



ANDIUM  
HOMES  
*10 years*

Annual Report  
**2024**





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# About Us

**What we do**  
Jersey's largest residential developer and landlord, managing more than 4,900 properties and providing homes and landlord services for more than 10,000 Islanders.

**Company Secretary**  
Fiona Halliwell

**Legal Form of the Entity**  
Private company limited by guarantee.

**Solicitors**  
**Corporate, employment & residential management**  
BCR Law LLP  
12 Hill Street  
St Helier, Jersey, JE2 4UA

**Residential Conveyancing**  
Bedell Cristin  
26 New Street  
St Helier, Jersey, JE2 3RA

**Commercial Property Development**  
Viberts  
Viberts House, Don Street  
St Helier, Jersey, JE4 8ZQ

**Country of Incorporation**  
Jersey

**Auditor**  
Baker Tilly Channel Islands Limited  
2nd Floor  
Lime Grove House  
Green Street  
St Helier  
Jersey  
JE2 4UB

**Address of the Registered Office**  
33-35 Don Street  
St Helier, Jersey, JE2 4TQ

**Banker**  
HSBC  
Halkett Street  
St Helier, Jersey, JE4 8NJ

# The Board



**Richard McCarthy CBE**  
**Chair**  
Richard is an experienced Chair and Non-Executive Director with a significant track record and senior leadership experience in the affordable housing sector in England. Along with several other key Executive and Non-Executive positions, Richard was the Chief Executive of both The Peabody Trust and The Horizon Housing Group. He was also the Chairman of The National Housing Federation from 2000-2003.



**Jason Laity**  
**Senior Independent Director**  
Jason has spent his business career in Jersey. He was Senior Partner and Chairman of KPMG in the Channel Islands until 30 September 2019. He is a Chartered Accountant and holds a number of other Non-Executive Board positions, consultancy and charitable roles.



**Judy Beaumont**  
**Tenant Director**  
Judy has been resident and worked in Jersey for 32 years, having initially trained as a Nursery Nurse, Judy then worked in Manchester as a traffic warden, returning to childcare. Judy retired from the Board on 31 December 2024.



**Joanna Walus-Bochenska**  
**Tenant Director**  
Joanna has been resident in Jersey for 21 years and has worked across multiple sectors including hospitality and tourism, in which she has a Master's Degree, and sales and administration.



**Elaine Bailey**  
**Independent Director**  
Elaine was previously Chief Executive of Hyde Housing Group, which manages 50,000 homes and develops 1,500 homes a year in the South East of England.



**Julian Box**  
**Independent Director**  
With a career spanning over 35 years, building businesses that help steer organisations across the globe towards operational excellence through innovative technology, his expertise lies in crafting dynamic and agile data focussed solutions.



**Jonathan Day**  
**Independent Director**  
Jonathan is a Chartered Accountant with over 25 years of experience in providing financial and business advice to Jersey businesses and individuals. He is the founder of a Jersey consultancy practice, which specialises in supporting local start-up and fast growth businesses in the Fintech space.



**Ian Gallichan**  
**Chief Executive**  
A Jerseyman, Ian was educated at Victoria College, beginning his career as an officer in the Royal Hong Kong Police. Ian joined the Housing Department in 1991 and has progressed through the organisation working in every aspect of social housing.



**Lindsay Wood**  
**Chief Finance and Operations Officer**  
Lindsay is a Chartered Accountant; she has been instrumental in leading Andium's finances since joining the team in 2011 to help to develop the business case for the creation of Andium Homes, and now leads delivery and development across all aspects of Andium's service.



# Our Vision and Values

Our Vision and Values guide our Strategic Approach



## Our Vision

Great homes and services for all who need them

Our core values are the principles we believe in



### Client obsessed

We are obsessed with delivering an excellent, consistent and personal client experience - every time.



### Results driven

We work hard to deliver tangible, commercial and sustainable benefits to our clients and for our Island, in collaboration with our key stakeholders.



### Passionate

We are passionate, dynamic and proud to be part of Andium Homes.



### Resilient

We are resilient, positive and self-motivated when working in a demanding, fast paced and ever-changing landscape.



### Courageous

We are courageous, pro-active and enjoy pushing the boundaries, in design, innovation and service delivery.



### Acting with integrity and respect

We act with integrity and honesty and build mutual trust and respect amongst ourselves, with our clients, our Guarantor and other stakeholders.





# Chair's Statement

Richard McCarthy CBE



**Reflections of 2024:** As Andium celebrated its 10th year of operations, I could not be prouder to be the Chair of such an incredible organisation, which continues to deliver excellent services and new homes for Islanders.

Our ambitious delivery programme progresses at pace, and I am delighted to see the quality and quantity of new homes being delivered. The Limes provided opportunities for First-Time Buyers and for those in need of a rental home through the Affordable Housing Gateway.

With over 800 new homes being delivered over the next four years, the widening of the eligibility criteria for access to our homes has been welcomed – there is no better time to join the Affordable Housing Gateway and Assisted Purchase Pathway. This represents great news for many islanders and for the Island as a whole. In particular, our first-time buyer homes enable young people and families to stay in Jersey and contribute to its future success and economic development.

Our vision remains consistent – Great homes and services for all who need them. Our contribution to the supply of new homes will offer the Government the opportunity, if desired, to adjust residency requirements for renting qualified accommodation and broaden eligibility criteria for applicants through the Gateway.

Our activities in 2024 are covered more fully in the Chief Executive's Review, but the highlights are set out in the column on the right.

## Key achievements in 2024

- 130 new homes and 12 refurbished homes delivered at The Limes and Willows House
- 619 new homes in construction and due for delivery over the coming 2 years at Maisons Les Arches (Northern Quarter), Le Grand Douet (Mayfair) and Ann Street Brewery
- 100% Decent Homes Standard maintained
- 4 sites acquired from the market that will deliver more than 200 additional new homes, at the Hampshire Hotel site in St. Helier and the Bridging Island Plan sites where we will be building new family houses across the Island
- 35 newly built homes at The Limes and 42 existing homes sold to First-Time Buyers through the Andium Homebuy Scheme
- 37 homes purchased through the First Step assisted purchase scheme, delivered by Andium Homes on behalf of Government
- £100m social private placement secured, to enable the delivery of more new homes for Islanders



**130**  
New homes delivered



**619**  
New homes in construction



**100%**  
Decent Homes Standard maintained



In January we welcomed a new Tenant Director to our Board. Joanna Walus-Bochenska was our successful candidate following the recruitment campaign at the end of 2023. She has brought a new perspective to Board discussions and decision making, ensuring the voice of the tenant continues to be heard.

During the first quarter of the year we worked towards the delivery of the £10m First Step assisted purchase scheme on behalf of the Minister for Housing. Whilst similar to our own Homebuy Scheme, First Step was a scheme to provide assistance to purchase from the private market, by providing up to a 40% loan to successful candidates. The scheme ran successfully throughout 2024, and we look forward to delivering a further tranche in 2025 with additional funds allocated through the Government Budget.

July 2024 marked our 10th anniversary, and we celebrated all that had been achieved in those first 10 years. We are now landlord to over 10,000 Islanders across 4,932 homes. We have invested £551m in our new build and refurbishment programme, the latter of which saw us bring all our homes up to the Decent Homes Standard within 5 years, and we have now achieved the Modern Facilities Standard. We have delivered over 1,100 new homes, undertaken the major refurbishment of over 500 homes, and have a further 800 new homes on track for delivery over the next 4 years. In addition, we have sold over 450 homes to First-Time Buyers.

This is a great story of achievement and positive impact. I hope all those who read our Annual Report will share in the sense of pride in Andium Homes.

2024 continued to provide its challenges, with the ongoing uncertainty of the rising cost of living and rising industry costs. Our business model remains strong and the Company continues to deliver to high standards.

An additional challenge for us in 2024 was to complete the necessary repairs to homes damaged following Storm Ciarán in November 2023.

Over 1,100 repairs were ultimately raised following the storm, ranging from general repairs to windows, fencing, roofs and landscaping, to the need to completely refurbish 16 homes made uninhabitable after the storm.

Andium's resilience has certainly been tested in recent years, but I remain reassured that we have the right processes in place to deal with such significant events, with our priority always being the wellbeing of our clients.

In closing, I would like to thank my fellow Board Members for their continued hard work and support. I would like to record my thanks to Judy Beaumont for her much valued contribution to the Board, as she now steps down after an 8-year tenure.

As a Board we are well serviced by an extremely hard working and effective team at Andium Homes, led by Chief Executive Ian Gallichan and his senior management team.

Ian will be retiring in July 2025; this will mark the end of an era for Andium Homes. His contributions to social housing in Jersey are immeasurable, and his legacy will continue to inspire us. We are deeply grateful for his service and wish him all the very best in his well-deserved retirement.

**Richard McCarthy CBE, Chair**  
02 April 2025

# Chief Executive's Review

Ian K Gallichan



**2024 has been another outstanding year for Andium Homes, when I reflect on how much Andium has achieved over the last year, and indeed the last ten years since incorporation, I couldn't be more proud.**

As I approach my retirement in July 2025, drafting this review has been particularly poignant. I have witnessed Andium go from strength to strength and to see the scale of what is now being delivered is testament to the hard work and dedication of all our Andium colleagues.

Following the challenging years of 2022 and 2023, which saw our attention turn to dealing with the tragic and significant events at Haut Du Mont, Grands Vaux and following Storm Ciarán, the teams have since re-focused their attention on the quality and further development of our core client services.

I am delighted to see our Homebuy Scheme continue to provide homeownership opportunities for First-Time Buyers. In 2024, we were able to sell 42 of our existing homes to those registered with the Assisted Purchase Pathway, in addition to the 35 newly built apartments that we were able to sell with a 25% deferred payment at The Limes. These sales represented 15% of all Royal Court transactions in 2024, which is remarkable.

In addition to the 35 homes sold at The Limes, 90 homes were made available for our rental clients through the Affordable Housing Gateway, and the natural turnover of our existing homes enabled us to sign up 436 new tenancies during the year.

Providing decent homes and great client experience is only one aspect of the value that a modern housing provider like ours brings to society. With the level

and diversity of skills in our team we look holistically at the communities we are involved with to create better places where families can grow and people can thrive. Our community development activity has significantly increased throughout 2024, partnering with organisations such as Naturebase, Skateboard Jersey, Jersey Heritage, ArtHouse Jersey and Luddite Press to deliver a diverse and inclusive programme of community engagement events across many of our new communities.

As mentioned above, The Limes completed in June 2024. In total, the scheme delivered 130 new homes and 12 refurbished homes. This was a welcome achievement for those on the purchase and rental waiting lists but also provided a solution to another of our partners, Les Amis.

In April we purchased the Hampshire Hotel site from Les Amis. As part of the acquisition, we transferred ownership of 13 apartments at The Limes to the charity, for the benefit of their clients with learning disabilities. We were delighted that we were able to help them realise their plans with the provision of the new homes at The Limes.

We have been able to maintain 100% Decent Homes Standard across our wider stock, and completed a Strategic Portfolio Review in June to help us make the right decisions about the future of our property, always ensuring our property portfolio remains safe, well-maintained, sustainable and financially viable.



77

Andium  
Homebuy  
sales



436

New  
tenancies  
signed



Alongside our annual programme of planned maintenance and response repairs, we also dealt with the devastating effect of Storm Ciarán. Whilst we were able to ensure our homes were wind and watertight within a week of the storm, general repairs to windows, fencing, roofs and landscaping led to over 1,100 repairs being carried out throughout the year. In addition to those, 16 of our homes were uninhabitable following the storm, and had to undergo major refurbishment. I am delighted that these homes are all now complete and have been re-let to clients through the Affordable Housing Gateway.

Early in the year we were delighted to receive some funding from Impact Jersey to deliver a pilot programme to install equipment in clients' homes enabling real-time insights of different environments, such as humidity, temperature and CO2. The "Healthy Homes Pilot Project" was delivered in partnership with Digital Jersey and has now been successfully completed.

We also took the opportunity to install flood sensors into our drains at Grands Vaux, which monitors water levels during periods of heavy rain when the mains drainage system is strained, enabling us to ensure any necessary mitigations are put in place.

The health, safety and wellbeing of our clients is paramount, and during the year we have further developed and enhanced our internal health and safety and regulatory compliance function. This included additional resource in this crucial area of the business, but also advanced training, technology integration, policy refinement and a continued culture of proactive health and safety compliance across the organisation.

Whilst our brand is now well known across the Island, it is more than a logo, a colour scheme or a strapline: it is a reflection of our vision, our values, our personality and the promises we make to our stakeholders and clients. This year, we completed a brand evolution project, to introduce a friendlier, more engaging aspect to the core Andium brand. We hope you enjoy seeing this being used across this document but also on our social media platforms and site hoarding going up on our new developments.

*"The scale of what is now being delivered is testament to the hard work & dedication of all our Andium colleagues."*

We were delighted to assist the Government in the delivery of the Minister for Housing's £10m First Step Scheme. The cost of buying a first home from the private market continues to prohibit many Islanders from realising that dream, but the First Step Scheme has assisted 37 islanders to buy their first home. We look forward to delivering an additional Tranche in 2025 from the £2m funds allocated through the Government Budget.



As we marked the second anniversary of the Haut Du Mont explosion, our thoughts remained with all those affected by the tragic incident. Following consultation with the bereaved families and the displaced residents, we are committed to ensuring our remaining homes on the site, 21 1-bedroom apartments, are sensitively refurbished and brought back into use. Refurbishment of the homes commenced at the beginning of this year and will be completed and ready to be re-occupied at the end of 2025. Following consultation with the bereaved families and displaced residents the completed homes will be renamed 'Vue du Port' and the land where buildings once stood has now been transferred to the Government for a memorial to be created.

*"Andium Homes continues to grow and develop in response to the changing housing needs of the Island, it has an extremely bright future."*

It has also been announced that the Police and Health & Safety Inspectorate investigations into the incident have been concluded and charges brought, which will now be subject to the judicial process.

Our financial position is covered more fully in the Chief Finance and Operations Officer's Review, but notwithstanding the ongoing challenges that the economic climate has presented, our business model remains strong.

We continue to invest in our people and have developed an important People and Wellbeing Plan which is now being implemented, ensuring that we have a robust succession plan for all areas of the business which focuses on the development of our existing pool of talented colleagues.

In July we celebrated our 10th year of operation as Andium Homes, marking a decade of building homes, communities, and trust. The significant achievements over the last decade reflect our core values and have resulted in the delivery of over 1,100 new homes and the completion of over 500 major refurbishments, and with 800 more homes on track for delivery over the next four years, we are not slowing down any time soon.

We extend our gratitude to our clients, colleagues, partners and the Government of Jersey, who have been integral to our success. As we step into the next decade, we are committed to innovating our services, enhancing our portfolio, and further strengthening our partnerships to meet the evolving needs of Islanders.

Our focus on the regeneration of the North of St Helier has seen this important part of town become more vibrant, a place people want to live and visit. We are proud of the transformation that is taking place and will now turn our attention to the Bridging Island Plan sites, where we plan to deliver over 200 family homes in more rural locations.

I was delighted that we were able to secure an additional £100m of funding by way of a social private placement, an agreement which we believe to be the first of its kind for Jersey. This was our first issuance in the private placement market, which received strong interest from across the UK and North America, demonstrating confidence in us and our plans for delivering more homes for Islanders.

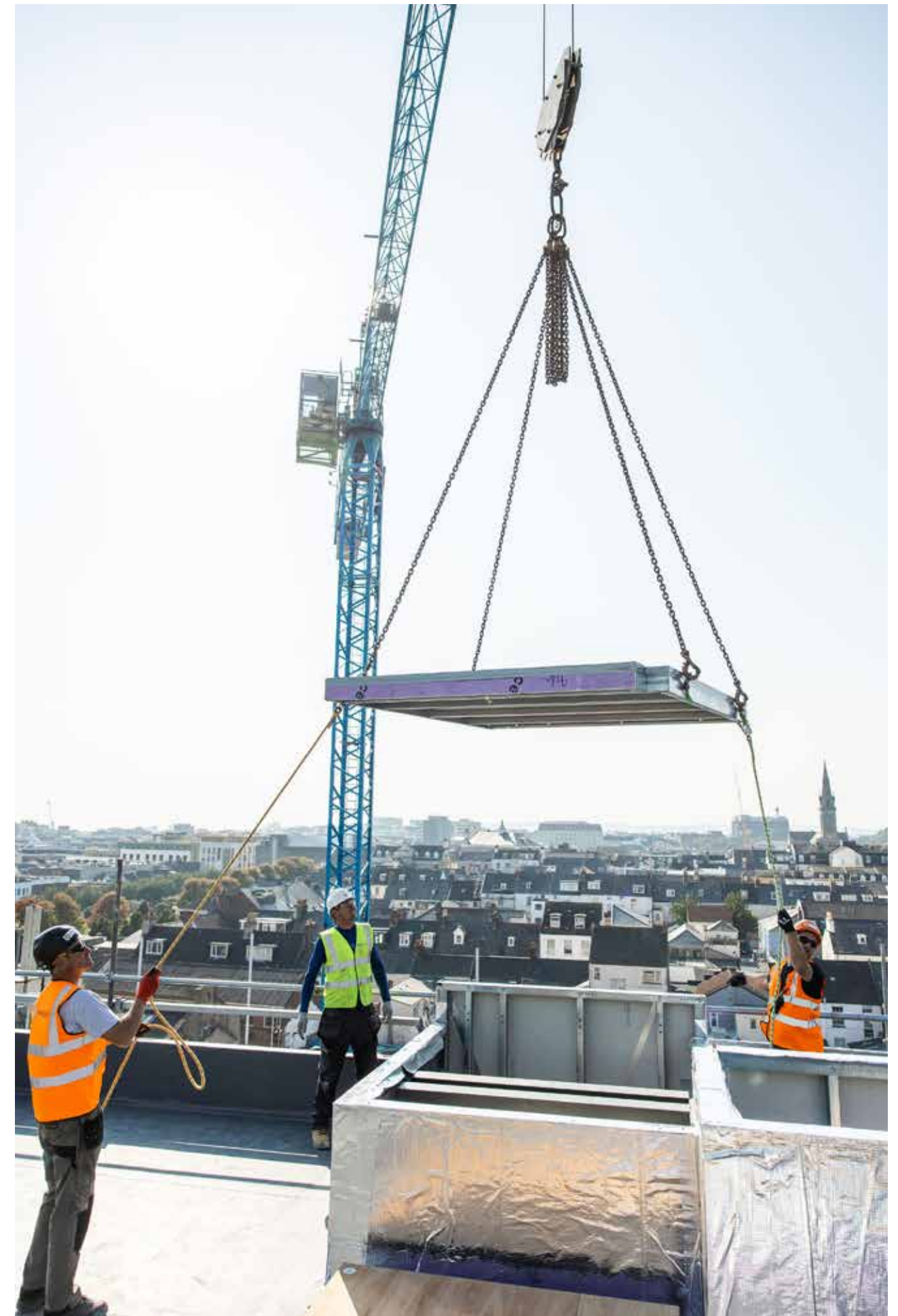
I am enormously grateful for the dedication and hard work of everyone involved in our continued success. As I prepare for my retirement, I can honestly say that I could not have been prouder to have led such an incredible organisation, over the 10 years it has been in existence, and for the 9 years before that when it was the Housing Department inside Government.



**Ian K Gallichan** Chief Executive  
02 April 2025

  
**1,100**  
New homes

  
**500**  
Major refurbishments





# Chief Finance and Operations Officer's Review

Lindsay Wood



**Overview:** Despite the continued challenging environment, our underlying financial strength and resilience have allowed us to continue investing in our long-term vision, by securing further funding to support the delivery of new homes, offering more opportunities for Islanders to access our homes than ever before.

Whilst market conditions have settled somewhat with inflation generally reducing to more sustainable levels, the impact of the recent sustained period of high inflation will continue to be felt by our clients and our business for some time. Our financial strength and flexibility means we have been able to continue to invest in our current and future homes and services.

By continuing to invest in our development programme, we play a key role in easing housing challenges and contributing to a more resilient market, ensuring that more people can access affordable housing, even during these uncertain times.

With a substantial volume of new homes available, there has never been a better time to access our homes, whether through renting or buying. Our new developments alongside our existing rental portfolio represent growing opportunities for individuals and families to secure a place they can call home.

Our average rent charged across our 4,900 socially rented homes is £1,187 per month which equates to an average of 70% of market rent.

Home ownership opportunities are provided through our Andium Homebuy Scheme. This provides for 25% of the purchase price to be deferred until the home is next sold, and a deposit is usually not required. This scheme has made homeownership a reality for 453 families since we incorporated in 2014.

The first phase of our Maisons Les Arches development will complete early in 2025 and will offer new homes for sale at 75% of the market value. Net sales prices will start from £210,000 for 1-beds and £293,000 for 2-beds. This compares favourably to the average price of £337,000 for a 1-bed and £550,000 for a 2-bed in the private market.

Later phases of the project, alongside the completion of our Le Grand Douet development, will deliver a further 316 homes for sale and for rent from summer 2025 through to 2026. We anticipate that this additional supply of homes will allow us to launch our new Andium exclusive Rent to Buy product, which will assist in addressing affordability challenges faced by some buyers. Rent to Buy will allow potential buyers the opportunity to rent a home for up to two years whilst they prepare for purchase, with additional financial assistance being provided to them at the point they transition from renting to ownership. When they are ready to buy their home, Andium Homebuy enables them to buy it outright for 75% of the market value, without the need for a deposit. This will ease the transition from renting to buying whilst allowing potential home owners to settle in a home they can make their own.

We are delighted to have secured a £100m social private placement during 2024, which serves as a testament to the strength of our business model and our ability to adapt to challenging market conditions.

This achievement also reflects the trust and confidence that investors have in our long-term vision, and we are pleased to build new, long-term relationships with our two new investment partners.

*In 2025, with the delivery of 307 new homes planned across Maisons Les Arches and Le Grand Douet developments there are more opportunities to access our homes than ever before.*

The additional funding is being used to support our ambitious development programme, now focused on delivering new family homes across the Bridging Island Plan sites. Three sites have now been acquired with construction commencing in 2025.

The Bridging Island Plan sites will develop more than 200 new homes within the next four years including much needed 3-bedroom family houses for Homebuy sale or rent.



£66m  
Rental income



£29m  
Return to Government of Jersey





Our development programme is progressing well, with 130 homes and 12 refurbished homes delivered in 2024 at The Limes and 825 new homes on site or in contract at Maisons Les Arches, Le Grand Douet, Ann Street Brewery and on the Bridging Island Plan sites. This will take delivery to 1,954 new homes.

With such a significant number of homes under development we are well positioned to deliver a continued pipeline of affordable homes for sale through our Homebuy Scheme. Whether this be providing a viable option for our younger generation to remain in Jersey and support them with making that first step on the property ladder with a 1- or 2-bedroom home or to enable families to upsize and purchase one of our 3- or 4-bedroom homes.

Our new developments will also create significant new rental homes available to eligible applicants through the Gateway. We continue to work collaboratively with the Minister for Housing and his team to consider options for further policy changes which may provide opportunities for key workers, right sizers or those who may be adequately housed in the private rented sector but would benefit from a transition to social housing.

Our business model is funded from the rental income we receive from our clients and the sale of properties through our Homebuy Scheme. Our development programme is funded through borrowing, which is then repaid by income generated from the homes we create.

The economic environment in 2024 saw us navigating challenging conditions that have affected all businesses and Islanders. This led to a full review of our long-term business model to accommodate and fully reflect the current environment and the forecasted economic assumptions.

The results were as anticipated when we previously stress tested the impact of our financial risks occurring in unison and demonstrates that Andium remains financially stable in the long term, and this continues to be the case. Stress testing indicates Andium remains within its risk appetite, whilst the ability to manage further economic deterioration is inevitably reduced and requires careful management.

Market conditions have begun to stabilise with inflation generally reducing to more sustainable levels, but like many businesses, and indeed Islanders more widely, we continue to experience upward pressure on expenditure that is not offset through income. Over the last five years, clients have been protected from rent increases with two years of rent freezes and modest increases over the last three years in line with the rent policy set by the Government of Jersey. In the last three years our average rent has increased by 9% whilst RPI has increased by 25.8%.

During 2024 we reviewed our methodology for determining market rents for our homes. This resulted in a move from individual property valuations for each estate to one based on broader archetypes established for each property type, which is then applied across the wider portfolio. The use of broader archetypes allows for easier and more consistent assessment of rental values, ensuring a more straightforward and uniform approach to both internal processes and external communications.

This approach is inherently fairer and more equal, as properties within the same archetype are valued consistently, eliminating discrepancies that can arise from more subjective assessments, or timing driven peaks and troughs in the market. Moreover, by advertising properties according to archetype, potential tenants have a clearer understanding of what to expect in terms of pricing and property features, streamlining the allocation process and reduced uncertainty. It was considered an appropriate time in our journey to apply archetypes more consistently across our homes given the achievement of both Decent Homes and Modern Facilities Standard, which provides more uniformity across our portfolio of homes.


  
**£94.6m**
  
 Spent on
   
 developments
   
 during the year


  
**£30.8m**
  
 Net proceeds
   
 from new
   
 and existing
   
 property sales to
   
 reinvest in new
   
 developments

We have maintained the Decent Homes Standard, and the higher Modern Facilities Standard, for all our homes in 2024. We invested £16.3m in the maintenance and safety of our homes in 2024 and plan to spend £18.2m in 2025. Maintaining the quality of our homes is one of our fundamental principles and we will continue to invest what is necessary to maintain our standards and increase them further.


We also continue to make a significant return to the Government of Jersey each year, with £29m delivered in 2024 and a further £30m forecast for 2025.

Despite uncertainty over the trajectory of the Island's population, Andium is well placed to respond to and influence housing solutions as part of the Government's policy.

The Minister for Housing has a clear vision with Andium central to this as a trusted delivery agent and we continue to work closely with the Minister for Treasury & Resources and the Minister for Housing to ensure consistent good quality homes and to continue our delivery of new homes.

In 2025, with the delivery of 307 new homes planned across Maisons Les Arches and Le Grand Douet developments there are more opportunities to access our homes than ever before. We look forward to providing homes and services to more people, bringing good quality rental homes with security of tenure and increased opportunities for home ownership.

In closing I would like to extend my heartfelt thanks to all my colleagues for their hard work and dedication over the past year. I am incredibly proud to work alongside such a passionate and professional group, whose commitment and collaboration are truly inspiring. I look forward to the continued success and achievements we will accomplish together in the years to come.


  
**Lindsay Wood**
  
 Chief Finance and Operations Officer

02 April 2025





# Celebrating a Decade of Building Homes, Communities and Trust

On 1st July 2024, we marked our 10th Anniversary since incorporation and celebrated a decade of significant achievements and our unwavering commitment to providing quality homes and landlord services to over 10,000 Islanders.

## A Journey of Growth and Impact

Over the past ten years, we have established ourselves as Jersey's largest residential developer and landlord, managing our portfolio of 4,932 homes and serving more than 10,000 Islanders. Our journey has been marked by our dedication to the Andium Homes' vision of ensuring great homes and services for all who need them.

*"Our journey has been about more than bricks and mortar. It's been about creating places where families grow, and communities thrive."*



ANDIUM  
HOMES  
10 years

## Key Statistics:

1<sup>st</sup> July 2014 – 31<sup>st</sup> December 2024



## Andium Homes Core Values

### Client Obsession:

We are obsessed with delivering an excellent and consistent client experience – every time.

### Results Driven:

1,100 new homes delivered, 500 major refurbishments and 800 new homes on site. Investment of £551m in new builds and refurbishments has regenerated neighbourhoods and provided modern living spaces.

### Passionate:

An investment of £690m into the local economy, supporting the construction industry and other services in Jersey.

### Resilient:

Despite economic challenges, including rising industry costs and interest rates, we have maintained a strong financial position, showcasing operational resilience. The sale of 453 homes stands as a testament to our commitment to home ownership.

We have also dealt with three major incidents whilst maintaining our business as usual services, and delivery of new homes, with a backdrop of growing industry costs, cost of living increases and rising interest rates.

### Courageous:

We have grown significantly as an organisation over recent years, recruiting colleagues with technical expertise. Our people and teams have evolved over time as we consistently go over and beyond for our clients.

### Integrity:

Colleagues take pride in putting all clients at the heart of what they do.



# Strategic Report




# Our Strategies





Housing is a long-term commitment, and to ensure we are forward-thinking, we have identified several key strategic areas with long-term goals.


In establishing our strategic framework, we have considered the collaboration between the Government of Jersey and Island stakeholders in developing the Jersey Performance Framework, which outlines key Island outcomes to strive for.


As the largest landlord and residential developer in Jersey, we play a significant role in the Affordable Living outcome and are dedicated to ensuring that Islanders have access to secure, quality homes, which is one of the key measures used by the Government of Jersey.


 **Client Excellence** – runs to the heart of our culture and putting our clients first is what we do.

 **Great Homes** – we will respond to the challenge to deliver more homes for those who need them.



 **Innovation** – we use digital and emerging technology to achieve growth and deliver benefits for our business and clients.

 **Partnership** – we work actively with the Third Sector, providing additional support and facilities.

 **Business Excellence** – is underpinned by our financial strength and stability and vital to our service delivery for clients.

 **Environmental Social & Governance** – we regenerate sustainably and affordably, act with social responsibility and observe good governance.

# Results and Performance at a Glance 2024

	2024	2023	
 Client Excellence	Properties Let	99%	99%
	Arrears as % of Gross Rent charged	0.84%	0.96%
	Average Re-let Time	23days	29days
	Number of Assisted Purchase Pathway Applications	645	548
 Innovation	Clients subscribed to Digital Services	70%	65%
	Repairs logged digitally	24%	25%
 Partnership	Investment in Communities	£1m	£1m
	Clients housed through Partnership Pathway	44	51
	Value of First Step Bonds issued	£6m	-
 Great Homes	New Affordable Homes	130	232
	Homes Meeting the Modern Facilities and Decent Homes Standard	100%	100%
	Investment in Delivering New Homes	£95m	£86m
	Number of Andium Homebuy Sales	77	43
 Business Excellence	Rental Income	£66m	£62m
	Return paid to Government of Jersey	£29m	£29m
	Interest Paid to Government of Jersey	£10m	£10m
	Gearing	31%	31%



# Financial Review of the Year

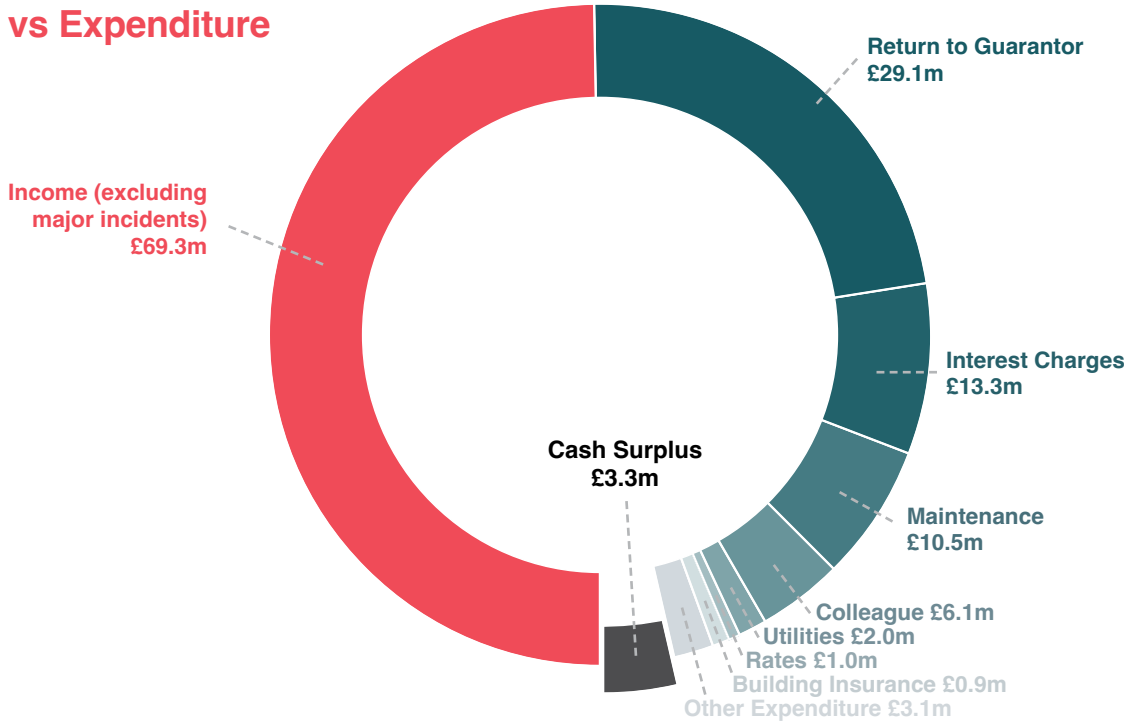
Against a backdrop of continued challenges, 2024 presents a very positive outturn against budgets and we are pleased to report an operating surplus of £3.3m. This is after returning the agreed £29m to the Government. Surpluses are reinvested into the business, primarily to fund our interest expense and contribute towards maintenance of a capital nature and, ultimately, to repay borrowing taken out to fund the delivery of new homes.

## Statement of Comprehensive Income Review

The actual vs budgeted results for 2024 are set out below. The insurance proceeds net of costs incurred associated with the major incidents have been included within other income.

	Actual £'000	Budget £'000	Difference £'000
Rental income	66,046	65,595	451
Other income	7,214	2,791	4,423
Net maintenance	(10,530)	(11,133)	603
Colleague costs	(6,069)	(6,946)	877
Other expenses	(7,068)	(6,838)	(230)
<b>Operating Surplus before the return to the Guarantor, depreciation &amp; impairment</b>	<b>49,593</b>	<b>43,470</b>	<b>6,124</b>
Return to the Guarantor	(29,122)	(29,460)	338
<b>Operating Surplus before depreciation &amp; impairment</b>	<b>20,471</b>	<b>14,010</b>	<b>6,462</b>
Interest payable and similar charges	(13,289)	(14,045)	756
<b>Surplus before non-cash items</b>	<b>7,182</b>	<b>(35)</b>	<b>7,217</b>
Remove impact of major incidents	(3,929)	(500)	3,429
<b>Surplus before non cash items excluding major incidents</b>	<b>3,253</b>	<b>(535)</b>	<b>3,788</b>

## Income vs Expenditure



## Income

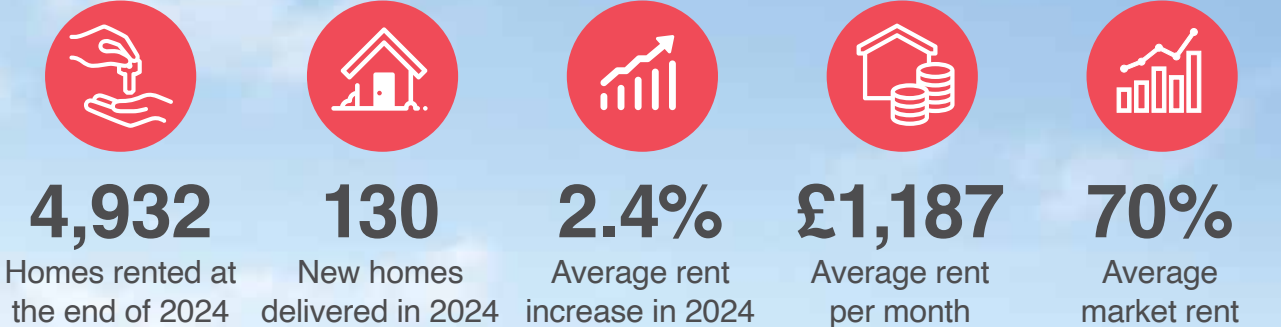
Our primary source of revenue is the rental income received from our rental homes, which currently provides a gross return of 5.0%.

Rental income was greater than budgeted at £66.0m with the average rent charged at 70% of market rent.

Our rental income budget was challenged during 2024 due to lost rent on our homes at Princess Place and Westmount Park whilst refurbishment works were carried out following Storm Ciarán. However, this was more than offset by the earlier than budgeted completion and allocation of our new and refurbished homes at The Limes, as well as a prudent assumption on the number of properties that would be vacated and re-let during the year.

Other Income was £4.4m ahead of budget, primarily due to a surplus of £3.9m in relation to the major incidents, as £8.1m insurance proceeds were received, partly offset by expenditure incurred in the year of £4.2m. This surplus represents a timing difference as all insurance proceeds relate to direct expenditure or lost rent, which spanned more than one year.

Other Income also benefited from higher than budgeted interest and investment income, as well as income received from minor insurance claims and a recharge to Government to cover the administration costs of running the First Step Scheme. The additional insurance income and recharge to Government are offset by a corresponding increase in other expenditure.





Expenditure

Maintenance and other Expenses

Maintenance continues to be our most significant operational cost with £10.5m recognised in the income statement this year and an additional £5.8m spent on maintenance of a capital nature. Maintenance expenditure is £0.6m below budget (including capitalised maintenance shown on the balance sheet) due to the reprogramming of planned maintenance, including kitchen and bathroom replacements, due to availability of contractors (particularly scaffold) while Storm Ciarán repairs were prioritised. In addition, prudent allocations and the close management of voids in 2024 has resulted in the number of voids being below budgeted assumptions. Whilst there is an underspend, we maintained 100% compliance with the higher Modern Facilities standard, as well as maintaining 100% Decent Homes compliance.

Colleague costs represent employment costs for our dedicated team of valued colleagues. We have invested in the number of people directly employed across the business over the last couple of years to support growth as well as increasing personnel in important areas such as health and safety, recognising the continued importance of this area and the evolving regulatory environment.

£3.9m of Other Expenses relate to property specific expenditure such as utility costs, rates and building insurance, some of which is subsequently recovered or recharged to clients within Other Income. The remainder is the cost of delivering landlord services for our clients.

Return to the Guarantor

We delivered £29.1m to the Government of Jersey in 2024. We will continue to deliver a significant return to the Government of Jersey every year, in line with our Transfer Agreement.

Interest Payable and Similar Charges

Interest is payable on borrowing taken out to fund our development programme. Interest costs for the year were below budget due to a combination of the timing of drawdowns and lower interest rates compared to that budgeted. Although interest rates have remained high in 2024, the budget had prudently assumed that there would be further increases in interest rates, however, this did not materialise, and the Bank of England base rate has now begun to come down.

Non-Cash Adjustments

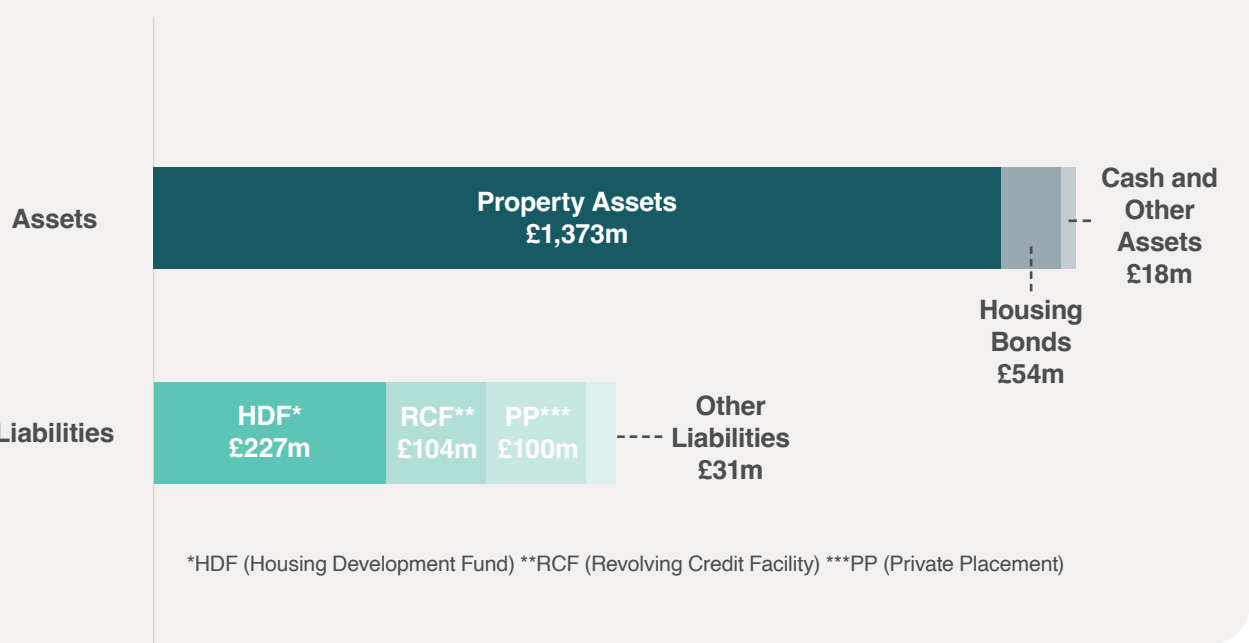
Non-cash adjustments include depreciation charged on our properties (£18.9m), off-set by a reversal of previous property impairments (£15.8m) and positive revaluation adjustments (£114.6m), giving an overall surplus of £111.4m (see page 85). The movements are predominantly attributed to an increase in social housing property valuations based on the latest rent data, economic assumptions and updated valuation methodology. See section Property Assets below for further details.

We continue to maintain a strong balance sheet position with overall net assets of £982m (2023: £865m).

We continued to progress key projects at Maisons Les Arches, Le Grand Douet, Ann Street Brewery and several Bridging Island Plan sites, with £94.6m invested in the delivery of new homes during the year. The Limes completed in 2024 providing a further 130 new homes and 12 refurbished homes, 35 of which were sold through our Andium Homebuy Scheme, 17 sold to Les Amis and 90 were made available for our rental clients through the Affordable Housing Gateway.

Despite challenging market conditions, as well as the 35 new homes sold at the Limes which generated net proceeds of £10.7m, our Property Sales Team also sold a further 59 existing homes, including 17 sold to Les Amis for use by their charity, generating net proceeds of £20.1m.

Statement of Financial Position



Property Assets

The balance of £1,373m primarily relates to our housing stock of rental homes, sites currently under construction and land purchased for redevelopment.

Our rental homes are valued based on their existing use as social housing which is influenced by the current and projected market rent.

Overall, the value of property assets increased by £111.4m, primarily due to a detailed review of our rent data under the new archetype structure, bringing all rents consistently in line with the market. This also includes a 3.75% rent increase effective January 2025, in line with our rent policy, and a change in the valuation methodology for newly built homes, reflecting their superior condition and the reduced ongoing maintenance required to maintain maximum income.

Cash and Borrowing

We continue to be fully committed to the funds made available through the Government Bond (via the Housing Development Fund) and have drawn the full amount available of £227m.

During 2024 we secured a £100m social private placement with two prominent investors (Rothsay Life PLC and Legal and General Assurance Society Limited) with an all-in fixed rate of 5.11% for a term of 8 years. These funds were used to partially recharge the Revolving Credit Facility (RCF), thereby providing capacity on the RCF to fund our development programme.



The RCF is on variable interest terms, however, to reduce our exposure to variable rates, we have fixed our interest rate exposure on £100m through swaps. The swaps have an effective all-in interest rate of 4.26%. £104m was drawn at the year end and we will continue to drawdown to fund investment in our new homes.

We continue to manage the cash position alongside the external facility to ensure we only hold cash that is required in the short term.






# Key Performance Indicators

Measuring business performance allows us to closely monitor activity and stay ahead of emerging trends ensuring we continue to deliver great homes and services.

	2024 Actual	2024 Target
Client Excellence		
	Customer satisfaction (%)	81% 80%
	Rent collected as a % of rent due	100.8% >100%
	Arrears as % of annual rent charged at quarter end	0.84% <1%
	Average re-let times in days (standard re-lets only)	23.5 <25
	% Reactive repairs completed within contract target	95.5% >96%
We have maintained our focus on excellent services throughout the year, we closely monitor all client accounts, arrears and collections due to the pressures of the current economic environment on our clients.		
Our relet and turnaround times are comfortably within target due to a focus on efficient lettings and early communication with prospective tenants to ensure our homes are available to clients as soon as possible.		
Great Homes		
	% of Homes meeting the Decent Homes Standard	100% 100%
	% of Homes meeting the Modern Facilities Standard	100% 100%
	New supply	130 130
	Major refurbishments completed	12 12
	Ratio of responsive repairs to planned maintenance	31:69 ±40:60
The Limes development was delivered in 2024, 35 homes sold to First-Time Buyers, 17 homes sold to Les Amis, and 90 homes for rental.		
Our continued significant investment in our homes resulted in us achieving our target of the % of homes meeting the new Modern Facilities Standard, as well as maintaining 100% of homes meeting the Decent Homes Standard.		

“Reflecting on 2024, we are incredibly proud of our performance, having achieved or exceeded nearly all our KPIs— a true testament to the dedication and hard work of our team.”

	2024 Actual	2024 Target	
Innovation			
	% Uptime of IT systems throughout the year	99.9%	≥99.5%
	% of Clients registered to access services online	70.2%	70%%
	A significant proportion of our clients have signed up to access our digital services which we will continue to invest in and promote in the coming years.		
Partnership			
	Community subsidies	£1,009k	≥£1,000k
	Number of clients housed through the Partnership Pathway	44	±50
	Number of tenancies supported by the Specialised Services Team	294	±315
	Our Specialised Services Team participate in a variety of multi-agency meetings and activities and support a wide range of clients to safeguard them from harm, assist in sustaining their tenancy and prevent homelessness.		
Business Excellence			
	Number of units vacant and available to let at period end,	18	<30
	Net proceeds from existing property sales (£m)	£20.1m	±£21.6m
	Net proceeds from new properties sold (£m)	£10.7m	±£9.4m
	Headline social housing cost per property (£)	£5,923	±£6,254
	Gearing (%)	31%	32%
	% Colleague turnover in the year	8.8%	±15%
	Mean colleague sickness levels in the year	5.7 days	≤5 days
	We have maintained a focused and efficient lettings process while marketing and letting The Limes with all 90 homes rented out quicker than budgeted and without a significant impact on our existing stock.		
We sold 40 new build and 12 refurbished homes at The Limes development as well as 42 homes from our existing stock to 77 First-Time Buyers and Les Amis in one of the most challenging markets Jersey has seen in recent years.			



# Principal Risks and Uncertainties facing the Company

With the Island's largest property portfolio and a significant development programme to deliver new homes, we face a wide range of risks. We take a proactive approach to risk management ensuring we fully understand our business and have the right mitigations in place.

*We manage risks that could prevent us from achieving our long-term strategic objectives.*

We take risk management very seriously, with a particular focus on those risks that could impact the safety of our clients and the ongoing delivery of services.

In addition, we actively manage risks that could prevent us from achieving our long-term strategic objectives and growth.

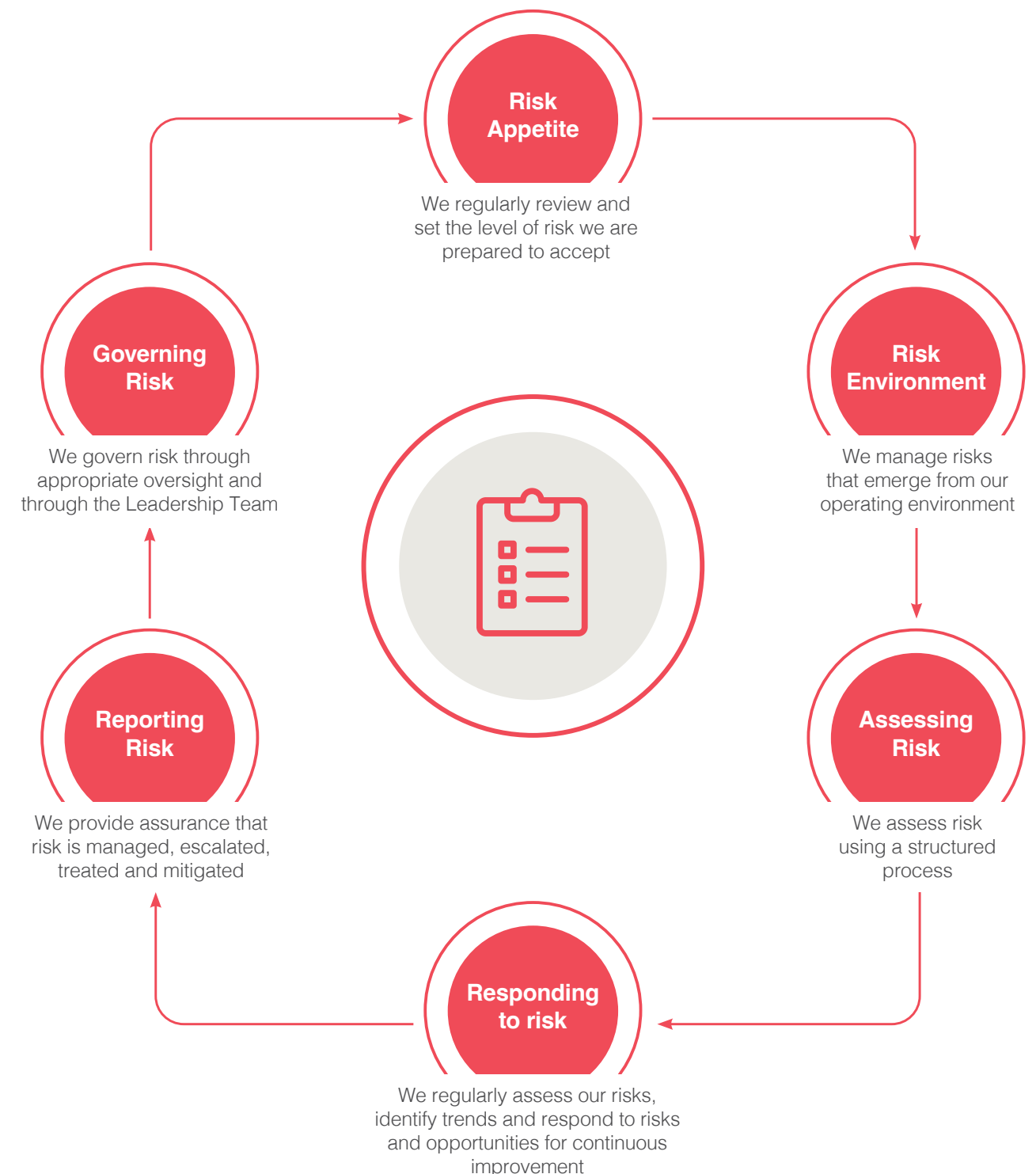
Central to our approach is the maintenance of a comprehensive corporate risk register, which is owned by the Board and regularly reviewed by the Risk & Audit Committee. This ensures that all potential risks are identified, evaluated and mitigated, helping us maintain a strong foundation for continued success.



## Risk Management Model

Principle risks are identified through our broad understanding of the business and the environment in which we work, and through regular risk workshops. Mitigations are put in place through the regular review and analysis of individual risks as well as concentrations of risk.

We also monitor changes in risks through the review of internal business process and performance. This is a continuous process embedded through our standard reporting cycles.





Key: Increase Risk ↑ | Decrease Risk ↓ | Stay the same ↔

The following pages outline the principal risks faced by the Company.

Change In Year	Principal Risk	Mitigations
↔ 	<b>Health and Safety</b> Health and safety standards are our greatest priority for clients, colleagues and contractors alike. Fire safety, mechanical and electrical and general health and safety, represent significant risks which must be closely controlled. Failure to effectively manage health and safety to support safe employment and delivery of safe services could result in injury, harm or death to clients, contractors, colleagues and the general public. <b>Strategic objective impacted:</b> 	A positive and effective health and safety culture is embedded in the organisation. This is reinforced by a robust set of procedures supported by our team of experienced and skilled in-house health and safety professionals which was further expanded during 2024. A new compliance software was introduced this year to enhance due diligence and compliance levels, ensuring that planned preventative maintenance continues to be conducted at the required frequencies, in line with the relevant regulations, approved codes of practice and legislation. Health and safety requirements are also extended to our contractors who are required to evidence their health and safety standards to be an approved contractor of Andium Homes. We continue to promote this strong health and safety culture in the business to raise awareness and manage risks as well as being mindful of new and emerging risks though monitoring local and global events. We have taken proactive steps to mitigate fire risks by installing sprinkler systems and have completed a programme of fire door inspection/replacement across all our high-rise buildings. This effort was further advanced in 2024, as part of an ongoing process to obtain PAS 9980 certification on several of our 18m+ tall buildings with Safety Action Plans currently being put in place for each one. These measures are supported by ongoing, proactive partnership and engagement with Jersey Fire and Rescue Service.
↔ 	<b>Change in Government Policy</b> Changes in Government policy can significantly affect the sustainable delivery of Andium's Strategic Business Plan. Our business model continues to be underpinned by the relationship between the Government rent policy for social housing, our financial Return to the Government of Jersey, and our continued ability to sell homes through the Andium Homebuy Scheme and rent to Affordable Housing Gateway applicants. As a States Owned Entity, Andium is also impacted by Government policies on Income Support, Planning, changing regulatory requirements, land re-zoning, immigration, key role accommodation and strategies to address affordability and homelessness. <b>Strategic objective impacted:</b>    	We continue to work closely with Government of Jersey policymakers and our Guarantor so that we can comment, and where appropriate, advise on any policy changes or political decisions that are likely to impact our plans and operations and ensure the implications are understood by the business and the Government of Jersey. Our annual review of our Strategic Business Plan provides a meaningful framework for regular engagement and should allow for alignment between Government policy and our delivery objectives, helping identify any unforeseen or unintended consequences.

Strategic objective impacted key:

 Client Excellence  Great Homes  Innovation  Partnership  Business Excellence

Change In Year	Principal Risk	Mitigations
↔ 	<b>Stakeholder Alignment</b> Ensuring that we meet the needs and expectations of our key stakeholders as much as possible is an important area of focus. Of particular importance for Andium are our clients (both renters and homeowners), the Government, the Parishes, construction sector partners, existing lenders, and most recently the Private Placement Investors. Failure to engage with stakeholders may lead to misaligned expectations, increased levels of complaints, low levels of client satisfaction, poor public perceptions of the Company, and a lack of desire to undertake additional business or invest in our future. When dealing with our Shareholder, misalignment could easily result in delays in decisions being made and increased pressure on our financial model. <b>Strategic objective impacted:</b>   	Our annual review of our Strategic Business Plan provides a meaningful framework for regular engagement and allows for alignment between Government policy and our delivery objectives, helping identify any unforeseen or unintended consequences. Our Client Promise is the means by which we seek to provide clarity about respective responsibilities and create alignment about what clients can expect from us in terms of service delivery. It is important that we actively monitor our delivery against the Promise and seek continuous improvement We gather client feedback through a bi-annual satisfaction survey, resident panels, and exit surveys. We closely monitor housing related media and questions raised in the States Assembly to identify areas of potential political interest or tension. Our strong brand and marketing provide opportunities for Andium to broadcast its services across the full range of mainstream and social media platforms helping to ensure that clients and the wider public are aware of our services. Our Memorandum of Understanding with Government stipulates a no surprises approach, preventing misalignment.
↑ 	<b>Sustainable Growth and Efficiency</b> Our ambitious business plan, which includes a substantial development programme, will see the delivery of a significant number of new homes available on the Affordable Housing Gateway and the Assisted Purchase Pathway. We recognise that growth requires careful management, to maintain demand for our homes in a challenging market, while improving service quality and efficiency through technology and continuous improvement. Unmanaged growth could lead to a lack of demand for our homes, poor service, inefficient operations and non-compliance with best practices or regulations. <b>Strategic objective impacted:</b>    	We continue to work collaboratively with the Minister for Housing on the eligibility criteria for both the Affordable Housing Gateway and the Andium Homebuy Scheme to ensure that this matches our new delivery. Our flexible Sales Plan adjusts to market changes and demand. We also plan to launch a Rent to Buy Scheme in 2025 to help clients transition into home ownership in what remains a challenging market. We continue to review business processes to improve efficiency, drive digitalisation and maintain strong internal controls. Recognising the importance of continuous improvements and digital advancements required to support our expanding business, we are recruiting new roles within the Digital and Change Team in early 2025.



Key: Increase Risk ↑ | Decrease Risk ↓ | Stay the same ↔

The following pages outline the principal risks faced by the Company.

Change In Year	Principal Risk	Mitigations
↑ 	<b>Long-Term Financial Stability</b> <p>This risk reflects the impact of economic uncertainty, inflation, interest rates, house prices, demand and rents, on our long-term business model viability.</p> <p>We offer both sale and rental homes, at below market rates, so economic changes cannot be offset by higher income. The recent period of high inflation and interest rates, along with the cap of 4% on annual rent increases places additional strain on our business model. We also deliver a £29m financial return to our Guarantor each year.</p> <p>Our focus is on maintaining financial stability whilst also progressing our development programme. However, project viability is increasingly challenging given the period of high inflation and increased interest rates.</p> <p>As a not-for-profit company, changes in the economic environment directly affect our cash flows which we must carefully balance to meet our financial obligations and maintain our homes to the required standard.</p> <p><b>Strategic objective impacted:</b></p> 	<p>We have a strong balance sheet which provides several options to mitigate this risk, most notably:</p> <ul style="list-style-type: none"><li>• Re-profiling the development programme</li><li>• Mixed tenure sites to incorporate some open market products</li><li>• Increased opportunity to build on States' land</li><li>• Borrow over a longer period</li><li>• Increase existing property sales</li><li>• Reduced financial return to our Guarantor</li></ul> <p>We manage this risk through clear business modelling, ensuring commitments to our Guarantor and clients and stress testing our plans to maintain a robust business model.</p> <p>Our position, and that of our clients is strengthened because Income Support is available for up to the full amount of rent we charge and is paid directly to us from the Government of Jersey.</p> <p>Additionally, in 2024 we secured an additional £100m borrowing on preferential terms, reducing our exposure to higher interest rates and securing the funding required for our current development programme.</p>
↔ 	<b>Environmental Sustainability</b> <p>Environmental Sustainability affects all areas of our business. Achieving net-zero carbon in line with the Government of Jersey Carbon Neutral Roadmap will require significant planning and investment, aligning with the Minister for Environment's amended timetable for Energy Performance Certificates (EPC), renamed Jersey Energy Performance Assessments (EPA), when updated.</p> <p>Climate change impacts the frequency and severity of weather events, as seen with recent flooding and storms, posing risks of damage and disruption that could affect our homes, clients and the delivery of planned objectives.</p> <p><b>Strategic objective impacted:</b></p> 	<p>We are aligning with the Government of Jersey's sustainability targets and understand our current operational carbon footprint and the steps and investment required to reduce that to zero.</p> <p>In collaboration with the Government, we are preparing for future performance standards, which will guide our refurbishment programme. We've also trained an in-house EPC assessor in anticipation of upcoming legislation changes.</p> <p>Our Strategic Portfolio Review assesses the condition and energy efficiency of our housing stock, in advance of the Jersey Energy Performance Assessments becoming mandatory. It also considers the flood risk areas identified in the Island Plan mapping given the elevated nature of this risk.</p> <p>In 2024, we completed a Pilot Project with Digital Jersey to install equipment in homes enabling real-time data on humidity, temperature and CO2, which will be used to improve resident health and safety and reduce maintenance costs and carbon footprint.</p> <p>We also implemented flood sensors into the drainage system in flood-prone areas, improving response times and mitigation during heavy rainfall.</p>

Strategic objective impacted key:

 Client Excellence  Great Homes  Innovation  Partnership  Business Excellence

Change In Year	Principal Risk	Mitigations
↔ 	<b>Business Continuity</b> <p>This risk can arise from events such as loss of access to office premises, unavailability of key staff due to a major public health event or other crisis, infrastructure failures, or cyber security attacks. Such disruptions could severely impact operations, slowing critical functions, reducing staff capacity or compromising IT systems, ultimately hindering the businesses' ability to maintain normal operations.</p> <p>In addition, while emerging AI solutions offer opportunities for greater automation, they also introduce new risks.</p> <p><b>Strategic objective impacted:</b></p> 	<p>We maintain an evolving business continuity plan, tested through major incidents in recent years. Key components include remote working capabilities, robust cyber security safeguards, and cross-training of staff to ensure seamless operations during disruptions.</p> <p>Our outsourced model for services, such as repairs and facilities management, provide added resilience, as they are delivered by multiple organisations and do not rely on our IT systems, telephony, or office premises.</p> <p>To manage cyber security risk, we use a layered approach, including mandatory training for colleagues and relevant contractors, securing Cyber Essentials certification annually, maintaining appropriate insurance policies and monitoring of vulnerabilities and threats through a 24/7 monitoring service.</p>
↔ 	<b>Major Incidents</b> <p>Major incidents, such as client displacement due to floods, fires, storms, gas leaks, or the collapse of key contractors, can cause service disruptions, business interruptions, and reputational damage.</p> <p>These events may impact our ability to meet client expectations, delay development programmes and affect operational stability, posing risks to both our short-term performance and long-term reputation.</p> <p><b>Strategic objective impacted:</b></p> 	<p>Our major incident response planning has evolved through review and learning from past incidents, and we will continue this process moving forward. Major incident responses regularly involve working collaboratively with the Emergency Services and with Government. The Jersey Resilience Forum is the multi-agency organisation responsible for responding to major incidents and we work closely with them when required. To that end a number of colleagues have been trained in the Joint Emergency Services Interoperability Principles (JESIP) which is the framework used in major incident management.</p> <p>Our major incident response is aligned with our business continuity plan and has been tested in recent years, particularly when clients have been displaced from their homes.</p>
↔ 	<b>Retaining and Developing Talent</b> <p>Ensuring we have skilled colleagues that can deliver on the growth of the business whilst providing consistent, caring and compassionate services for our clients is essential.</p> <p>Attracting, retaining, and developing our colleagues, is a key focus area for the business. Succession planning is an important activity to ensure we can continue to deliver for our clients over the long-term, without interruption or delay.</p> <p><b>Strategic objective impacted:</b></p> 	<p>We use a multi-faceted approach to retain and develop our colleagues, including benchmarking pay and benefits, robust performance management processes, a learning and development programme, and succession planning.</p> <p>In 2024, we developed a comprehensive training plan, with significant investments in 2025 to meet both business needs and individual development goals.</p> <p>The HR team was also expanded to support the growing needs of the business and enhance colleague services</p>





# Environmental, Social and Governance (ESG)



# Our Impact - Sustainable Development

## Andium's role in contributing to a sustainable Jersey.

During 2024, we continued to drive forward our ESG and Carbon Neutral plans, with the intention of combining these into a wider Sustainability Strategy. We contribute positively to a multitude of Island sustainability outcomes, and use this Annual Reporting process to demonstrate how we are increasingly embedding this in our business.

This is evidenced through our strong performance against the Sustainability Reporting Standards for Social Housing, Andium's adopted reporting approach, also used by many Housing Associations in the UK.






We continue to reduce our Scope 1 and Scope 2 emissions working towards the Island's Net Zero goals.

We also commissioned Price Waterhouse Coopers (PwC) Channel Islands LLP to support our ESG Strategy development, and some of their findings and recommendations are set out here. PwC also commenced our first Social and Economic Value Assessment, which begins to demonstrate the significant contribution that Andium makes in the local economy and Island society.



## Jersey Performance Framework

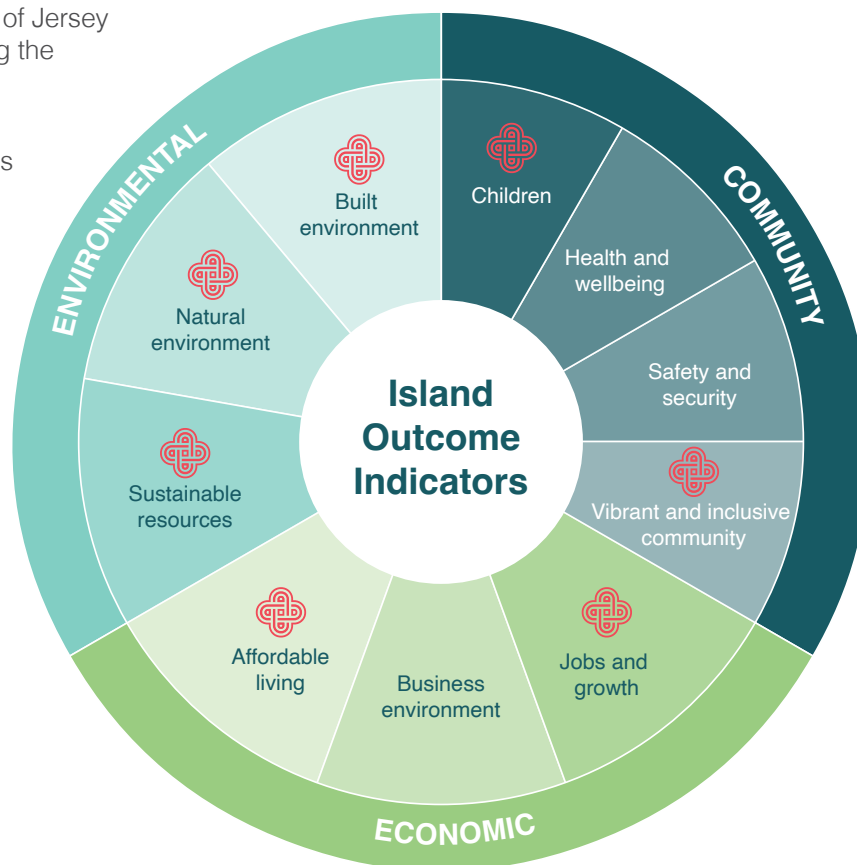
This framework is used by the States of Jersey to assess progress towards achieving the Island's sustainable well-being.

Andium has chosen to focus on the areas shown as our core contributions to Island sustainability outcomes:

-  Built Environment
-  Natural Environment
-  Sustainable Resources
-  Affordable Living
-  Vibrant and Inclusive Community

Andium also contributes to:

-  Children
-  Jobs and Growth



## Andium's role in contributing to a sustainable Jersey.

Andium records performance internally against the Sustainability Reporting Standards. This has 12 key themes across Environmental (green) Social (blue) and Governance (yellow) sustainability objectives.



The Sustainability Reporting Standards (SRS) for Social Housing is a voluntary disclosure framework for housing providers to report on their sustainability performance in a transparent, consistent and comparable way.

Climate Change	Ecology	Resource management	Affordability and security
Building safety and equipment	Resident voice	Resident support	Placemaking
Structure and governance	Board and trustees	Staff wellbeing	Supply chain management



# Our Impact - Sustainability Reporting

## Andium's role in contributing to a sustainable Jersey.

We record our Sustainability Performance against the Sustainability Reporting Standards – the benchmark Environmental Social and Governance standard for Housing Associations in the UK.

Here are some highlights under the **Environmental**, **Community** and **Economic** Island Outcome Indicators from the Jersey Performance Framework in 2024.



244 new homes are due to achieve an EPC rating of A



Circa £1 million invested in window upgrades for clients

Heating upgrades at Clydesdale, Pear Tree House and Wesley Street Estates New Flats



Specialised Services Team for over 300 vulnerable clients

New Community Engagement Team

Tenancy Management and Sustainment Teams



100% of our homes met the UK Decent Homes Standard

100% of our homes met the higher UK Modern Facilities Standard



Average Affordable Rent £1,187 per month

99% of our stock of 4,932 homes are for Affordable Rental

453 clients have benefitted from Homebuy



146 homes with triple glazing LED lighting on 3 big estates

Total of 410 Solar panels installed across our estates



"Blue" sustainable drainage podium checking rainwater peaks at The Limes

Swales and rain gardens to slow rainwater runoff in 4 new developments



Carbon Emissions (tonnes of Co2 equivalent)1 tonne Direct Business  
Scope 1 & 2 - 125 tCO2e  
Scope 3 - 16,896 tCO2e



New allotments at Maesteg House and Petit St Pierre

New Public Realm and Community artists at Cyril Le Marquand Court



Zero tolerance to mould and damp using digital sensors, surveys, reactive repairs, client engagement and targeted improvements



244 New Homes with water butts to reduce water use and costs



+1,000 home electrical safety checks (1/4 of our stock)  
Over 500 fire alarms installed  
100% Gas free homes





# Our Impact - Forming Our Strategy

## Setting out a Sustainability Strategy for the Future

During 2024, we asked the Sustainability Team at PwC to assist in the development of our draft Environmental Social and Governance Strategy (2023).

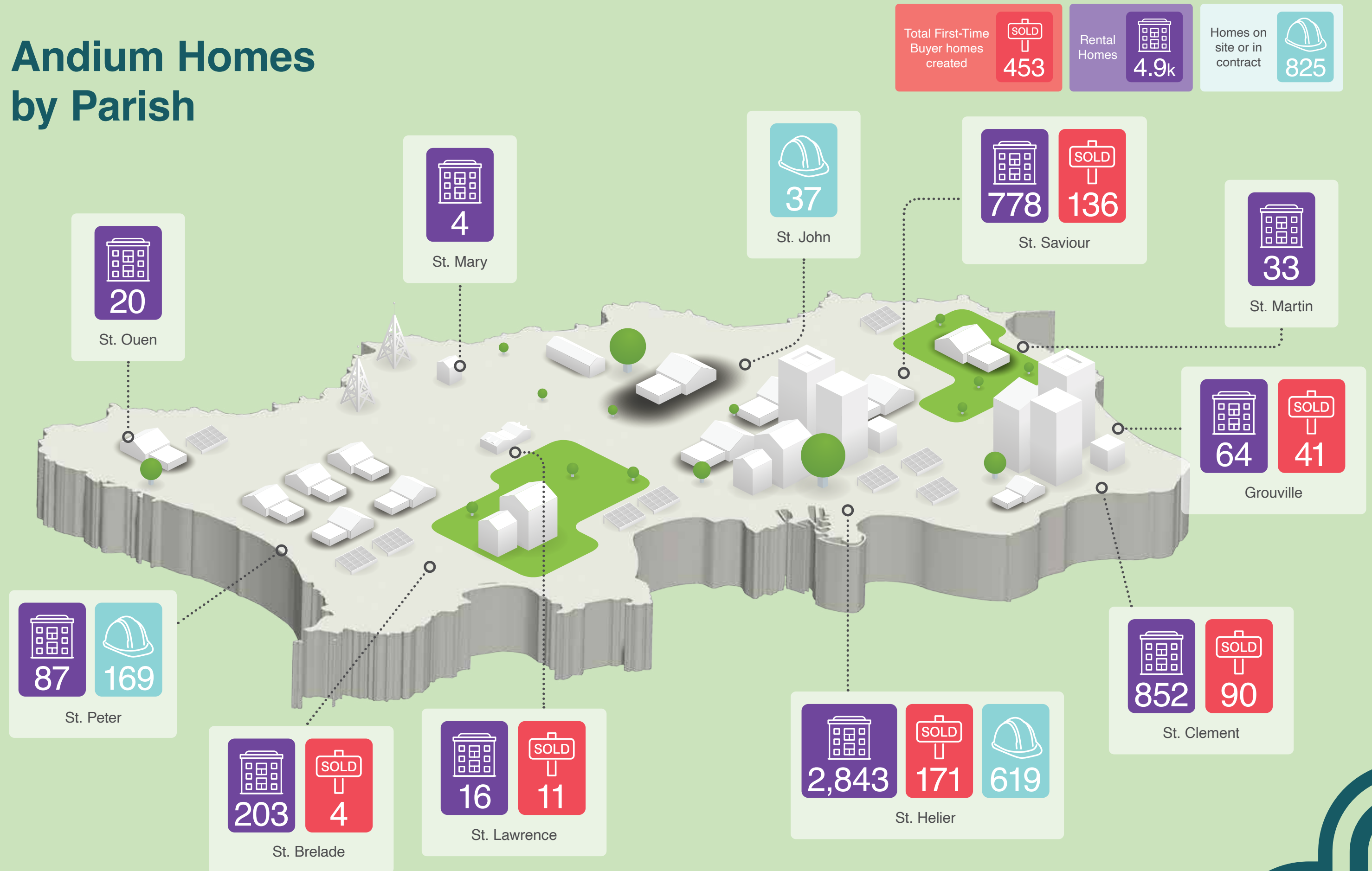
PwC praised the strategy for its comprehensive approach, strategic alignment with the Jersey Performance Framework and emphasis on partnership. PwC also had some recommendations for us to improve the impact of our Strategy.

Their key recommendations are summarised below:

Recommendation	Status
Develop a road map of actions over time	In progress
Consider closer integration with overall business strategy	Complete
Make sure targets are material, linked to vision and aligned to business strategy	In progress
Bring your clients on your sustainability journey	In progress
Learn from others how to appraise wider social value	Complete
Train your teams in sustainability and your strategy	In progress
Tell your story on success so far	Ongoing
Incorporate the new Jersey Environmental Performance Assessment into asset appraisal	Awaiting Policy
Establish a well-defined reporting structure	Complete
Embed social value considerations in procurement processes	In progress



# Andium Homes by Parish





# Delivering Sustainable Regeneration

825 new homes are on site or in contract and due for completion over the next four years. Many of these employ Modern Methods of Construction (MMC) and intensify the use of existing sites or regenerate brownfield sites.

The Limes



130

Maisons  
Les Arches



169

Le Grand  
Douet



201

Ann Street Brewery



249

Grand St. Pierre



127



1,129  
2024



1,436  
2025

Vue du Port (formerly Haut du Mont)  
(Refurbished homes)



21



1,595  
2026



1,930  
2027



1,954  
2028



37



Sion



42



Petit St. Pierre

*1,954 homes delivered, on site or in contract, contributing towards our overall development programme. We will continue to deliver the new homes the Island needs.*



# Environmental, Social and Governance (ESG)



# Ahoy me Hearties!



In August, we were thrilled to announce the opening of our brand-new pirate-themed playground at Le Marais. The centrepiece is an impressive Play Ship, measuring 17 metres long and standing 8 metres tall. It's designed for children aged 5-14, offering challenging climbing, balancing, coordination, and agility activities.

## But that's not all!

The playground also features swings for all age groups, from toddlers to teenagers, rockers, and an 8.5-metre tube slide for extra fun.

There are also comfortable benches for parents and new pedestrian safety improvements to ensure everyone has a great time.

We'd like to thank the wonderful students of Samarès School who took part in an artwork competition to design a flag.

The winning designs now sit proudly in place aboard the pirate ship for all to see.

### The students' brief was:

*So, grab your pencils and colours, and let your imaginations roam wild across the seas.*

*Sketch us a pirate flag that'll strike fear and fun into the hearts of all who dare to play there.*

*Will it be skulls and crossbones? Or perhaps a fearsome creature from the deep?*

*The choice be yours, so make it bold and make it brilliant!"*

Our new playground is open for all to enjoy an adventure-filled and swashbuckling time!





# Andium raises £100m of additional funding to deliver more homes for Jersey

**In November 2024, we were delighted to secure a £100m social private placement to fund our ambitious development programme, delivering much needed new homes for Islanders.**

This agreement is understood to be Jersey's first Social labelled private placement, the proceeds of which are used for projects that address or mitigate a specific social issue and aiming to create real social impact.

*The £100m social private placement marks a key step in Andium's efforts to address Jersey's housing needs. With over 825 new homes on site or in contract to be delivered over the next four years.*

The £100m will directly support our ongoing development programme, now focused on delivering new family homes across the Bridging Island Plan sites. We have actively engaged with landowners and developers and have now signed contracts for three sites. Construction has already started on several of these sites, with work expected to begin on the remaining sites within the next year. The current development programme will deliver 825 new homes over the next four years.

This was our first issuance in the private placement market, and we received strong interest from across the UK and North America, demonstrating confidence in Andium and our plans for delivering homes for Islanders.

The placement also marks a significant milestone for Andium, deepening our engagement with the private investment market. By securing funding through this innovative social private placement, we are not only advancing our development programme but also reaffirming our commitment to responsible, impact-driven investment.

The net proceeds from the placement have been allocated to the eligible social activity of Affordable Housing, as listed in the Social Bond Principles published by ICMA in 2023 and approved by the Company Social Steering Committee.

**The expected social impact of these activities is as follows:**

Number of new homes delivered	330
Number of people housed	586





# Andium Homes Supports the Institute of Directors Future Leaders Scheme

We were delighted to support the Institute of Directors (IoD) Future Leaders Scheme for the first time in 2024, as a sponsor of the Mini Student Awards on the night, and our Chief Regeneration and Sustainability Officer Jonny Gough as a Shadow Director.

The Future Leaders Scheme allows Year 12 Sixth Form students the opportunity to spend one week 'shadowing' a Director or Senior Manager working across a number of sectors in the Island.

As a UK recognised scheme that can be used towards UCAS applications, gaining a place on the IoD Future Leaders Scheme is prestigious and therefore places are sought after. This is more than a normal work placement; this is a chance for students to get a first-hand insight into the role of a leader in an organisation.

*"The programme proved to be invaluable to me, both providing experience in a working environment and insight into the industry I wish to pursue my future career in. I'm so grateful to the IoD team and Jonny for this experience."*

At Andium we believe it is crucial to inspire the next generation of professionals. We offer a variety of career options at Andium and, as the Island's largest landlord and developer, we are always on the lookout for passionate and hard-working individuals to join the team.

By investing in young talent, we not only contribute to their personal and professional growth but also ensure a brighter future for our industry and community.



Students are required to write a report which is submitted to the IoD Subcommittee prior to the awards evening in October. Daniel, who shadowed Jonny, **won the award for Best Report** and noted his key takeaways from each day as negotiations, and relations, future development, sustainable strategies, site visits and career choices.

Daniel said of his experience of the scheme and Andium Homes: "The programme proved to be invaluable to me, both providing experience in a working environment and insight into the industry I wish to pursue my future career in. I'm so grateful to the IoD team and Jonny for this experience."

We were so impressed with Daniel's professionalism and passion that we asked him to stay on with us. We're delighted that he accepted and now works for us on a part-time basis while he continues his studies and travelling.

# Andium Success in Construction Awards 2024


The Annual Jersey Construction Council Awards are known for honouring excellence, innovation and sustainability, bringing together industry leaders, professionals, and stakeholders to celebrate the remarkable projects and individuals who have set new standards in construction in Jersey.

## Jersey Construction Council 2024 Awards

 **Project of the Year over £10million**  
Edinburgh House (Winner)

## Jersey Architecture Commission Design Awards 2024

 **Best Large-scale New Build**  
The Limes (Highly Commended)

 **Best Placemaking**  
Cyril Le Marquand Court (Commended)

This was a partnership with:

dandara

csp\*



morris architects







### About our home sales

Making home ownership affordable is our major objective. Our Andium Homebuy Scheme achieves this, and allows buyers to purchase 100% of a home, for just 75% of its value.

We sell both newly built homes, and 60 of our existing homes each year, as we replace them with newly built rental homes. All our sale proceeds are reinvested in our development programme.

Homebuy has helped over 453 households into homeownership, it's straightforward, easy to understand, supported by mortgage providers and well regarded by lawyers and conveyancers.

One of our scheme's major benefits is that mortgage companies recognise the 25% equity share held by Andium and do not generally require buyers to contribute an additional deposit, in effect granting buyers a 100% loan on the 75% value of the property.

- Buy your home *outright*
- Pay just **75%** of the price
- **No Deposit Required**
- Get the benefit of a **75%** Loan to Value rate on mortgage
- Can be cheaper than renting



### Examples of what you could pay in monthly mortgage payments:

#### Existing 3 Bed House:

Andium Homebuy 75% of Market Price **£450,000**

Indicative Monthly Mortgage Payment: **£2,410**

Equivalent Private Market Rental: **£2,500**

#### Existing 2 Bed House:

Andium Homebuy 75% of Market Price: **£400,000**

Indicative Monthly Mortgage Payment: **£2,145**

Equivalent Private Market Rental: **£2,000**

#### New Build 2 Bed Flat (from):

Andium Homebuy 75% of Market Price: **£300,000**

Monthly Mortgage Payment: **£1,600**

Equivalent Private Market Rental: **£1,600**

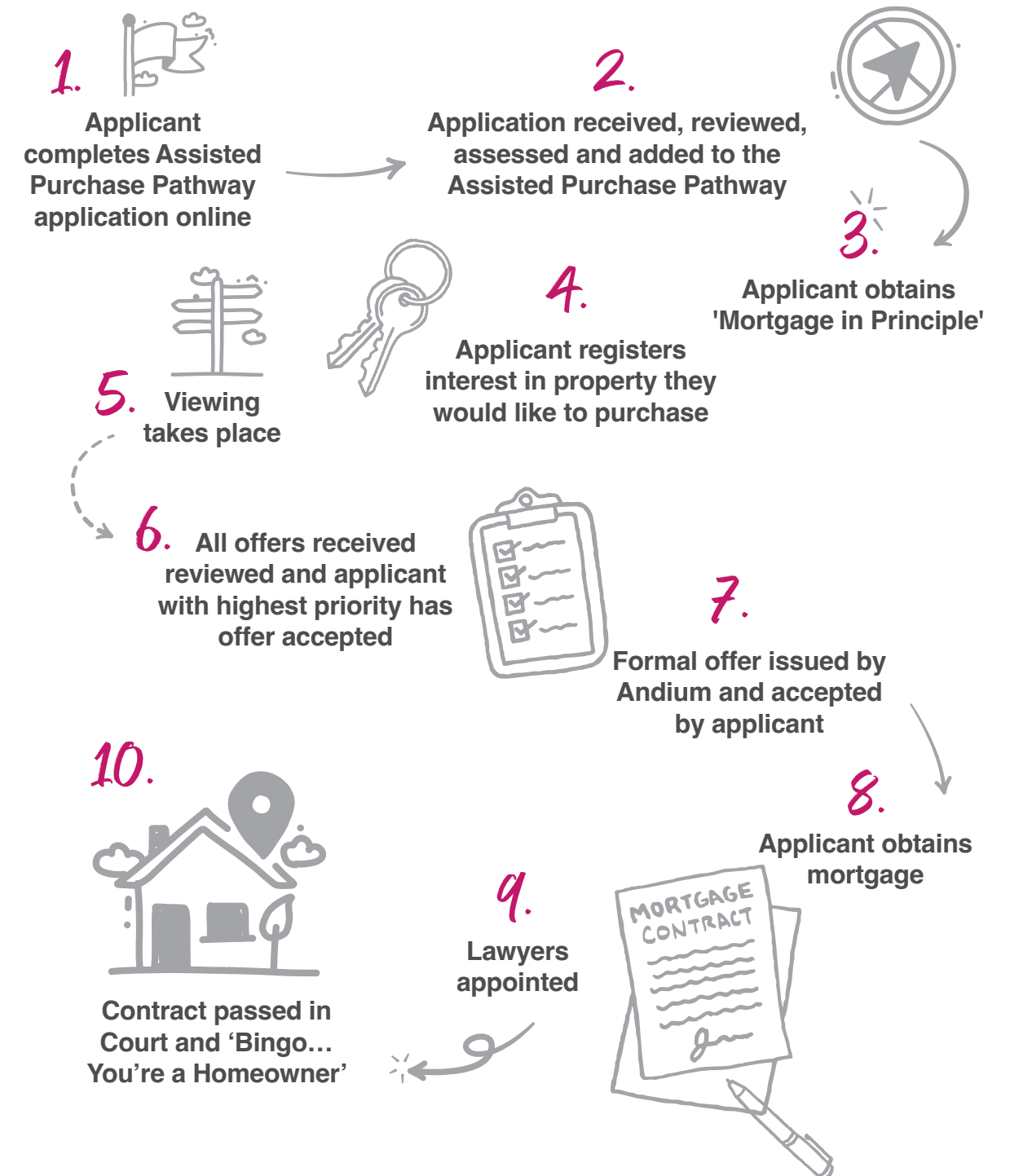
#### New Build 1 Bed Flat (from):

Andium Homebuy 75% of Market Price: **£210,000**

Monthly Mortgage Payment: **£1,125**

Equivalent Private Market Rental: **£1,350**

## 10 easy steps to buying a home with Andium Homebuy





# Andium Homebuy Testimonials

from clients who bought through the Andium Homebuy Scheme

"Thank you all for the help and support you have given us over the past few months, you have been great. We are over the moon with the new house and can't wait to move in."

"Andium Homes staff are pleasant and approachable."

"We are very happy with your help. It has been a life-changing experience."

"We are grateful for the opportunity that came to us owning our first home."

"I'd like to take this opportunity to say thank you for all your clear, willing and speedy communication. You have also been very patient. It has been absolutely brilliant and it's something we both appreciated throughout the process. It really is a dream come true for our little family."

"The process was made easy by clear communication throughout."

"Pleasant experience, could not do it if it wasn't for the APP. Very informative, helpful and efficient in moving things forward."

## First Step

We were delighted to be able to assist the Minister for Housing with delivering First Step, an assisted purchase scheme to allow qualifying buyers to purchase a home with up to 40% of the purchase price being met by the Government and secured against the property and recovered on future sale, similar to our Homebuy Scheme. The scheme commenced on 29th February 2024, 37 successful applicants have been made homeowners under this scheme, during the first two tranches.

Tranche 1	1 Bed Homes	7 homeowners
	2 Bed Homes	9 homeowners
	3 Bed Homes	2 homeowners
Tranche 2	1 Bed Homes	3 homeowners
	2 Bed Homes	4 homeowners
	3 Bed Homes	10 homeowners
	4 Bed Homes	2 homeowners
Tranche 3 (in progress)	1 Bed Homes	3 homeowners
	2 Bed Homes	1 homeowners
	3 Bed Homes	9 homeowners
	4 Bed Homes	4 homeowners





# Working with our Clients and Partners



## The Office of the Children's Commissioner for Jersey

**On 20th November, it was World Children's Day which commemorates the adoption of the United Nations Convention on the Rights of the Child (UNCRC) which promotes and celebrates children's rights.**

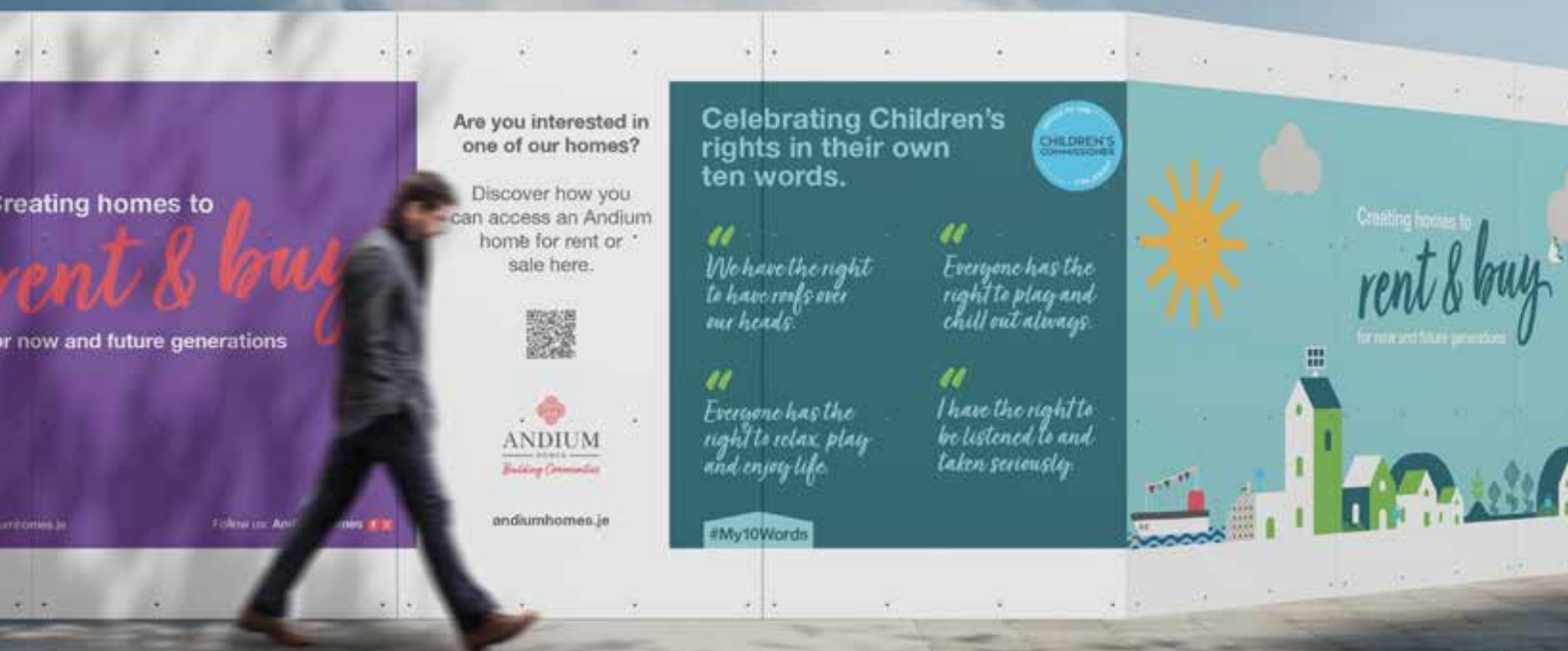
2024 marked 10 years since the UNCRC was extended to Jersey. We worked closely with the Office of the Children's Commissioner (OCCJ) and supported their #My10Words campaign: what children and young people think about children's rights in just ten words. We welcomed Dr Carmel Corrigan, the Children's Commissioner for Jersey and Tara Murphy, Senior

Policy Lead from the Office of the Children's Commissioner for Jersey into Andium.

We showcased the work we do at Andium in supporting children and young people in our communities, helping them thrive. We also spoke about how our two organisations can work closely together in ensuring the rights of children and young people in Jersey are promoted and protected.

In partnership with the OCCJ, we designed and installed hoarding at one of our development sites which focuses on how we are building homes to rent or to buy for our current and future generations

## Creating homes for Future Generations



## Coming together to make a Difference

Embrace our Difference is an opportunity for local charities, their members and Government representatives to come together and discuss how Jersey can better accommodate and understand Islanders with disabilities. We exhibited at the event which was held at the Radisson Hotel on Tuesday 3rd December.

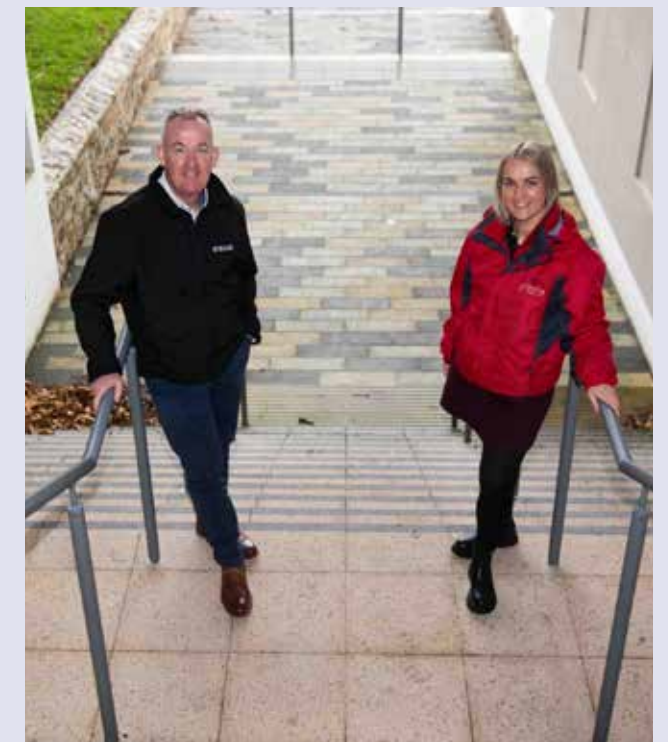


## Collaboration Challenge

As part of a Collaboration Challenge, we were paired with a charitable organisation Eyecan to work together to see how changes could be made to better suit clients with disabilities. We worked together to assess how accessible our new homes at Edinburgh House and Cyril Le Marquand Court are for visually impaired Islanders.

By working in partnership with Eyecan we have been able to use their expertise to implement effective solutions to improve access to our developments for those with visual impairments.

Through our discussions we all have recognised that it would be beneficial to collaborate with architects and design teams to ensure that accessibility for all is at the forefront when designing spaces, not just on Andium Homes developments but throughout the Island.



**Pictured above:** Mark Coxshall from Eyecan and Nicola Hayward, Andium Homes





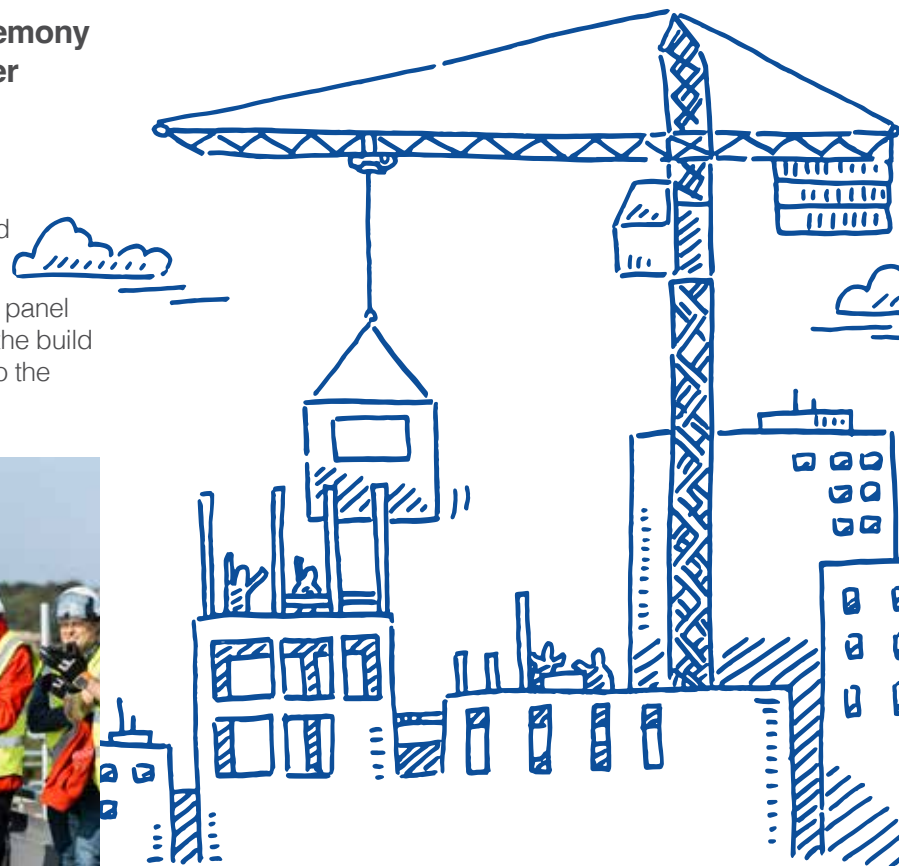
# Topping Out Ceremony at Northern Quarter



**We held an official Topping Out Ceremony in September at our Northern Quarter Development newly named Maisons Les Arches with our partners RoK.**

Topping Out is a builders' rite traditionally held when the last beam (or its equivalent) is placed atop a structure.

For this ceremony it was the last insulated roof panel which was signed by our partners involved in the build and design. It was then hoisted in to position to the sound of bagpipes.



## The Sanctuary Trust Sleepout

Four of our colleagues spent an uncomfortable night sleeping in a chilly carpark in November to raise money for those without a permanent roof over their heads.



## Vivid Housing Visit

Our Chief Finance and Operations Officer Lindsay Wood visited Vivid Housing Association to share ideas and collaboration. Vivid is one of the leading providers of affordable homes and extensive support services in the South of England. They provide services and support to 74,000 customers across 35,000 homes in Hampshire, Surrey, Berkshire and West Sussex so an opportunity to learn more about their business model.



## Race for Life

Colleagues thoroughly enjoyed taking part in the Jersey Race for Life, an incredible event that supports vital cancer research and helps make a difference to the lives of those affected by cancer.







### Local Creatives invited to apply for cost-free studio space for one year

Through our successful partnership with ArtHouse Jersey, Unit 3 at our Cyril Le Marquand Court Development has been taken over by two local artists Hayley Gibaut and Sophie Harris. They will be delivering free art activities for our clients and the public in their creative space, which the pair have dubbed 'The Stoodio',



### 2024 Brick Foundation Golf Day

The Annual Brick Foundation Golf Day took place in September drawing in golfers, and sponsors for a day of friendly competition and charitable giving. Held at Les Mielles Golf Club, the event was a great success raising £3,000 for the charity.

The Brick Foundation Golf Day has long been a key fundraising event for the charity, supporting its mission to provide community support on the Island.

Although Team Andium; Jonny, Yianno, Stephen and Paul from Viberts didn't win the top prize, they didn't go away empty handed as Jonny won a prize for the Longest Drive.



### Careers Fairs and Skills Shows 2024

We attended several careers fairs throughout the year to showcase what we do at Andium and the diverse range of careers available. Colleagues from across the business represented the Company and showcased what they love about working for Andium. They also shared their own personal career journeys and the opportunities to progress within the organisation through further study and professional development.



After a successful Project Trident placement, Olivia now works for us in the school holidays. She has a unique connection to Andium as her Grandmother was the Island's first Housing Liaison Officer, retiring in 1987.

### Supporting Project Trident: A Commitment to Future Generations

We are delighted to have supported several students as part of the Project Trident Programme in 2024. This initiative, integrated into the school curriculum, offers students a unique opportunity to experience working life while still in school. We welcomed students from various schools across the Island including Hautlieu, Les Quennevais, Victoria College and Jersey College for Girls.

They worked alongside our colleagues from different areas of the business, as part of the team, developing and practicing essential skills such as time management, teamwork, initiative, and communication whilst also learning about the housing sector.

We are proud to contribute to a programme that plays such a crucial role in shaping the future workforce and empowering young individuals to achieve their full potential.

We look forward to continuing our support for Project Trident and welcoming more students in 2025.



# Exploring Vienna's Social Housing Model

Our Chief Finance and Operations Officer Lindsay Wood went on a fact finding trip to Vienna with the Minister for Housing Deputy Sam Mézec. They visited Wiener Wohnen Housing Association to gain their perspectives in a jurisdiction where 50% of residents live in social housing.

**Social housing in Vienna is predominantly provided by the Government owned Wiener Wohnen which manages 220,000 homes, housing 25% of residents (with the remainder housed by other subsidised providers).**

It was inspiring to see Wiener Wohnen's pride in the history and culture of Viennese social housing. This history began in 1919 after the First World War when significant government investment led to the delivery of 65,000 social homes over the next 15-year period known as "Red Vienna". This culture continues today with Wiener Wohnen, the Government's social housing provider, now providing 220,000 homes to city residents. In Vienna, social housing is seen as a social provision for the whole community, with 50% of city residents living in social housing and 75% of residents being eligible for social housing.

Understanding other jurisdictions allows us to reflect on our own journey. Jersey also has much to be proud of with regards to its approach to social housing, including significant improvements in maintenance standards over the 10 years since Andium was created, like Vienna, we are also investing in the delivery of a significant number of new homes to support our residents. This has enabled the Housing Minister to achieve his policy objective of widening access to social housing therefore providing opportunities for Islanders more widely - both for rental and ownership.

Whilst in Vienna we identified the opportunity to join a network of social housing providers across Europe - called Eurhonet. As a member we are now able to share ideas across various topics ranging from tenancy management to environmental sustainability.

Our colleagues from across the business will also have the opportunity to access secondment opportunities with other providers to aid their personal development and bring fresh ideas to Andium.

**Eurhonet**  
Housing the future

*"We're looking forward to the opportunity of learning from our partners and other jurisdictions through this network."*



**Pictured above:** (left to right): Deputy Sam Mézec, Christian Schantl, Wiener Wohnen and Lindsay Wood, Andium Homes.



# Environmental, Social and Governance

(ESG)



# Governance

## The Board recognises the crucial role it plays in driving good governance practices.

Andium Homes is a Company limited by Guarantee, wholly-owned by the States, represented by the Minister for Treasury and Resources. Our governance arrangements are set out in our Articles of Association, which were included in the legislation establishing the Company. The Articles of Association provide for a Memorandum of Understanding (the “MoU”), which puts in place an accountability framework appropriate to a business wholly owned by the States.

The MoU emphasises an approach based on transparency, openness and trust and specifies those issues on which the agreement of the Guarantor must be sought.

The Board complies with the relevant provisions of the UK Corporate Governance Code issued by the Financial Reporting Council.

### The Board

The Board is collectively responsible for the governance of the Company. This role includes –

- Setting the Company’s strategic aims.
- Providing the leadership necessary to deliver the aims.
- Establishing the culture, values, and ethics of the Company.
- Supervising the management of the business.
- Ensuring that the Company complies with relevant laws and regulations.
- Being accountable to the Guarantor in accordance with the requirements of the MoU.
- Agreeing an annual update to the Strategic Business Plan and operating budget.

The Board is responsible for the operation of the business, and it has a range of important stakeholders, not least the Public of Jersey as the ultimate owner of the business. The Company is responsible for housing around 10% of Jersey’s population and has been given a major role in meeting future housing needs and in providing housing for people in need of additional support and for key workers.

The Chair is responsible for the leadership of the Board and ensuring its effectiveness in every respect. The Non-Executive Directors constructively challenge and help support the development of the business by bringing strong independent judgement, knowledge, and experience to the Board’s discussions.

The Board has established Risk and Audit, Remuneration and People and Nomination Committees. The Committees are authorised to obtain, at the Company’s expense, professional advice on any matter within their Terms of Reference and to have access to sufficient resources to carry out their duties.

The Board has also established a Capital Programme Sub Group, which gives detailed consideration to major development projects.

Reports on the work of the Committees and the Sub Group are on the following pages. The Terms of Reference and current membership are on the Company’s website.

The day-to-day operation of the Company is the responsibility of the Chief Executive and his Executive Team.

### Composition of the Board

The Articles of Association stipulate that the Board comprises a maximum of nine Directors (one of whom shall be the Guarantor’s Appointee and the Chair).

- A minimum of four and a maximum of six Independent Non-Executive Directors.
- A minimum of one and a maximum of two Tenant Non-Executive Directors.
- The Chief Executive and the Chief Finance and Operations Officer (Finance Director) of the Company.

The Independent and Tenant Directors are appointed in accordance with the requirements of the Jersey Appointments Commission, which provide for an open and transparent process. However, there is provision for the Guarantor to appoint one Director, although with the approval of the Commission.

The Guarantor must approve appointments of Independent and Tenant Directors. The formal arrangement for the appointment of Chair is that the Board makes a recommendation to the Guarantor. Independent and Tenant Directors cannot serve for more than nine years in total. The two Executive Directors are appointed by the Board

### The Board currently comprises

The current composition of the Board can be found in the Directors Report.

Joanna Walus-Bochenska was appointed to the Board as a Tenant Director with effect from 1st January 2024 and Judy Beaumont retired from the Board as a Tenant Director with effect from 31st December 2024.

Jason Laity is the Senior Independent Director appointed by the Board. This position provides a sounding Board for the Chair and serves as an intermediary for the other directors.

Richard McCarthy, Jason Laity, Elaine Bailey, Julian Box and Jonathan Day continue to meet the test of independence as defined in the UK Corporate Governance Code. The Articles stipulate that one or two directors are “Tenant Directors” as opposed to “Independent Directors”. However, the Board considers that Judy Beaumont and Joanna Walus-Bochenska also meet the test of independence as defined in the Code.

During 2024, Ian Gallichan informed the board of his decision to retire by July 2025, after serving as Chief Executive since Andium Homes’ inception.

The Board met 8 times during 2024. Attendance at Board meetings where the directors were eligible to attend was as follows:

Attended / Eligible to attend		Attended / Eligible to attend	
Richard McCarthy CBE	7/8	Judy Beaumont	6/8
Jason Laity	8/8	Joanna Walus-Bochenska	7/8
Elaine Bailey	8/8	Ian Gallichan	8/8
Jonathan Day	8/8	Lindsay Wood	8/8
Julian Box	8/8		

### Board Effectiveness Review

The last external review report was delivered in March 2022. External reviews are carried out every 3 to 4 years with an internal Board evaluation being carried out annually.



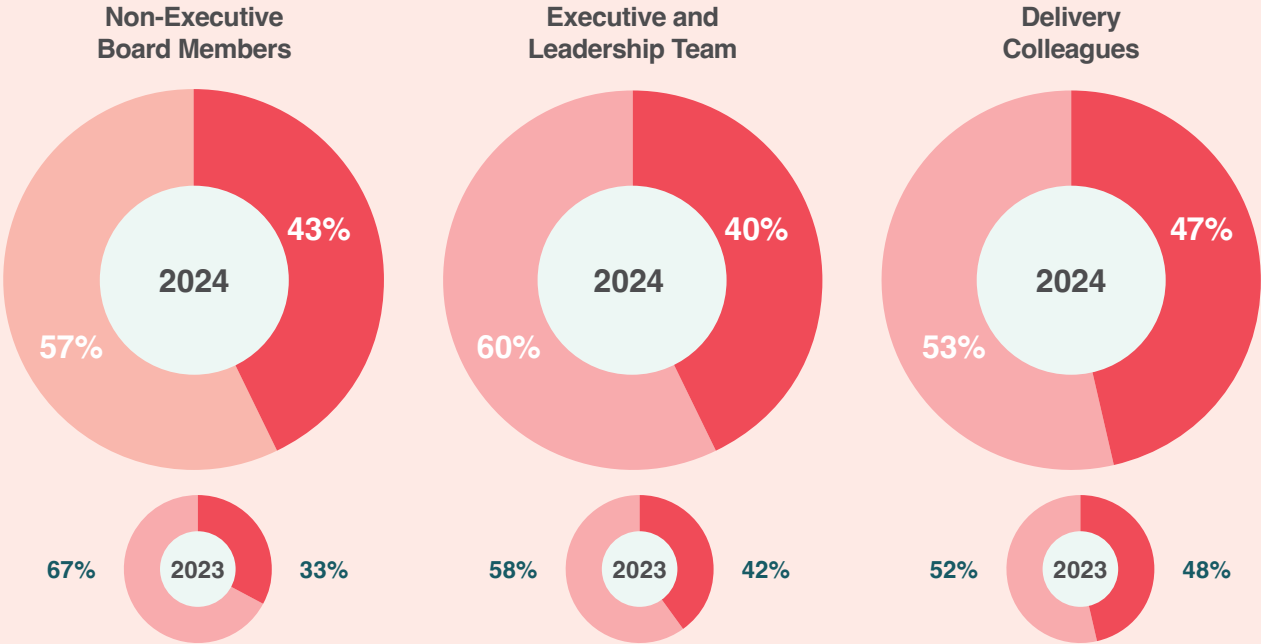
### Tenant Director

**Judy retired from our Board on 31st December 2024, having been appointed as our Tenant Representative Non-Executive Director in 2016.**

As well as being on the Andium Board, Judy has also been a dedicated committee member of the First Tower Community Association since 2005. She was an active member of the Pomme D’Or Farm Estate Residents’ Group, and during the refurbishment programme on the estate, played a significant role in liaising with the contractors and architects managing the development. We would like to sincerely thank her for all her dedicated years of service to the Board and representing the voice of our tenants. We wish her all the very best for the future.



The gender balance of employees at all levels of the business at the end of 2024, were: Male Female



Diversity, Equality and Inclusion

Diversity, equality, and inclusion are integral to our Company values and delivering our strategic vision. At Andium Homes, we are committed to the promotion of equality, and we value the diversity of both our clients and colleagues. We know that diversity, equality and inclusion are fundamental to the effective delivery of our services.

It is important to us that all our clients, colleagues and stakeholders feel included, and we promote a workplace where people understand, respect, and celebrate each other's differences.

Those who work for us, and anyone applying for a job with us, will receive fair and equal treatment.

Risk and Audit Committee Report

The responsibilities of the Committee cover –

- Oversight of the Company risk policy and processes, including current risk exposures of the Company and making recommendations to the Board.
- Keeping the effectiveness of the Company's internal financial and non-financial controls against best practice under review.
- Monitoring the integrity of the financial statements of the Company, including recommending approval of the Annual Report to the Board.
- Considering and making recommendations to the Board, to be put to the Guarantor for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's external auditor.
- Overseeing the external audit of the Annual Report.
- Oversight of the compliance function including monitoring management's responsiveness to findings and recommendations.
- Reviewing the Company's arrangements for whistleblowing, fraud and the prevention of bribery and corruption.

The following members served on the Committee during the year –

- Jason Laity (Chair of the Committee)
- Julian Box
- Jonathan Day

The Committee met four times in 2024. All members of the Committee eligible to attend the meetings were present.

The main activities of the Committee in 2024 were:

- Recommending the approval of the 2023 Annual Report to the Board, which accepted the recommendation and duly approved the report. In forming the recommendation, the Committee worked with the Executive Team to gain comfort over the internal control environment and the key accounting issues.
- Meeting with the external auditors at both the planning and final stages of the audit to understand their audit approach, the results of their work and how they determined that the Annual Report was fit for purpose.
- Extending the appointment of the auditors by one year and planning for the tender of audit services in 2025.
- Reviewing the Company's risk management and internal control systems. The Committee concluded that they represented good practice. When risks to the business emerge, mitigations are put in place to bring the risks within tolerable levels and the Committee considers that these are dealt with proportionately.
- Recommending the approval to the Board of the Borrowing Business Case, to secure a £100m social private placement, which accepted the recommendation.

Nominations Committee Report

The responsibilities of the Committee cover –

- Reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to any changes.
- Giving consideration to succession planning for both directors and Non-Executive Directors and senior executives.
- Identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise.

The following members served on the Committee during the year –

- Jason Laity (Chair of the Committee)
- Jonathan Day
- Elaine Bailey

The Committee met twice in 2024 to discuss the re-appointment of the Chair, and to review the Committee's terms of Reference. Attendance at the Committee meetings was as follows:

Attended / Eligible to attend	
Jason Laity	1/2
Jonathan Day	2/2
Elaine Bailey	2/2

Gender Pay Gap

Our headcount has increased over the last few years to match our business growth and with that so has the diversity of our workforce. The gender pay gap for employees at Andium indicates that on average men earned 26% more than women in 2023, which remains unchanged for 2024.

We are committed to building a more diverse and inclusive workforce and continue to monitor and engage in positive practices for an inclusive workforce:

- Continued to encourage shortlists to contain a mix of male and female candidates and are as diverse as possible.
- Diverse interview panels including gender neutral panels.
- Performed a review of pay levels across the organisation to ensure fairness across different job roles.

We undertook role assessments in 2024 and action has been taken to ensure gender pay within grades is appropriate.



Remuneration and People Committee Report

The responsibilities of the Remuneration and People Committee cover:

- Determining the Remuneration Policy for the Company.
- Reviewing and making recommendations on the level and structure of the remuneration of Executives not on the Board.
- Reviewing the on-going appropriateness and relevance of the Remuneration Policy for Executive Directors, Executives and for the organisation as a whole.
- Determining the policy for, and scope of, pension arrangements and other benefits for Executive Directors, Executives and for the organisation as a whole.
- To receive reports from the Chief People & Culture Officer on matters concerning HR policy and practice on a regular basis and take such matters to the Board.

In undertaking its work, the Committee is required to comply with the terms of the MoU, specifically:

- Changes to either the structure or quantum of remuneration paid to the Executive Directors for their executive responsibilities in the business, including those relating to bonus payments, are to be approved by the Guarantor in advance of them taking effect.
- Any changes to the level of remuneration paid to Non-Executive Directors must be agreed, in advance, by the Guarantor.
- The Company, in designing remuneration schemes for its Executive and Non-Executive Directors, shall have due regard to the remuneration policies published by the Guarantor from time to time.

The following members served on the Committee during the year and up to the date of the publication of this report :

- Jason Laity (Chair of the Committee)
- Richard McCarthy CBE
- Jonathan Day

The Committee met four times in 2024 to recommend pay awards and to receive an overview of the people and wellbeing plan. All members of the Committee eligible to attend the meetings were present.

Fair Pay Disclosure

The following table contains details of pay multiples and illustrates the ratio between the highest-paid director and the median company remuneration level amongst all colleagues. The calculation below is based on the full-time equivalent annual salary for individuals holding contracts (permanent or fixed term) at the end of the relevant year. The table also includes data in respect of the 25th quartile and the 75th quartile, which effectively represents the median of both the upper and lower sections of the Company's remuneration.

	2024 Amount	2024 Ratio	2023 Amount	2023 Ratio
Highest paid director:	228,175	1	214,250	1
75th quartile:	82,000	2.8	86,320	2.5
Median remuneration:	58,000	3.9	56,700	3.8
25th quartile:	44,000	5.2	43,160	5

Remuneration Policy

On an ongoing basis, Executive Director salaries are reviewed annually by the Remuneration and People Committee with recommendations made to the Board, prior to seeking approval from the Guarantor in advance of changes taking effect.

The Remuneration and People Committee endeavours to ensure the value of remuneration packages for these roles matches the Board's policy on market position and sits appropriately against comparable organisation benchmarks. In doing so, the Committee is responsible for ensuring Executive Directors are rewarded fairly and appropriately for the responsibility and accountability associated with the delivery and management of the Company.

Directors remuneration

The total remuneration of the Directors for the year ended 31st December 2024 is set out below:

	Salary £	Bonus £	Benefit* £	Total 2024 £	Total 2023 £
Executive Directors					
Ian Gallichan	228,175	27,317	2,575	258,067	236,568
Lindsay Wood	183,875	14,244	2,575	200,694	186,968
Non-Executive Directors					
Richard McCarthy CBE (Chair) (appointed 22 January 2021)	44,006	-	-	44,006	41,300
Jason Laity (Senior Independent Director)	26,514	-	-	26,514	24,884
Judy Beaumont	23,214	-	-	23,214	21,786
Elaine Bailey	23,214	-	-	23,214	21,786
Jonathan Day	23,214	-	-	23,214	21,786
Julian Box	23,214	-	-	23,214	21,786
Joanna Walus-Bochenska	23,214	-	-	23,214	-
Total	598,639	41,561	5,150	645,351	576,864

All Non-Executive Director pay was increased with effect from 1st July 2024, with the prior approval of the Guarantor.

\*The Company has a healthcare and dental scheme for all employees, of which the Executive Directors also benefit.

Pension contributions

The Company participates in a multi-employer defined benefit pension scheme operated by the States with the Employer pension contributions made in relation to Executive Directors set out below:

	2024 £	2023 £
Executive Directors		
Ian Gallichan	36,508	34,280
Lindsay Wood	29,420	27,624
Total	65,928	61,904

External appointments for Executive Directors

Ian Gallichan is a director of Headway (Jersey) Limited, in a non-remunerated role.  
Lindsay Wood held no external directorships in 2024.



Capital Programme Sub Group Report

The responsibilities of the Capital Programme Sub Group cover -

- Reviewing and recommending a strategic portfolio review and a development project programme to the Board.
- Reviewing and recommending a development project programme forecast on a quarterly basis.
- Advising the Board of the risks and opportunities presented by the development project programme.
- Reviewing individual feasibility studies for development projects.
- Reviewing proposed contractual arrangements for delivery of significant development projects.
- Delegated approval for specified projects as agreed by the Board.

The following members served on the Sub Group during the year and up to the date of the publication of this report:

- Elaine Bailey (Chair of the Committee)
- Richard McCarthy CBE
- Judy Beaumont
- Joanna Walus-Bochenska
- Ian Gallichan

The Sub Group met eight times in 2024. Attendance at the committee meetings was as follows:

CPSG	Attended / Eligible to attend
Elaine Bailey	8/8
Richard McCarthy CBE	8/8
Judy Beaumont	8/8
Joanna Walus-Bochenska	6/8
Ian Gallichan	7/8

- The main activities of the Sub Group in 2024 were:
- Detailed review of development projects.
  - Approval of projects and development agreements.
  - Review of the development programme.

Complaints and Appeals Procedure

Andium Homes has a Complaints and Appeals Policy in place and published on the website. All complaints and appeals are overseen by the Policy and Client Promise Lead. There were fifteen corporate complaints and 10 appeals during 2024.





# Directors' Report

ANDIUM HOMES LIMITED.  
Registration No. 115713

The Directors of the Company present their report and the audited financial statements of the Company for the year ended 31st December 2024.

The Board currently comprises

The following served as Directors of the Company between the beginning of 2024 and the date of signing of this report:

Richard McCarthy CBE	Chair	Appointed 22 January 2021, Re-appointed 1 January 2024
Jason Laity	Senior Independent Director	Appointed 1 November 2019, Re-appointed 17 April 2021, Re-appointed 17 April 2024
Judy Beaumont	Non-Executive Tenant Director	Appointed 1 January 2017, Re-appointed 1 January 2020, Re-appointed 1 January 2023, Retired 31 December 2024
Elaine Bailey	Non-Executive Director	Appointed 1 February 2020, Re-appointed 1 February 2023
Julian Box	Non-Executive Director	Appointed 17 February 2020, Re-appointed 17 February 2023
Jonathan Day	Non-Executive Director	Appointed 17 February 2020, Re-appointed 17 February 2023
Joanna Walus-Bochenska	Non-Executive Tenant Director	Appointed 1 January 2024
Ian Gallichan	Chief Executive	Appointed 1 July 2014
Lindsay Wood	Chief Finance and Operations Officer	Appointed 1 January 2020

No other persons have served as Directors during the period.

Future Developments

An analysis of future developments is in the Delivering Sustainable Regeneration section earlier in this document.

Post Balance Sheet Date Events

The Directors have evaluated events occurring after the reporting period and up to the date of approval of these financial statements. Based on this evaluation, the Directors confirm that there have been no material subsequent events that require disclosure or adjustment to these financial statements.

Disclosure of Information to the Auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware.

Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of the Auditor

The audit services contract was put out to tender in 2019 to enable the Company to compare the quality and effectiveness of the services of the incumbent auditor with those of other audit firms. As a result of this process Baker Tilly Channel Islands Limited were re-appointed for a 5 year period, with a 3 year break clause, commencing year end 31 December 2019

Baker Tilly Channel Islands Limited's appointment was extended a further year for the year ended 31 December 2024. The tender of audit services is planned for 2025.

Statement of Directors' Responsibility

The Directors Responsibilities Statement is presented separately on page 77. The Company implements "best practice" from the UK Corporate Governance Code with a separate Governance Report included on page 67.

By Order of the Board.

Richard McCarthy CBE, Chair  
02 April 2025

Lindsay Wood, Chief Finance and Operations Officer  
02 April 2025



# Directors' Responsibilities Statement

The Board of Directors is responsible for preparing the Annual Report including the financial statements in accordance with applicable law and regulations.

The Company's (Jersey) Law 1991 (the Law) requires the Directors to prepare financial statements for each financial year. Under that Law the Directors have elected to prepare the financial statements under UK Accounting Standards and as a going concern. The Law requires that the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing those financial statements, the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Make an assessment of the Company's ability to continue as a going concern.

The Board of Directors is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy the financial position of the Company, to enable them to ensure that the financial statements comply with the Law. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Board Responsibility Statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- The Annual Report includes a fair and balanced review of the development and performance of the business and the position of the Company with a description of the principal risks and uncertainties that they face.

By order of the Board



## Independent auditor's report

To the Guarantor of Andium Homes Limited

### Opinion

We have audited the financial statements of Andium Homes Limited (the "Company"), which comprise the Statement of Financial Position as at 31 December 2024, and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK GAAP); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991, as amended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on the overall strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key audit matter	The Risk	How Our Audit Addressed The Matter
<p>Social housing stock and assets under construction £1,340,824k (2023: £1,158,871k)</p> <ul style="list-style-type: none"><li>Accounting Policy 1(i)</li><li>Note 7</li></ul>	<p>There is a risk that social housing properties held may be materially misstated due to:</p> <p>a) incorrect classification of assets; b) inaccurate calculation of depreciation; c) incorrect classification of depreciation between the various components; d) social housing units not appropriately owned by the Company; e) social housing units not appropriately valued by the Company or valuer; f) assumptions of the valuation not in line with the Statement of Recommended Practice for Registered Housing Providers (SORP); or g) additions and disposals made in the year not appropriately treated in the accounting records.</p>	<p>Our audit procedures with respect to social housing stock and assets under construction included but where not limited to:</p> <p>(i) analytical reviews; (ii) tests of detail on a selection of additions and disposals ensuring the appropriateness of all assertions in the accounting records; (iii) obtaining the valuation of social housing as at 30 November 2024, and reviewing the assumptions and data used for its integrity and appropriateness and attest as to whether they are in line with the SORP. Furthermore, we obtained the bridging letter as at 31 December 2024 and reconciled and inspected the amendments between the initial valuation and the bridging letter; (iv) recalculation of the basis for determining depreciation and ensuring that the amount is reasonable and in line with the relevant SORP; (v) reviewing the classification of components and ensuring all relevant components are aggregated correctly into their sub-categories; (vi) recalculation of the component depreciation and ensuring depreciation is correctly recorded in respect to each component; (vii) reviewing management's estimate of impairment and ensuring that the amount is reasonable and in line with the SORP; (viii) reviewing the classification between social housing and assets under construction and ensuring completeness and presentation and that all assets subject to depreciation are classified appropriately; and (ix) reviewing signed contracts to ensure all capital and expenditure commitments are appropriately disclosed in the financial statements.</p> <p><b>We have no findings to report.</b></p>
<p>Rental and other income £77,057k (2023: £66,276k)</p> <ul style="list-style-type: none"><li>Accounting Policy 1(e) and 1(f)</li></ul>	<p>There is a risk that income may be materially misstated due to:</p> <p>a) revenue recognition from policy implementation; b) cut-off of revenue as at year end; c) accuracy of rental rate charges and calculation of</p>	<p>Our audit procedures with respect to rental and other income included but where not limited to:</p> <p>(i) analytical reviews; (ii) tests of controls on new tenants, ensuring that the general ledger entries appropriately reconciled to the tenant management software and tenancy agreements which confirmed the weekly rental and other charge rates (e.g. electricity, gas). Further analysis</p>

	<p>rental rates based on rent setting policy; or d) inaccurate calculation of disposal of housing bonds.</p>	<p>has been done on the classification of rental charges (testing the integrity of rental increases using the parameters set by management and determining whether they are in line with rent setting policy); (iii) tests of detail on a selection of period end rental charges ensuring appropriate cut-off; and (iv) tests of detail on a selection of other income items, reconciling to supporting evidence and ensuring appropriateness of all assertions in the accounting records.</p> <p><b>We have no findings to report.</b></p>
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### Our Application of Materiality

Materiality for the financial statements as a whole was set at £14,444k (2023: £12,543k), determined with reference to a benchmark of gross assets, of which it represents 1.0% (2023: 1.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 70% (2023: 70%) of materiality for the financial statements as a whole, which equates to £10,111k (2023: £8,780k). We applied this percentage in our determination of performance materiality based on entity risk factors which are judgemental.

We reported to the Risk and Audit Committee any uncorrected omissions or misstatements exceeding £722k (2023: £627k), in addition to those that warranted reporting on qualitative grounds.

In addition, we have allocated specific materiality for income, expenses, debtors and creditors. We considered a threshold of £811k (2023: £662k) to be an indicator of materiality for these specific areas based on 1.5% (2023: 1.0%) of income. Specific materiality has been used in these areas due to their lower value and to ensure we have performed adequate audit work in these areas. We have reported, to the Risk and Audit Committee all corrected and uncorrected misstatements we identified through our audit, in these areas, with a value in excess of £58k (2023: £33k) in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

### Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Directors' 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 Company'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 Directors 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 Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work 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.

### Matters on which we are required to Report by Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991, as amended, requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- proper returns adequate for the audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all information and explanation that, to the best of our knowledge and belief, was necessary for the audit.

### Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement set out on page 77, the Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with UK GAAP, and for such internal control as the Directors 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 Directors are responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiry of management to identify any instances of non-compliance with laws and regulations, including actual, suspected or alleged fraud;
- Reading minutes of meetings of the Board of Directors and all related committees listed below;
  - Risk and audit committee;
  - Nomination committee;
  - Capital programme Sub-Group; and
  - Remuneration and people committee;
- Undertaking meetings with the head of each department;
- Review of management's significant estimates and judgements for evidence of bias;
- Review for undisclosed related party transactions;
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Undertaking journal testing, including an analysis of manual journal entries to assess whether there were large and/or unusual entries pointing to irregularities, including fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

### Other matters which we are required to address

We were re-appointed by the Directors of the Company, on 1 June 2019. The total period of uninterrupted engagement including previous renewals and reappointments of the firm is 11 years. We rotated our engagement signatory for the audit of the financial statements from the year ended 31 December 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Risk and Audit Committee.

### Use of this Report

This report is made solely to the Guarantor of the Company, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991, as amended. Our audit work has been undertaken so that we might state to the Guarantor 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 Company and its Guarantor, as a body, for our audit work, for this report, or for the opinions we have formed.



Sandy Cameron

For and on behalf of Baker Tilly Channel Islands Limited

Chartered Accountants

St Helier, Jersey

Date: 02 April 2025



# Financial *Statements*



## Statement of Comprehensive Income

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Rental income		66,046	61,848
Other income		11,011	4,428
Operating costs (excluding depreciation & impairment)		(27,866)	(22,100)
<b>Operating surplus before the return to the Guarantor, depreciation &amp; impairment</b>		<b>49,191</b>	<b>44,176</b>
Return to the Guarantor	3	(29,122)	(29,061)
<b>Operating surplus before depreciation &amp; impairment</b>		<b>20,069</b>	<b>15,115</b>
Depreciation & impairment		(3,120)	(49,051)
<b>Operating profit / (deficit)</b>	2	<b>16,949</b>	<b>(33,936)</b>
Fair value losses on financial instruments	10	(4,290)	(1,074)
Interest receivable and similar income		402	313
Interest payable and similar charges	4	(13,289)	(10,876)
Realised deficit from disposal of financial assets		(49)	(9)
<b>Deficit for the year</b>		<b>(277)</b>	<b>(45,582)</b>
<b>Other comprehensive income</b>			
Unrealised surplus on revaluation of housing properties	7,11	114,555	7,517
Unrealised surplus on revaluation of other assets	8,9	336	235
Unrealised surplus / (deficit) on revaluation of derivative instruments	12	2,110	(4,161)
<b>Total comprehensive income / (deficit) for the period</b>		<b>116,724</b>	<b>(41,991)</b>

## Statement of Financial Position

as at 31 December 2024

	Notes	2024 £'000	2023 £'000
<b>Fixed Assets</b>			
Housing properties	7	1,340,824	1,158,871
Property, plant and equipment	8	7,915	8,008
Investment properties	9	15,881	20,788
Financial assets	10	54,013	49,313
Derivative instruments	12	864	-
		<b>1,419,497</b>	<b>1,236,980</b>
<b>Current Assets</b>			
Housing properties held for sale	11	7,945	7,571
Debtors	13	3,679	6,615
Cash and cash equivalents	15	13,181	3,144
		<b>24,805</b>	<b>17,330</b>
<b>Amounts Falling due within one year:</b>			
Creditors	16	(2,548)	(2,860)
Accrued expenses	17	(18,217)	(17,229)
		<b>(20,765)</b>	<b>(20,089)</b>
<b>Net current assets / (liabilities)</b>		<b>4,040</b>	<b>(2,759)</b>
<b>Total assets less current liabilities</b>		<b>1,423,537</b>	<b>1,234,221</b>
<b>Amounts falling due after more than one year</b>			
Creditors	16	(10,227)	-
Borrowing	18	(431,143)	(367,532)
Derivative instruments	12	-	(1,246)
		<b>(441,370)</b>	<b>(368,778)</b>
<b>Net Assets</b>		<b>982,167</b>	<b>865,443</b>
<b>Capital and reserves</b>			
Housing property revaluation reserve		(490,656)	(376,101)
Office premises revaluation reserve		(3,449)	(4,073)
Derivative instrument reserve		(864)	1,246
Retained earnings		(487,198)	(486,515)
	27	<b>(982,167)</b>	<b>(865,443)</b>

The financial statements were approved by the Board of Directors and authorised for issue on 2 April 2025 and were signed on its behalf by:



**Richard McCarthy** CBE,  
Chair



**Lindsay Wood**,  
Chief Finance and Operations Officer



## Statement of Changes in Equity

for the year ended 31 December 2024

	Housing property revaluation reserves £'000	Other assets revaluation reserves £'000	Derivative instruments revaluation reserves £'000	Retained earnings £'000	Total reserves £'000
Balance at 1 January 2023	368,584	3,838	2,915	532,097	907,434
Deficit on ordinary activities	-	-	-	(45,582)	(45,582)
Other comprehensive income / (deficit) for the year	7,517	235	(4,161)	-	3,591
Balance at 31 December 2023	376,101	4,073	(1,246)	486,515	865,443
Deficit on ordinary activities	-	-	-	(277)	(277)
Reclassification: Investment property impairment	-	(960)	-	960	-
Other comprehensive income for the year	114,555	336	2,110	-	117,001
<b>Balance at 31 December 2024</b>	<b>490,656</b>	<b>3,449</b>	<b>864</b>	<b>487,198</b>	<b>982,167</b>

## Cash Flow Statement

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
<b>Net cash inflow from operating activities</b>	<b>25</b>	<b>23,683</b>	<b>25,037</b>
<b>Returns on investments and servicing of finance</b>			
Interest and similar charges received		402	313
Interest and similar charges paid	4	(18,312)	(15,780)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(17,910)</b>	<b>(15,467)</b>
<b>Capital expenditure and financial investment</b>			
Additions to housing properties	7	(94,983)	(79,754)
Additions to investment properties		(147)	(1,221)
Disposals from housing properties		-	3,082
Purchase of property, plant and equipment	8	(160)	(249)
		<b>(95,290)</b>	<b>(78,142)</b>
<b>Reduced by:</b>			
Redemption of housing bonds	10	1,238	413
Housing bonds issued	10	(6,074)	-
Sale of housing properties net of bonds issued	5	30,792	18,436
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(69,334)</b>	<b>(59,293)</b>
<b>Financing</b>			
Repayment of borrowing	18	(95,000)	(22,000)
Borrowing drawn down	18	158,371	61,313
Additions to Government Grant	16	10,227	-
<b>Net cash inflow from financing</b>		<b>73,598</b>	<b>39,313</b>
<b>Increase / (decrease) in cash in the period</b>		<b>10,037</b>	<b>(10,410)</b>
Opening cash and cash equivalents balance		3,144	13,554
<b>Closing cash balance</b>	<b>15</b>	<b>13,181</b>	<b>3,144</b>



# Notes to the Financial Statements

for the year ended 31 December 2024

## 1. Principal Accounting Policies

### a) Statutory information

Andium Homes Limited (the “Company”) is a Company limited by guarantee and incorporated in Jersey. The registered office is 33-35 Don Street, St Helier, Jersey, JE2 4TQ. The Company is a public benefit entity.

### b) Statement of compliance

The financial statements as at 31 December 2024 have been prepared in accordance with FRS 102. Although not a requirement, in the interest of best practice, the financial statements have also been prepared in accordance with the Statement of Recommended Practice (“SORP”) for Registered Social Housing Providers 2018. The principal accounting policies have been applied consistently throughout the year and preceding period.

### c) Basis of accounting

The financial statements have been prepared under the historical cost accounting convention modified for the revaluation of fixed assets and financial instruments at fair value. The financial statements have been prepared in sterling which is the functional currency of the Company.

### d) Going concern

The Board of Directors considers annually the appropriateness of preparing the Company’s financial statements on a going concern basis. Matters which are taken into account in this process include:

- i. The prevailing economic climate, both internationally and locally and its impact, if any, on the Company’s viability;
- ii. The financial position of the Company; and
- iii. The short, medium and long term financial prospects resulting from financial modelling carried out in support of the Company’s business plan.

In the absence of any fundamental shortcomings raised as a result of the above exercise, the Board of Directors considers the going concern assumption underlying the preparation of the Company’s financial statements to be appropriate.

### e) Rental income

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net any voids.

Rental income represents income from social lettings which include contributions received for properties known as “Cottage Homes”. Previous legislation required these properties to be allocated to applicants under a different allocation policy, whereby instead of rental income, the clients would make contributions to the running of these homes. The legislation has been repealed, and any new clients now fall under the same criteria as the remaining social housing properties, with no change to existing clients.

### f) Other income

Other income is recognised when it is probable that the economic benefits will flow to the Company. Other income represents rental income from investment properties, land acquired for future development, car park fees, utility charges and insurance reclaims. Tenant service charges are levied on a basis intended to cover appropriate service costs each period.

### g) Net assets transferred from the States of Jersey

On 18 October 2013 the Royal Court of Jersey registered the Social Housing (Transfer) (Jersey) Law 2013 (the “Transfer Law”) to enable the transfer of the assets from the States to a private company incorporated in Jersey. The Social Housing (Transfer) (Jersey) Regulations 2014 (“Regulations”) which came into force immediately after the Transfer Law specified all net assets to be transferred to the Company. On the transfer date, the assets, rights and liabilities of the States that are specified in the Regulations were transferred to the Company. The values assigned to the assets, rights and liabilities were determined with reference to the Regulations.

### h) Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments with an original maturity of 3 months or less that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value.

### i) Housing properties and housing properties held for sale

Housing properties are initially recognised at cost to include: its purchase price; any costs directly attributable to bringing the asset into the condition necessary for it to generate rental income; and any borrowing costs directly attributable to the acquisition, construction and production of the asset.

After initial recognition housing properties (including the land on which it is situated) are valued at Existing Use Value for Social Housing (“EUUV-SH”) on an annual basis. The aggregate surplus or deficit on revaluation is the difference between the cost of the property less accumulated depreciation and the amount of the valuation. Revaluation surplus is recognised in other comprehensive income and transferred to the housing property revaluation reserve.

Impairments, including the reversal of impairments, are recognised when a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the Statement of Comprehensive Income.

Works to existing housing properties will generally be capitalised under the following circumstances:

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

Works to existing housing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income. The major components are deemed to be land as well as those listed in part l) below.

Assets under construction, including land and buildings acquired for future development, are held at cost less any impairment until they become available for letting.

Housing properties identified for sale are classified as housing properties held for sale at fair value, with changes in fair value being recognised in other comprehensive income and accounted for in equity.

### j) Investment properties

The Company carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income and accounted for in equity.

### k) Sale of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs related to the property sold are removed from the financial statements at the date of sale. Any surplus on disposal is recognised in the Statement of Comprehensive Income. Depreciation on these properties ceases at the date they are classified as held for sale.



I) Depreciation – housing properties

Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property. On initial acquisition of a new housing property the deemed cost of each component is allocated as a percentage of the total cost. The expected useful life of each component is as follows:

	Expected Life (Years)
Structure	80
Roof	30 - 50
Windows and doors	30 - 40
Kitchen	30
Stairs	60
Wiring and electrical installations	30
Plumbing and installation	30
Builders work in connection with service	30
Lifts	30
Partitions	60
Wall, floor and ceiling finishes	30 - 60
Sundry builders work	60
Balconies	60
External works including underground drainage	40

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

Periodic reviews are undertaken to establish whether a charge needs to be made for any financial impairment that has arisen to reduce the value of any class of property to an amount less than historical cost and accumulated depreciation. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any impairment would be recognised in the Statement of Comprehensive Income. Refer to note 7 for the value of any impairment losses recognised.

m) Property, plant and equipment

The office premises are carried at fair value less accumulated depreciation.

Other fixed assets (other than housing property, infrastructure assets, and office premises) are stated at cost less accumulated depreciation.

Depreciation is charged on a straight line basis as follows:

Office premises	50 years
Infrastructure assets	50 years
IT systems development	10 years
IT equipment	5 years
Vehicles	5 years

Infrastructure assets and office premises are valued at fair value. The aggregate surplus or deficit on revaluation is the difference between the cost of the asset less accumulated depreciation and the amount of the valuation. Revaluation surplus is recognised in other comprehensive income and transferred to the 'Other Assets Revaluation Reserve', except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit is charged (or credited) to the Statement of Comprehensive Income.

n) Impairment of fixed assets

Where indicators of impairment have been identified, an impairment assessment is carried out and any required charges are recognised in the Statement of Comprehensive Income.

Impairment is calculated as the difference between the carrying value of income generating units and the estimated value in use at the date an impairment loss is recognised. Value in use represents the net present value of expected future cash flows from these units. Impairments of fixed assets are recognised in the Statement of Comprehensive Income.

o) Leases

Determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether:

- i. fulfilment of the arrangement is dependent on the use of a specific asset or assets. Although a specific asset may be explicitly identified in an arrangement, it is not the subject of a lease if fulfilment of the arrangement is not dependent on the use of the specified asset; and
- ii. the arrangement conveys a right to use the asset. This will be the case where the arrangement conveys to the purchaser the right to control the use of the underlying asset.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

p) 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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets and financial liabilities are derecognised when the associated contract ceases, at which point the financial asset or financial liability is disposed of with any associated gain or loss recognised in the Statement of Comprehensive Income.

Financial assets

i. Homebuy Deferred Payment Bonds

Housing bonds are issued to eligible purchasers of housing stock initially valued as the difference between the agreed cash price and the fair market value of the property. The bond is repaid to the Company when the property is next conveyed. Subsequently the bond value is measured at fair value which is linked to the fair value of the underlying housing property. Changes in the fair value of the bonds are recognised in the Statement of Comprehensive Income. The fair value of the bonds are initially calculated as the proportionate difference between the fair market price of the property and the agreed cash price. Subsequently, fair value is obtained at each year end by applying the latest published Jersey Housing Price Index (HPI) to the bonds initial fair value.

ii. First Step Deferred Payment Bonds

First Step housing bonds are issued to eligible purchasers through the First Step Scheme (page 56). The bond is repaid to the Company when the property is next conveyed. Subsequently the bond value is measured at fair value which is linked to the fair value of the underlying housing property. Changes in the fair value of the bonds are recognised in the Statement of Comprehensive Income. The fair value of the bonds are initially calculated as the proportionate difference between the fair market price of the property and the agreed cash price. Subsequently, fair value is obtained at each year end by applying the latest published Jersey Housing Price Index (HPI) to the bonds initial fair value.



### iii. Trade debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the trade debtor over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

### iv. Derivative instruments

The Company has a floating rate loan which exposes the Company to interest rate risk. To mitigate this risk the Company uses interest rate swaps. These instruments are measured at fair value at each reporting date. The fair value is ascertained by the calculating agent and carried as an asset when the fair value is positive and as a liability when the fair value is negative. Changes in the fair value are recognised in the Statement of Comprehensive Income (see note 12).

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

### Financial liabilities

#### i. Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

#### ii. Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

#### q) Pension costs

The Company participates in a multi-employer defined benefit pension scheme operated by the States. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable to the Company. As it is not possible to readily identify the Company's share of the scheme, the scheme is accounted for as a defined contribution scheme (rather than a defined Benefit Scheme in line with FRS 102) and contributions by the Company are charged to the Statement of Comprehensive Income as they fall due. Refer to note 20.

#### r) Taxation

The Company is not subject to taxation under Jersey Income Tax.

Goods and Services Tax (GST) is accumulated over each quarter where the net balance due or receivable is settled with Revenue Jersey.

#### s) Provisions and contingencies

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. All material contingent losses are disclosed with an estimate of the financial effect, its legal nature and details of any security.

#### t) Government of Jersey grants

Government of Jersey grants are recognised in income and expenditure under the performance model once reasonable assurance has been gained that all related conditions have been met and the grant will be received. Grants due from the government or received in advance are included as assets and liabilities.

#### u) Disclosure exemptions

The Company is a "qualifying entity" in terms of FRS 102 as the Company's results are included in the consolidated financial statements of the States which can be found by searching "Annual Report" on the gov.je website.

The Company has taken advantage of the following exemptions:

- i. FRS 102.33.11 – Exemption from related party disclosure requirements 33.9 in relation to a state that has control, joint control or significant influence over the reporting entity.

#### v) Frequency of reporting and comparative information

The financial statements of the Company are to be issued annually as at 31 December.

#### w) Key related parties

The Board of Directors of the Company and the States are considered to be the key related parties.

#### x) Critical accounting judgements

No significant judgements have been made in the preparation of these financial statements.

#### y) Key sources of estimation uncertainty

The following are the key assumptions and estimates which affect the amounts reported for assets and liabilities at the year-end and the amounts reported for income and expenditure during the year:

##### i. Useful lives of tangible fixed assets

Tangible fixed assets are depreciated on a systematic basis based on management's best estimate of the assets' useful life. This estimate is based on a variety of factors such as the expected use, any legal, regulatory, or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses (see notes 7 & 8).

##### ii. Impairment of assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or an Existing Use Value calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices (see notes 7,9 & 11).

##### iii. Valuation of housing and investment properties

The Company carries its housing properties on an Existing Use Value. Revaluation deficits or surpluses are recognised in other comprehensive income and accumulated in equity. In determining the value, assumptions are made of the discount rate, future costs to be incurred such as management costs, total repair costs and the amount of bad debts and voids (see note 7).

The Company carries its investment properties at fair value. Revaluation deficits or surpluses are recognised in the Statement of Comprehensive Income and accounted in equity (see note 9).

The Company's housing properties were valued as at 31 December 2024 by independent professionally qualified valuers who hold a recognised professional qualification and have experience in the properties valued. The Company reviews the valuations performed by the independent valuers for financial reporting purposes.

The Company's investment properties were valued as at 31 December 2024 by independent professionals with experience in the properties valued. The Company reviews the valuation performed by the independent valuer for financial reporting purposes.

##### iv. Goods received and not invoiced

Amounts for goods received and not yet invoiced have been calculated based on an agreed schedule of rates and an assessment made at year end as to the stage of completion of work provided with reference to either the agreed schedule of rates or quotations obtained before commencement of works (see note 17).



**v.** Estimates of value of work in progress for housing properties under construction

Housing properties under construction are valued using valuation certificates provided by suppliers or, where such a certificate is not available, management estimates are made with reference to lead professionals, associated contracts, and stage of completion. Estimation uncertainty, by its very nature, carries an inherent risk that there may be a material difference from the fair value disclosed in the financial statements when compared to any final realisable value (see note 7).

**vi.** Bad debt provisions

Specific bad debt provisions are determined on a systematic basis based on management's best estimate of likelihood of receipt. This estimate is based on a variety of factors including the debtor's personal and financial situation (see note 13).

**vii.** Capitalised staff costs

Staff costs attributable to ongoing capital projects are capitalised based on a set percentage of time for each relevant role.

## 2. Operating Profit / (Deficit)

Operating profit/(deficit) is stated after charging:

	2024 £'000	2023 £'000
Depreciation	18,931	18,333
Impairment	(15,811)	30,718
Wages & salaries	4,793	4,293
Social Security costs	278	253
Other pension costs	762	744
Repairs; cyclical, planned, day to day	10,529	8,571
Auditors remuneration - audit services	71	65
Other expenses	6,998	5,788
Other staff costs	236	142
Major incident expenditure	4,199	2,245

Major incident expenditure includes exceptional costs of £56k (2023: £1,047k) relating to the Haut du Mont incident, in addition to costs of £nil (2023: £602k) relating to Grands Vaux and £4,143k (2023: £596k) relating to Storm Ciarán. These costs were offset by associated insurance proceeds of £8,128k, some of which relates to the future replacement of homes lost at Haut du Mont.

An explanation of the impairment is provided in the Financial Review section (page 23).

## 3. Return to the Guarantor

	2024 £'000	2023 £'000
Return to the Guarantor	29,122	29,061

On 22 July 2014 the Company entered into an agreement with the States acting through the Minister for Treasury and Resources, the Guarantor for the Company, to provide a return payable by the Company to the Government to the base amount of £6,737k per quarter, starting from 1 July 2014. The base amount would be subsequently increased annually in quarter three, by the June Jersey Retail Price Index ("RPI") of the same year.

During 2018, the basis of the return was changed. It was agreed with the Government of Jersey that:

- The increase in the return due in Q3 2018 be deferred to Q1 2019, and thereafter the increase will take effect on 01 January each year; and
- The base amount of the return be increased by the September Jersey RPI, with a minimum increase of 1.75% and a maximum increase of 3.25%.

The change in basis of the return was made in conjunction with a change in the States social housing rent policy which deferred annual uplifts in rent charges to 1 January (previously 1 October). Rent uplifts continue to be inflation linked and now also include a minimum and maximum increase of 2.5% and 4.0% respectively.

During 2020, and as a direct consequence of the Coronavirus pandemic, it was further agreed with the States that we would not apply our annual uplift to rent charges for the year commencing 1 January 2021. To limit the impact of this rent freeze on our business model, a partially compensatory reduction in the return was agreed, which reflected the budgeted savings the States would make through its Income Support payments.

During 2021, it was agreed with the States that we would not apply our annual uplift to rent charges for the year commencing 1 January 2022, with the Company fully compensated by a reduction in the return. The return was further reduced following the agreement to partially compensate the Company for the States Assembly decision to cap social housing rents at 80% of market rate compared to 90% of market rate previously. During 2023, this reduction was included in the Amended & Restated Transfer Agreement to formalise the calculation. There were no changes to the Transfer Agreement in 2024.

The annual payment of the return continues indefinitely. It is the view of the Board of Directors that the annual return payable should be classified separately from the transfer of net assets at incorporation and recognised as an expense in the Statement of Comprehensive Income.

## 4. Interest Payable and Similar Charges

Interest is payable on borrowing taken out to fund our capital programme. Although interest rates increased during 2024, the amount of interest expensed was below that budgeted because the budget prudently assumed the additional borrowing in 2024 and higher rates.

Operating deficit is stated after charging:

	2024 £'000	2023 £'000
Interest on loan agreements with States of Jersey	9,787	9,786
Interest and fees on Revolving Credit Facility	2,736	840
Interest and fees on Private Placement	517	-
Amortisation of loan arrangement fees	249	250
<b>Total interest costs</b>	<b>13,289</b>	<b>10,876</b>

The interest charge on loan agreements with the States amounted to £9,787k (2023: £9,786k) and £73k (2023: £78k) of bond set-up fees which are amortised over the lifetime of Loan 1 (note 18).

The interest expense on the Revolving Credit Facility amounted to £3,869k (2023: £1,642k), alongside £238k (2023: £187k) in commitment fees. Arrangement fees amounted to £171k (2023: £171k).

During 2023 and 2024, the Company entered into interest rate swaps ("swap") for £100m (note 12). The net interest income on the swap was £1,371k (2023: £989k).

On 25 November 2024, the Company completed a private placement for £100m with the full amount drawn down. Arrangement fees of £451k were amortised over the life of the facility.

Further finance costs of £5,263k (2023: £5,153k) have been capitalised and are included within additions to assets under construction (note 7). The weighted average interest rate applicable to the Company borrowings is 4.6% (2023: 4.4%). Interest from the facilities is apportioned to the projects under construction and is added to the cost of the development until it is available for use, at which point subsequent interest on related borrowing is charged to the Statement of Comprehensive Income.



## 5. Surplus on sale of housing properties

Operating profit is stated after charging:

	2024 £'000	2023 £'000
Gross proceeds	34,995	23,342
Net asset cost (Cost less accumulated depreciation)	(34,995)	(23,342)
<b>Gain / (loss) on sale</b>	<b>-</b>	<b>-</b>

Housing properties are revalued at the date of being identified for disposal and sold at that level, hence incurring no gain or loss on disposal. Gross proceeds are the total amount of cash received being £30,792k (2023: £18,436k) plus housing bonds issued during the period £4,203k (2023: £4,905k) which are repayable to the Company on next conveyance of the property (see note 10).

## 6. Employee Information

	2024	2023
The average full time equivalent number of persons employed in the period was:	74	67
The average number of persons employed in the period was:	75	67

	£'000	£'000
<b>Staff costs (including Directors emoluments):</b>		
Wages and salaries	5,133	4,744
Social security costs	278	253
Pension costs	762	744
Other staff costs	236	142
Capitalised staff costs	(340)	(451)
<b>Total staff costs</b>	<b>6,069</b>	<b>5,432</b>

## 7. Housing properties

	Held for letting £'000	Land acquired for future development £'000	Under construction £'000	Total housing properties £'000
<b>Cost</b>				
At 1 January 2023	1,156,795	35,969	95,353	1,288,117
Additions (note a)	5,633	16,149	78,464	100,246
Transfer from under construction to held for letting	32,263	-	(32,263)	-
Disposals (note 9 and 11)	(17,983)	-	(14,213)	(32,196)
Revaluation	89,772	-	-	89,772
<b>At Period end</b>	<b>1,266,480</b>	<b>52,118</b>	<b>127,341</b>	<b>1,445,939</b>

### Depreciation & impairments

At 1 January 2023	(118,771)	(10,475)	-	(129,246)
Charged during the period	(18,388)	-	-	(18,388)
Impairments recognised	(1,686)	-	-	(1,686)
Impairments reversed	21,871	-	-	21,871
Revaluation	22,334	-	-	22,334
<b>At Period end</b>	<b>(94,640)</b>	<b>(10,475)</b>	<b>-</b>	<b>(105,115)</b>

<b>Net book value as at 31 December 2024</b>	<b>1,171,840</b>	<b>41,643</b>	<b>127,341</b>	<b>1,340,824</b>
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<b>Net book value as at 31 December 2023</b>	<b>1,038,024</b>	<b>25,494</b>	<b>95,353</b>	<b>1,158,871</b>
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- a) Additions of £100,246k (2023: £86,054k) is reflected as £94,983k (2023: £79,754k) additions to housing properties in the cash flow statement as it also includes £5,263k (2023: £5,153k) of finance costs capitalised and £nil (2023: £1,146k) disposed to Investment Properties. These finance costs are included as part of 'interest and similar charges paid' within the cash flow statement.
- b) Where indicators of impairment have been identified at the asset level, an impairment assessment is carried out and those charges recognised in the Statement of Comprehensive Income. Impairments recognised are net of prior year reversals for ongoing refurbishment work. Valuations have been carried out as at 31 December 2024 by Jones Lang LaSalle IP Incorporated (an independent valuer) using the discounted cash flow method. The valuations have been prepared using the Existing Use Value for Social Housing, as required by the SORP. Valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors' Valuation Professional Standards, 2022, Global and UK Edition (the "Red Book").
- c) The table below provides a summary of the assumptions used to calculate the Held for Letting valuations:

Assumption	Core stock	High-rise stock	Newly developed stock	Post 2022	Hostels
Discount rate, voids	5.75%	6.00%	5.50%	5.25%	5.75%
Management costs	£880	£880	£880	£880	£880
Total repair costs	£2,465	£2,500	£2,091	£1,750	£1,981
Bad debts, voids	1.5%	1.5%	1.5%	1.5%	1.5%
Re-let rates	5.0%	5.0%	5.0%	5.0%	5.0%



**2023**

Assumption	Core stock	High-rise stock	Newly developed stock	Hostels
Discount rate, voids	5.75%	6.00%	5.75%	5.75%
Management costs	£880	£880	£880	£880
Total repair costs	£2,411	£2,444	£1,828	£1,946
Bad debts, voids	1.5%	1.5%	1.5%	1.5%
Re-let rates	5.0%	5.0%	5.0%	5.0%

Had no revaluation or impairment been performed the carrying value of these properties would be as follows:

	Held for letting	Land acquired for future development	Under construction	Total housing properties
Historical Cost	£'000	£'000	£'000	£'000
Carrying value 31 December 2024	703,303	41,643	127,342	872,288
Carrying value 31 December 2023	701,778	25,494	95,354	822,626

**8. Property, Plant and Equipment**

	Office premises	IT Systems Development	Infrastructure assets	Vehicles	IT Equipment	Total other fixed assets
Cost	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2024	4,206	862	5,658	194	79	10,999
Additions	58	86	-	-	16	160
Revaluation	141	-	150	-	-	291
At 31 December 2024	4,405	948	5,808	194	95	11,450
Depreciation						
At 1 January 2024	(941)	(352)	(1,551)	(84)	(63)	(2,991)
Charged during the year	(54)	(95)	(340)	(32)	(23)	(544)
At 31 December 2024	(995)	(447)	(1,891)	(116)	(86)	(3,535)
Net book value as at 31 December 2024	3,410	501	3,917	78	9	7,915
Net book value as at 31 December 2023	3,265	510	4,107	110	16	8,008

Internal valuations have been carried out for the IT Systems Development as at 31 December 2024. This resulted in a revaluation of £nil (2023: £nil). In 2024, a Brokers Opinion of Price was prepared by Queree Property Consultants Limited for the office premises. This resulted in a revaluation of £141k (2023: £nil). Infrastructure Assets form part of the States Asset Valuation as at 31 December 2024. The basis of this asset valuation is depreciated replacement cost based upon useful remaining life. These have been carried out in accordance with 'RICS Valuation - Global Standards 2022', UK Edition, except where agreed departures or assumptions have been made in accordance with the Government of Jersey's instructions. This resulted in a revaluation of £150k (2023: £235k).

**9. Investment properties**

	2024 £'000	2023 £'000
At 1 January	20,788	19,567
Additions	191	1,221
Disposals	(860)	-
Impairment	(4,283)	-
Revaluation	45	-
At 31 December	15,881	20,788

Investment properties consist of commercial properties rented at market rates and residential properties rented on the open market.

In 2024, a Brokers Opinion of Price was prepared by Queree Property Consultants Limited for the commercial and residential properties.

**10. Financial Assets**

Housing bonds	2024 £'000	2023 £'000
At 1 January	49,313	45,904
Redeemed during the period	(1,287)	(422)
Issued during the period	10,277	4,905
Unrealised losses in the period	(4,290)	(1,074)
Valuation at period end	54,013	49,313

Where a property is sold as an affordable home, purchasers are able to apply for a deferred payment up to a maximum of 25% of the price of the home. The deferred payment is secured as a second charge or 'bond' against the property, with £4,203k (2023: £4,905k) issued during the period. The bond does not pay or accrue interest during the life of the purchaser's ownership of the property. However on alienation of the property the amount repaid to the Company will be the percentage equivalent of the market value at the time of repayment. The value of the deferred payment cannot decrease below its initial value. At the end of each financial year the housing bonds are revalued in line with the Jersey House Price Index with any unrealised deficit or surplus recognised in the Statement of Comprehensive Income. All housing bonds are considered to be non-current as the underlying properties are not expected to be sold within one year.

In 2024, the Company issued £6,074k (2023: £nil) of First Step housing bonds on behalf of the Government. The deferred payment is secured as a second charge against the property. The bond does not pay or accrue interest during the life of the purchaser's ownership of the property. However, on alienation of the property the amount repaid to the Company will be the percentage equivalent of the market value at the time of repayment. At the end of each financial year the housing bonds are revalued in line with the Jersey House Price Index with any unrealised deficit or surplus recognised in the Statement of Comprehensive Income. All housing bonds are considered to be non-current as the underlying properties are not expected to be sold within one year.

Deficit on disposal of Homebuy bonds redeemed totals £49k (2023: £9k) from total receipts of £1,238k (2023: £413k).

## 11. Housing Properties Held for Sale

	2024 £'000	2023 £'000
<b>At 1 January</b>	7,571	6,120
Transferred from Social Housing Assets	33,012	24,949
Disposals	(34,996)	(23,342)
Impairments	(91)	(10)
Revaluation	2,449	(146)
<b>At 31 December</b>	<b>7,945</b>	<b>7,571</b>

## 12. Derivative Instruments

	2024 £'000	2023 £'000
<b>At 1 January</b>	(1,246)	2,915
Revaluation	2,110	(4,161)
<b>At 31 December</b>	<b>864</b>	<b>(1,246)</b>

The Company has a Hedging Policy in place to manage and mitigate the interest rate risk exposure arising from the variable interest of the RCF. This policy enables the Company to enter into hedging transactions to manage the risk. Under FRS 102, there is a choice for the accounting policy for financial instruments, being either Sections 11 and 12 of FRS 102 or applying the recognition, de-recognition and measurement requirements of IFRS 9. The Company elected to apply FRS 102 sections 11 and 12.

### Hedge accounting

The Company entered into an interest rate swap in July 2022 and July / August 2023 to mitigate the interest rate risk on the RCF. The swap is measured at fair value on initial recognition and at each reporting date and carried as an asset when the fair value is positive and as a liability when the fair value is negative.

To the extent the swap is effective, movements in fair value adjustments are recognised in other comprehensive income and presented in a separate Derivative instruments reserve. Any movements in fair value relating to ineffectiveness are recognised in income and expenditure. The effectiveness of the relationship between the RCF and the swap were tested at designation and deemed to be effective. The Company has elected to apply hedge accounting as the qualifying conditions are met.

### Cash flow hedge

The relationship between the RCF and the swap is classified as a cash flow hedge due to the variability in cash flows that is attributable to the interest rate risk associated with the RCF that could affect the profit or loss. The July 2022 swap has a notional value of £50m as at 31 December 2024 with interest rate of 2.58% and maturity of 27 February 2027, in line with the RCF. The three swaps entered into in July / August 2023 have a notional value of £50m as at 31 December 2024 with weighted average rate of 4.43% and maturity of 27 February 2029, in line with the RCF.

The swap represents a liability payable to the counterparty if it was to be closed out at its fair value. The fair value of this asset as at 31 December 2024 was £864k (2023: liability £1,246k). Any future change in the SONIA forward swap curves will result in a change to the fair value of the swap. All curves and market data used in the valuations are provided by the counterparty.

## 13. Debtors

	2024 £'000	2023 £'000
<b>Amounts falling due within one year:</b>		
Rental debtors - current	719	809
Rental debtors - other	1,423	4,970
GST Receivable	780	330
Less:		
Provision for former tenant rental debts	(313)	(432)
Provision for non-tenant debts	(195)	(153)
	<b>2,414</b>	<b>5,524</b>
Other debtors	1,265	1,091
	<b>3,679</b>	<b>6,615</b>

Provisions relate only to rental debtors that are not current and have been identified specifically after individual assessments have been made for each debtor. There are no general provisions for debtors. The total of current rental debtors past due but not impaired amounts to £687k (2023: £787k).

## 14. Leases

	2024 £'000	2023 £'000
<b>Minimum lease payments receivable:</b>		
Within one year	21,670	23,400
Within one to five years	32,846	39,576
More than five years	1,053	74
	<b>55,569</b>	<b>63,050</b>

Leases, being generally tenancy agreements for residential properties entered into:

- prior to 1 January 2010 have a one week notice of cancellation,
- between 1 January 2010 and 1 May 2013 when the Residential Tenancy (Jersey) Law 2011 came into force, carry a one month notice of termination,
- between 1 May 2013 and 31 December 2016, 3 months' notice of termination; and
- post 1 January 2017 tenancies have fixed terms ranging from 1 to 5 years. Tenants have the right to give early notice on these tenancies, however the majority of tenancies are expected to run the full course and so are disclosed as such.

There are also a number of leases in place for commercial premises, with various remaining lease periods ranging from 1 to 8 years.

## 15. Cash at bank and cash equivalents

	2024 £'000	2023 £'000
Short term cash investments	9,084	3,144
Short term cash investments - First Step	4,097	-
	<b>13,181</b>	<b>3,144</b>

Short term cash investments relating to First Step are ring-fenced in a separate bank account and investment portfolio (see note 16).



## 16. Creditors

	2024 £'000	2023 £'000
Deferred income	2,548	2,185
Government of Jersey Grants	10,227	675
	<b>12,775</b>	<b>2,860</b>

In December 2021, the Company received a grant to support the refurbishment of Eden House for respite care on behalf of Health & Social tenancy holders of Eden House. In doing so the company received funding of £695k. Works are now complete, with the £632k (2023: £63k) being released from the grant during the period.

In November 2023, the Company received a grant for £43k from Impact Jersey for an IT project. The works on the project are now complete, with the £43k (2023: £nil) being released from the grant during the period.

In 2024, the Company received £10 million from the Government to administer the First Step Scheme and issue housing bonds on behalf of the Government. The funds are passed through to homebuyers to assist in the purchase of a property and upon future sale of such properties the funds are passed back to the Government. The grant conditions are deemed to be satisfied upon the first alienation of the property (refer to note 10). No alienation occurred in 2024. The grant is also increased by any investment income received on bonds that have not yet been issued. During the period, £277k of investment income was received (2023: £nil).

## 17. Accrued Expenses

	2024 £'000	2023 £'000
Return to the Guarantor	6,774	6,949
Goods and services received but not yet invoiced	11,443	10,280
	<b>18,217</b>	<b>17,229</b>

## 18. Borrowing

	2024 £'000	2023 £'000
<b>Loan instalments are due as follows:</b>		
Within one year	-	-
<b>After one year:</b>		
Between two and five years	105,000	-
In over five years	326,143	367,532
	<b>431,143</b>	<b>367,532</b>

On 17 November 2014, the Company entered into 3 separate loan agreements with the States. The first loan agreement was put in place to repay advances totaling £38,429k. The advances were made to the States of Jersey Housing Department, prior to the incorporation of the Company, by the States Treasury & Exchequer in order to fund capital projects. This includes projects noted in P.40/2012 Social Housing Schemes: Funding. The liability to repay the advances was transferred to the Company on incorporation along with the other assets and liabilities of the Housing Department.

Further loan agreements have subsequently been entered into with the States of Jersey. All loans are set out in the table below:

		Total Loan Amount/ Commitment £'000	Brought forward at 01/01/2024 £'000	Amount Drawn 2024 £'000	Amount Repaid 2024 £'000	Amount Outstanding at 31/12/2024 £'000	End Date of Loan £'000
Loan	1	38,429	31,733	-	-	31,733	31/12/2033
Loan	2	4,741	4,239	-	-	4,239	31/12/2032
Loan	3	9,675	8,902	-	-	8,902	31/12/2032
Loan	5	2,659	2,532	-	-	2,532	31/12/2033
Loan	6	2,149	2,081	-	-	2,081	31/12/2038
Loan	7	7,119	7,036	-	-	7,036	31/12/2042
Loan	9	4,991	4,791	-	-	4,791	31/12/2039
Loan	10	10,037	9,902	-	-	9,902	31/12/2043
Loan	12	47,183	40,802	-	-	40,802	31/12/2041
Loan	14	52,278	52,278	-	-	52,278	31/12/2048
Loan	17	37,800	26,855	-	-	26,855	31/03/2046
Loan	18	21,332	21,332	-	-	21,332	31/12/2047
Loan	19	15,133	15,133	-	-	15,133	31/12/2039
<b>Total loans</b>		<b>253,526</b>	<b>227,616</b>	-	-	<b>227,616</b>	
<b>Set up costs</b>		-	<b>(371)</b>	-	<b>73</b>	<b>(298)</b>	
<b>Total liability</b>		<b>253,526</b>	<b>227,245</b>	-	<b>73</b>	<b>227,318</b>	
<b>Revolving Facility</b>		<b>250,000</b>	<b>141,000</b>	<b>59,000</b>	<b>(95,000)</b>	<b>105,000</b>	28/02/2029
<b>Arrangement fee</b>		-	<b>(713)</b>	<b>(187)</b>	<b>171</b>	<b>(729)</b>	
<b>Private Placement</b>		<b>100,000</b>	-	<b>100,000</b>	-	<b>100,000</b>	25/11/2032
<b>Arrangement fee</b>		-	-	<b>(451)</b>	<b>5</b>	<b>(446)</b>	
<b>Total Combined Liability</b>		<b>603,526</b>	<b>367,532</b>	<b>158,362</b>	<b>(94,751)</b>	<b>431,143</b>	

Loan repayments of £95,000k were made during the year (2023: £22,000k).

Interest on all loans with the States is paid quarterly at a fixed interest rate of either 4.3% per annum (Loans 1 to 7 and Loan 10) or 5% (Loans 12 to 19 and Loan 9). The effective rate of interest charged on the first loan (after consideration of the loan setup costs) is 4.7% per annum. Effective 1 January 2022 to 31 December 2025, all loans from States of Jersey are charged at 4.3% interest, following an amendment to the loan agreements. Loan repayments are due on the end date of the loan.

Loan setup costs of £1,190k incurred on initiation of the first loan agreement have been set off from the balance of the loan due and are realised over the term of this loan agreement. The total value of loan setup costs yet to be released is £298k (2023: £371k).

On 28 February 2020 the Company entered into a sterling revolving credit facility for £150m with HSBC Bank Plc and NatWest International. On the same date it was agreed that all loans entered into with the States would be varied halting repayments until the end of each loan period, with the fund maintained at capacity.

Interest on the revolving facility is floating and was charged at a margin plus LIBOR, where a LIBOR interest period of 1, 2, 3 or 6 months is agreed as appropriate.

On 23 December 2021, the Company entered into an Amended and Restated Agreement to increase the available facility to £225m with Lloyds Bank Corporate Markets Plc, Jersey Branch providing the additional £75m. Interest on the facility transitioned to margin plus SONIA, where a SONIA interest period of 1, 3 or 6 months is agreed as appropriate.

On 11 August 2022, the £25m Accordion Facility was entered in to, increasing the revolving credit facility from £225m to £250m.

On 25 November 2024, the Company completed a private placement of £100m with a maturity date of 25 November 2032 and an interest rate of 5.11%. Arrangement fees of £451k were amortised over the life of the facility.

There are two covenants in place on the revolving facility and private placement:

- Asset Cover – the ratio of total fixed assets to total gross debt, which should be no less than 150% on the last day of the financial year; and
- Interest Cover – the ratio of an agreed mechanism for EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) plus the proceeds of the sale of homes from our existing portfolio of stock, to net finance charges, which should be no less than 120% on the last day of any half year.

Both covenants were complied with during the year (2023: complied).

Borrowing drawn down per the cash flow statement is £158,362k (2023: £61,313k). This comprises amounts drawn of £159,000k (2023: £61,500k) less the arrangement fee paid on the 1-year extension Facility Agreement of £187k (2023: £187k 1-year extension) and £451k arrangement fee paid for the private placement. This arrangement fee has been set off from the balance of the loan due and is realised over the term of the facility. The total value of loan setup costs yet to be released is £1,175k (2023: £713k).

## 19. Capital Commitments

Development expenditure contracted less certified or accrued as at 31 December 2024 amounted to £166,726k (2023: £136,406k).

## 20. Pension Costs

The Company participates in the Public Employees' Pension Fund ("PEPF") which covers the Public Employees Contributory Retirement Scheme ("PECRS") and the Public Employees Pension Scheme ("PEPS") operated by the States, which whilst a final salary scheme (PECRS) and an average revalued earnings scheme (PEPS), are not conventional multi-employer defined benefit schemes as the Company is not responsible for meeting any ongoing deficits in the schemes. The assets of the schemes are held separately from those of the Company.

Contribution rates are determined by an independent actuary so as to spread the costs of providing benefits over the members' expected service lives.

Pension contributions for the Company's staff to this scheme during the year amounted to £762k (2023: £744k).

Because the Company is unable to readily identify its share of the underlying assets and liabilities of PEPF under FRS17 "Retirement Benefits", contributions to the scheme have been accounted for as if they are contributions to a defined contribution scheme.

Actuarial valuations are performed on a triennial basis, the most recent published valuation being as at 31 December 2021. The main purposes of the valuation are to review the operation of the scheme, to report on its financial condition and to confirm the adequacy of the contributions to support the scheme benefits.

The conclusion of the latest published valuation is that there is a deficit in the PECRS scheme assets at the valuation date of £1.1m, and a surplus in the PEPS scheme assets of £3.26m. Because the schemes are accounted for as if they are defined contribution scheme, no account has been taken of the Company's potential share of these deficits / surpluses.

A new cycle of triennial actuarial valuations will be performed for the PEPS defined contributions scheme commencing December 2024, with the release of the report expected in 2026.

Copies of the latest Annual Accounts of the scheme, and of the States, may be obtained online or from the States Treasury and Exchequer, 19-21 Broad Street, St Helier, JE1 3PB.

## 21. Ultimate Parent Undertaking

The Board of Directors consider the Guarantor to be the Ultimate Parent Undertaking. The role of the Guarantor and the Andium Homes' Board is established in the Andium Homes Memorandum and Articles of Association adopted by the States on 5 June 2014. This is further clarified in the Memorandum of Understanding between the Minister for Treasury and Resources and the Company entered into in July 2014 and updated in May 2022.

The Company is contractually bound to pay a quarterly return to the Guarantor. The amount of this return is £29.1m (2023: £29.1m) for the year and incurs an inflation linked increased annually on 1 January. As a consequence of the change to the rent policy in 2022, a further adjustment is made as a result of any income support savings made by the Government of Jersey.

## 22. Related Party Transactions

Members of the Board of Directors, Judy Beaumont and Joanna Walus-Bochenska, held tenancies with the Company during the period. These tenancies were granted under the Company's allocations policy, with rent under normal terms.

Borrowing and interest expense as presented on the face of the Statement of Comprehensive Income and Balance Sheet are due to the States. Terms and conditions of the loans are described in note 18.

All assets and liabilities acquired on incorporation of the Company have been transferred from the States. The Company also participates in the defined pension plan operated by the States. Refer to note 20.

Directors' remuneration is illustrated on page 72 of the Annual Report.

## 23. Risks and Uncertainties

### Financial risk management

#### Overview

The Company holds the following financial instruments: financial assets (deferred payment bonds); trade debtors (rent receivable); cash and cash equivalents; trade creditors (invoices payable); and borrowing (States loans, Revolving Credit and private placement) (note 18). The Company has exposure to the following risks from its use of these financial instruments:

- credit risk
- liquidity risk
- market risk
- operational risk

This note presents information about the Company's exposure to each of the above risks. Quantitative disclosures are included throughout these financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to determine risk appetite, implement controls to mitigate risks and to monitor this on an ongoing basis. Risks and mitigating controls are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.



Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s bank deposits and receivables from clients.

Cash

The creditworthiness of the Company’s main bankers, HSBC Bank plc is under periodic review. HSBC Bank plc holds a current short-term credit rating of P-1 (2023: P-1), as issued by Moody’s.

Before placing cash with any bank, the Company has due consideration to both investment return and credit risk.

Receivables

The Company’s exposure to credit risk is reduced by the risk being spread across 4,932 tenancies, with approximately 60% of tenants in receipt of Income Support which is received directly from Government of Jersey.

Early engagement with clients experiencing rent arrears, together with their ability to claim Income Support, results in low rental debtors compared to comparable UK Housing Associations.

The Board does not consider credit risk to be a significant risk due to the credit rating of the bank cash is held at and there have been no recent significant debt write-offs.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Per the Company’s Treasury Management Policy, the Company monitor actual versus forecast cash flow on a monthly basis to ensure short term cash flow is maintained and there is available liquidity to fund contracted capital expenditure for a minimum of 18 months. The Company’s 40-year business model also provides long term assurance.

The current cash position of £9,084k (excluding cash relating to the First Step Scheme), when combined with the undrawn RCF of £145,000k satisfies the Treasury Management Policy.

Due to the controls in place, the Board does not consider liquidity risk to be a significant risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company has no foreign currency risk as all transactions and balances are in Pound Sterling (GBP).

Interest rate risk

The risk that interest payable on borrowing is higher than expected and interest achieved on cash surpluses is lower than anticipated.

Interest on borrowing are both fixed (States Bond and private placement) and floating (Revolving Credit Facility). The floating rate exposure to movements in SONIA is mitigated through the Company’s interest rate hedging policy which includes entering into relevant hedging instruments if certain trigger points are reached.

In July 2022, the Company entered into an interest rate swap for £50m to mitigate the floating rate exposure and fix a portion of the interest. In July / August 2023, the Company entered into a further three interest rate swaps for an aggregate of £50m to mitigate the floating rate exposure.

The Company will continue to monitor the floating rate exposure in line with the hedging policy.

Cash flow forecasts assume immaterial interest income, mitigating the risk of reliance on interest income.

Inflation risk

The risk that inflation causes expenditure to increase at a rate higher than anticipated.

If construction expenditure were to increase at a rate in excess of the Retail Price Index (“RPI”) the Company is potentially exposed to this risk for future projects. Our rental income is linked to RPI, with an annual uplift of RPI+ 0.75%, however this is capped at 4%, therefore any increase in construction price inflation in excess of 3.25% will require other forms of mitigation. Currently this risk is mitigated through the design and procurement process which ensure projects represent value for money, with the inclusion of appropriate risk sums. The Company also works closely with the construction industry to provide a predictable pipeline of work. In 2024, the construction price inflation was in excess of the annual rent uplift cap. This was mitigated through the management of the capital program and our funding strategy.

During 2022, the rental income did not increase by RPI + 0.75% following the agreement with the Guarantor to forgo this increase in the wake of the Coronavirus pandemic. This impacted our business model as we continued to experience inflation on construction and other costs. We mitigated this exposure through an agreed reduction in our financial return to the Guarantor effective 1 January 2022. The Government of Jersey adopted an 80% rent policy effective 1 January 2022. This policy restricts annual increases for existing tenancies and reduces the rent levels for new tenancies.

Market risk, specifically inflation risk, is considered to pose the Company a significant risk in relation to the progression of future capital projects. The ultimate mitigation is to not enter into new contracts if viable schemes could not be achieved.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company’s processes and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

A detailed review of key risks can be found within the risk section of this report (“Principle risks and uncertainties”). This summarises the most significant risks included on our risk register and encapsulates operational risk as well as credit, liquidity and market risk.

24. Contingent Liabilities

As at 31 December 2024, the Board of Directors noted there were no contingent liabilities (2023: £nil).

25. Net Cash Inflow from Operating Activities

	2024 £'000	2023 £'000
Operating profit / (deficit)	16,949	(33,936)
Depreciation and impairment	3,120	49,051
Decrease in debtors	2,936	8,567
Increase in creditors	678	1,355
Net cash inflow from operating activities	23,683	25,037

## 26. Analysis of changes in net debt

	At 1 Jan 2024	Cash flows	Other non-cash changes	At 31 Dec 2024
	£'000	£'000	£'000	£'000
<b>Cash and cash equivalents</b>				
Cash	299	7,806	-	8,105
Cash equivalents	2,845	2,231	-	5,076
	3,144	10,037	-	13,181
<b>Borrowings</b>				
Debt due within one year	-	-	-	-
Debt due after one year	(367,532)	(63,362)	(249)	(431,143)
Derivative instruments	(1,246)	-	2,110	864
	(368,778)	(63,362)	1,861	(430,279)
<b>Total</b>	<b>(365,634)</b>	<b>(53,325)</b>	<b>1,861</b>	<b>(417,098)</b>

## 27. Reserves

The Company's reserves are as follows:

The retained earnings reserve represents cumulative profits or losses, including fair value gains on financial instruments and realised surplus from disposal of financial assets. It also includes the net assets transferred from the States on incorporation. This was a non-cash transaction of £678,000k in July 2014. Net assets transferred from the States were treated as a non-exchange transaction with no related performance conditions and were realised in full in the Statement of Comprehensive Income in the year it occurred.

The revaluation reserves represent the cumulative effect of revaluations of housing properties and other assets which are revalued to fair value at each reporting date.

There are no restricted or ear-marked reserves.

## 28. Post Balance Sheet Events

The Directors have evaluated events occurring after the reporting period and up to the date of approval of these financial statements. Based on this evaluation, the Directors confirm that there have been no material subsequent events that require disclosure or adjustment to these financial statements.





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