		113,472
Tangible assets	4		43,661,585		39,818,016
			<u>43,809,271</u>		<u>39,931,488</u>
Current assets					
Debtors	5	326,121		472,689	
Cash at bank and in hand		481,233		1,230,453	
			<u>807,354</u>	<u>1,703,142</u>	
Creditors: amounts falling due within one year	6	(284,587)		(367,251)	
Net current assets			<u>522,767</u>		<u>1,335,891</u>
Total assets less current liabilities			<u>44,332,038</u>		<u>41,267,379</u>
Creditors: amounts falling due after more than one year	8	(24,000,000)		(22,350,000)	
Net assets			<u><u>20,332,038</u></u>		<u><u>18,917,379</u></u>
Capital and reserves					
Property redevelopment reserve			6,000,000		6,000,000
Cyclical maintenance reserve			1,392,493		1,320,514
Property revenue reserve			12,939,545		11,596,865
Total equity			<u><u>20,332,038</u></u>		<u><u>18,917,379</u></u>

The financial statements were approved by the members and authorised for issue on 8 September 2021 and are signed on its behalf by:

Mr F Du H Le Gresley
Chair

Mr D J P Thérézien
Treasurer

LES VAUX HOUSING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations		1,414,659		1,182,756	
Depreciation and amortisation		711,552		564,653	
Interest payable		486,781		564,008	
Interest receivable		(1,480)		(2,010)	
Decrease/(Increase) in debtors		146,568		92,022	
(Decrease)/Increase in creditors and accruals		(71,292)		208,453	
Net cash inflow from operating activities		2,686,788		2,609,882	
Interest paid		(498,153)		(560,922)	
Interest received		1,480		2,010	
Net cash used in investing and servicing of finance		(496,673)		(558,912)	
Capital expenditure and financial investment					
Purchase of tangible assets		(4,541,945)		(3,094,475)	
Purchase of decennial insurance policy		(47,390)		(75,378)	
Net cash used in capital expenditure and financial investment		(4,589,335)		(3,169,853)	
Financing					
New bank loan		1,650,000		1,800,000	
Net cash generated from financing		1,650,000		1,800,000	
Net (decrease)/increase in cash and cash equivalents		(749,220)		681,117	
Cash and cash equivalents at beginning of year		1,230,453		549,336	
Cash and cash equivalents at end of year		481,233		1,230,453	

LES VAUX HOUSING TRUST

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2020

	Cyclical maintenance reserve £	Property redevelopment reserve £	Property revenue reserve £	Total £
Balance at 1 January 2019	1,566,056	6,000,000	10,168,567	17,734,623
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	1,182,756	1,182,756
Transfer from cyclical maintenance reserve	(245,542)	-	245,542	-
Balance at 31 December 2019	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

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Trust information

Les Vaux Housing Trust is a Jersey Association incorporated under the Loi (1862) sur les teneures en fideicommiss 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 is being 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.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.9 Taxation

The Trust is exempt from income tax under Article 115(a) of the Income Tax (Jersey) Law 1961 (as amended).

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Intangible fixed assets

	Building defects insurance £
Cost	
At 1 January 2020	131,759
Additions	47,390
	<hr/>
At 1 January 2020 and 31 December 2020	179,149
	<hr/>
Amortisation and impairment	
At 1 January 2020	18,287
Amortisation charged for the year	13,176
	<hr/>
At 31 December 2020	31,463
	<hr/>
Carrying amount	
At 31 December 2020	147,686
	<hr/>
At 31 December 2019	113,472
	<hr/>

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 is being 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.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Tangible fixed assets

	Freehold land and buildings	Refurbishment	Total
	£	£	£
Cost			
At 1 January 2020	46,681,612	984,108	47,665,720
Additions	4,541,945	-	4,541,945
At 31 December 2020	51,223,557	984,108	52,207,665
Depreciation and impairment			
At 1 January 2020	6,953,587	894,117	7,847,704
Depreciation charged in the year	695,740	2,636	698,376
At 31 December 2020	7,649,327	896,753	8,546,080
Carrying amount			
At 31 December 2020	43,574,230	87,355	43,661,585
At 31 December 2019	39,728,025	89,991	39,818,016

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Voisin-Hunter Limited	67,781	94,564
Rent arrears	57,161	56,454
Bad debt provision	(39,439)	(33,231)
Other debtors	3,263	7,979
Interest on tenants' deposits	173	1,243
Prepayments	25,167	20,814
Prepaid loan arrangement fees	129,500	148,000
GST control account	82,515	176,866
	326,121	472,689

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank interest payable	35,242	46,614
Rents received in advance	35,175	35,045
Other creditors	135,542	215,671
Accruals and deferred income	78,628	69,921
	<u>284,587</u>	<u>367,251</u>

7 Loans

	2020 £	2019 £
Bank and States of Jersey loans		
Repayable in less than 1 year	673	-
Repayable in 1 to 2 years	2,016	673
Repayable in 2 to 5 years	1,414,442	731,477
Repayable in 5 years or more	22,582,869	21,617,850
	<u>24,000,000</u>	<u>22,350,000</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, Maurant 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 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 £22,750,000 as at 31 December 2020, 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 £1,250,000 as at 31 December 2020, is secured by a simple conventional hypothec over the property known as Dun Na Ri Apartments, St Helier, Jersey.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Long term bank loans	7	22,750,000	21,100,000
Long term States of Jersey loans	7	1,250,000	1,250,000
		<u>24,000,000</u>	<u>22,350,000</u>

9 Tenants' deposits

Tenants' deposits totalling £26,673 are held by the Trust's managing agent, Voisin-Hunter Limited and Tenants' deposits totalling £88,829 are held by myDeposits Jersey under the Residential Tenancy (Deposit Scheme) (Jersey) Regulations 2014. These amounts are not reflected in these accounts.

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 £1,250,000 as at 31 December 2020.

Troy Court redevelopment - Phase 1

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. The development costs and associated expenses are being financed by a bank loan facility in the sum of £28,100,000 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 amounted to £22,750,000 as at 31 December 2020.

Troy Court redevelopment - Phase 2

The Trust entered into two contracts with ROK Construct (2017) Limited during 2020 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 are to be financed by the undrawn balance of the existing £28,100,000 bank loan facility together with an increase of £9,900,000 in the facility to £38,000,000.

LES VAUX HOUSING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Related party transactions

Accountancy and administration services were provided during the year at a cost of £41,550 (2019: £41,950) 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 (2019: £12,800).

Quantity Surveying services were provided during the year at a cost of £38,000 (2019: £30,000) 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 (2019: £nil).

Legal and professional services were provided during the year at a cost of £8,750 (2019: £6,253) 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 (2019: £nil).

John Le Fondré, a member and the Secretary of the Trust, is a member of The States of Jersey and Chief Minister of the States of Jersey Council of Ministers.

LES VAUX HOUSING TRUST

DETAILED PROPERTY REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	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 Fondré Court	Landscape Grove
	£	£	£	£	£	£	£	£	£	£
Income										
Rent receivable	52,908	40,000	157,908	256,531	60,000	598,691	170,542	193,538	185,000	339,447
Management expenses										
Management fees	3,093	1,760	7,097	11,332	1,710	26,088	7,571	8,658	8,263	14,994
Professional fees	-	-	-	10	-	5	5	-	(1,787)	-
Sundry	-	-	-	-	-	208	-	-	-	-
	(3,093)	(1,760)	(7,097)	(11,342)	(1,710)	(26,301)	(7,576)	(8,658)	(6,476)	(14,994)
Repairs and maintenance	7,984	903	3,414	13,961	1,603	32,389	12,680	2,770	4,554	88,250
Service costs										
Rates	657	487	1,699	2,861	548	18,150	1,261	2,638	1,971	4,132
Insurance	1,774	1,381	4,499	6,769	1,060	27,404	2,894	3,966	5,189	6,743
Heat, light and water	632	-	86	5,294	-	16,665	102	-	4,079	7,311
Cleaning	2,783	-	2,800	10,082	-	680	650	1,720	7,070	11,009
Service charges	-	-	3,631	-	-	-	-	3,663	-	-
Tenant re-location grants	-	-	-	-	-	15,482	-	-	-	-
TV and cable services	-	-	-	-	-	-	-	-	-	-
Amortisation	-	-	829	-	-	11,340	-	1,007	-	-
	(5,846)	(1,868)	(13,544)	(25,006)	(1,608)	(89,721)	(4,907)	(12,994)	(18,309)	(29,195)
Total property expenses	(16,923)	(4,531)	(24,055)	(50,309)	(4,921)	(148,411)	(25,163)	(24,422)	(29,339)	(132,439)
Depreciation	(4,180)	(6,104)	(29,016)	(73,628)	(43,060)	(282,044)	(91,372)	(32,068)	(41,124)	-
Net income	31,805	29,365	104,837	132,594	12,019	168,236	54,007	137,048	114,537	207,008

LES VAUX HOUSING TRUST

DETAILED PROPERTY REVENUE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	La Mabonnerie	La Ville Vautier (Nos. 1-13 & Westview)	Leonard Norman Close	Mourant Lodge	Perquage Court Crescent (Nos. 6 & 7)	Vale Court	Total
	£	£	£	£	£	£	£
Income							
Rent receivable	35,216	273,314	133,776	31,158	681,062	118,476	3,526,626
Management expenses							
Management fees	1,549	11,995	5,910	1,371	30,276	5,214	155,670
Professional fees	-	1,504	15	-	(1,080)	225	(1,103)
Sundry	-	-	-	-	162	1	371
	(1,549)	(13,499)	(5,925)	(1,371)	(29,358)	(5,440)	(154,938)
Repairs and maintenance	463	18,319	17,538	348	90,654	9,606	315,818
Service costs							
Rates	233	3,453	1,363	279	7,292	1,405	50,431
Insurance	876	5,161	3,957	904	12,280	2,706	92,733
Heat, light and water	-	291	400	-	16,570	2,542	54,637
Cleaning	300	834	4,987	-	3,815	4,620	57,615
Service charges	-	2,912	-	-	-	-	10,206
Tenant re-location grants	-	-	-	-	-	-	15,482
TV and cable services	-	-	-	-	-	-	-
Amortisation	-	-	-	-	-	-	13,176
	(1,409)	(12,651)	(10,707)	(1,183)	(39,957)	(11,273)	(294,280)
Total property expenses	(3,421)	(44,469)	(34,170)	(2,902)	(159,969)	(26,319)	(765,036)
Depreciation	(11,948)	(48,308)	(11,200)	(8,888)	-	-	(698,376)
Net income	19,847	180,537	88,406	19,368	521,093	92,157	2,063,214

LES VAUX HOUSING TRUST

FREEHOLD PROPERTIES AND BUILDINGS DEFECT INSURANCE

FOR THE YEAR ENDED 31 DECEMBER 2020

Properties	Freehold property £	Refurbishment £	Accumulated depreciation £	Total £	Defects insurance £	Amortisation £	Total £
Berry House	483,941	-	(108,668)	375,273	-	-	-
Clos De La Ville (No. 12)	305,212	-	(74,690)	230,522	-	-	-
Clos Lempriere (Nos. 16-25)	1,809,460	80,764	(345,811)	1,544,413	8,290	(5,388)	2,902
David Moon House	3,681,303	-	(887,544)	2,793,759	-	-	-
Dun Na Ri Apartments	1,261,161	-	(128,845)	1,132,316	-	-	-
Grands Vaux Court (MC, MLH & MDLM)	21,766,778	-	(422,926)	21,343,852	160,786	(17,010)	143,776
Grands Vaux Court (MB)	2,677,475	-	(319,802)	2,357,673	-	-	-
Jardin de Haut (Nos. 3-16)	2,389,098	-	(288,280)	2,100,818	10,073	(9,065)	1,008
John Le Fondré Court	2,496,227	-	(615,369)	1,880,858	-	-	-
Landscape Grove	2,189,157	372,303	(961,460)	1,600,000	-	-	-
La Mabonnerie	597,461	-	(136,713)	460,748	-	-	-
La Ville Vautier (Nos. 1-13 & Westview flats)	3,565,457	-	(434,773)	3,130,684	-	-	-
Leonard Norman Close	1,012,707	18,184	(287,807)	743,084	-	-	-
Mourant Lodge	444,388	-	(59,994)	384,394	-	-	-
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	(415,879)	1,071,191	-	-	-
Vale Court	459,189	257,839	(365,028)	352,000	-	-	-
At 31 December 2020	51,223,557	984,108	(8,546,080)	43,661,585	179,149	(31,463)	147,686
At 31 December 2019	46,681,612	984,108	(7,847,704)	39,818,016	131,759	(18,287)	113,472