

ESTATE OF H E LE SEELLEUR

Unaudited Financial Statements for the period to

31st December 2022

ESTATE OF H E LE SEELLEUR

Background and Administration

Background

Harold Le Seelleur died on 22nd October 1996. In his Will dated 28th December 1988 he bequeathed the reversionary ownership of 1 and 2 The Denes, Grève D'Azette, St. Clement, and the ten other separate buildings which formed the residue of his immoveable Estate, to the States of Jersey.

It was Harold Le Seelleur's express wish that the States of Jersey should consult with the Executors of the Will upon the use of those properties with a particular view toward their use for the benefit of the aged, infirm and needy residents of the Island.

In 2014 the Minister for Health and Community Services approved a strategy for the properties and approved Jersey Property Holdings as property manager. The strategy included the maintenance and/or sales of the property portfolio.

Administration

The fund is administered by the Health & Community Services Department and awards are made in accordance with the Department's Charitable Funds Procedures. The Minister for Health and Social Services is the Responsible Minister and the Treasurer is the Accountable Officer

The Fund's cash and investments (excluding property) are administered by the Treasurer following a strategy to match the Trustee's intentions for the fund.

To this end, on 1st June 2015 the Fund joined the Common Investment Fund ("CIF") to enable the Fund to invest in a diverse range of assets.

The Fund's property is managed by Jersey Property Holdings under a service level agreement with Health and Community Services.

H E Le Seilleur Summary Report – 31 December 2022

Executive Summary

In the period to 31st December 2022, the Trustee made awards totalling £500,000 (2021: £1,049,005). The unspent reserves balance at 31st December 2022 £5,872,002 (2021: £7,293,570).

The Fund's assets remained invested in the Common Investment Fund (CIF) throughout the year achieving a negative return. The investment strategy is formulated and managed by the Treasurer in consultation with an appointed external investment advisor (Aon), with oversight and agreement by the Treasury Advisory Panel. The strategy is designed to take into account the risk and liquidity profiles of the fund, and to reflect the Minister's distribution intentions.

The investment strategy has a blend of returns coming from income producing and growth assets. The income producing assets enable the Fund to meet its on-going cash flow requirements, while the growth assets help the Fund produce a long term real return. All the asset classes have been given a range of investable limits.

The present strategy is published as the "States Investment Strategies (September 2022)". A triannual review of the investment strategy was undertaken in September 2022 and the new strategy took effect from 1st November 2022.

H E Le Seilleur Investment Report - 31 December 2022

The Fund's assets, at 31st December 2022, are summarised below.

Holdings December 2022	Nature	£
Special Equity Pool	Equity	3,598,362
Bequeathed Property	Property	2,400,000
Growth Assets		5,998,362
Absolute Return Bond Pool	Bonds	1,585,459
Corporate Bond Pool	Bonds	2,641
Long Term Cash pool	Cash	65,697
Stabilising Assets		1,653,797
Investments		
Certificates of Deposits	Cash	599,443
Cash (disposal proceeds pending Trustee direction)	Cash	17,012
Other outside CIF		616,455

Comparison to Overall CIF Strategy	Le Seilleur Strategy	Range	Le Seilleur December
<u>Growth Assets</u>			
Property and Equity	70%	60-80%	78%
<u>Stabilising Assets</u>			
Bonds	28%	20-40%	21%
Cash	2%		1%
Total	100%		100%

<u>Fund Accounts</u>						Avg. 2018
Reserves £	2018	2019	2020	2021	2022	to 2022
Distributable Reserves	6,512,202	7,545,216	7,258,253	7,293,570	5,872,002	6,896,249
Income Statement £						
Return from investments and cash	(327,284)	978,867	689,997	1,051,986	(952,008)	288,312
Rental income	53,415	62,621	44,572	43,389	32,801	47,360
	(273,869)	1,041,488	734,569	1,095,375	(919,207)	335,672
Expenditure	(111,093)	(8,294)	(1,532)	(11,053)	(2,361)	(26,867)
Net income	(384,962)	1,033,194	733,037	1,084,322	(921,568)	(26,867)
Grants	-	-	(1,020,000)	(1,049,005)	(500,000)	(513,801)
Net income/ (expense)	(384,962)	1,033,194	(286,963)	35,317	(1,421,568)	(540,668)
Details						
No of Awards	-	-	2	2	1	1
Return %	(4.8)	15.5	10.7	10.4	(14.0)	3.6

ESTATE OF H E LE SELLEUR

Balance Sheet as at 31st December 2022

	Notes	31.12.2022	31.12.2021
		£	£
<u>FUNDS EMPLOYED:</u>			
Donated Asset Reserve		2,400,000	1,745,000
Distributable Reserves		5,872,002	7,293,570
		8,272,002	9,038,570
<u>REPRESENTED BY:</u>			
Land and Buildings	2	2,400,000	1,745,000
Investments	3	5,851,602	7,862,914
Cash	4	17,012	430,578
Current Assets	5	3,426	115
Current Liabilities	6	(38)	(1,000,037)
		8,272,002	9,038,570

ESTATE OF H E LE SEELLEUR

Income and Expenditure for the year ended 31st December 2022

	Notes	31.12.2022	31.12.2021
		£	£
INCOME			
Investment Income outside CIF	7	9,304	387
Hire and Rentals	8	32,801	43,389
		<hr/>	<hr/>
		42,105	43,776
EXPENDITURE			
Supplies and Services	9	1,624	4,019
Premises and Maintenance	10	737	7,034
Awards	11	500,000	1,049,005
		<hr/>	<hr/>
		502,361	1,060,058
NET (EXPENDITURE) FOR THE PERIOD			
		<hr/>	<hr/>
		(460,256)	(1,016,282)
OTHER COMPREHENSIVE INCOME			
Transfer from Donated Property Reserve	2	-	400,000
Change in Market Value of Investments	3	(961,312)	651,599
		<hr/>	<hr/>
NET OTHER COMPREHENSIVE INCOME			
		(961,312)	1,051,599
NET (EXPENDITURE) / INCOME			
		<hr/>	<hr/>
		(1,421,568)	35,317
RESERVES			
Balance at 1st January		7,293,570	7,258,253
Net (Expenditure) / Income		(1,421,568)	35,317
		<hr/>	<hr/>
Balance at period end		5,872,002	7,293,570
		<hr/>	<hr/>

ESTATE OF H E LE SEELLEUR

Donated Property Reserve for the Period ended 31st December 2022

	Note	31.12.2022	31.12.2021
		£	£
Property at Market Value 1st January	2	1,745,000	2,135,000
Unrealised gain on valuation	2	655,000	-
Realised gain on sale	2	-	10,000
		<u>2,400,000</u>	<u>2,145,000</u>
Transfer to Capital Reserve (sale proceeds)	2	-	(400,000)
Market value at period end	2	<u>2,400,000</u>	<u>1,745,000</u>

ESTATE OF H E LE SEELLEUR

Notes to the Unaudited Financial Statements for the year ended 31st December 2022

1 Basis of Accounting

These Financial Statements have been prepared from the information made available by the Health and Community Services Department and are stated on an accruals basis* with the assets shown at market value. (*Nb. Award commitments are recognised when associated milestones have been or are nearly completed). These Financial Statements are not prepared to GAAP requirements and are not externally audited.

2 Land and Buildings

	Market Value	Purchases	Sales	Unrealised Gains	Market Value
	£	£	£	£	£
	01.01.2022				31.12.2022
1 The Denes, Princess Place	400,000	-	-	200,000	600,000
2 The Denes, Princess Place	440,000	-	-	150,000	590,000
3 The Denes, Princess Place	445,000	-	-	145,000	590,000
4 The Denes, Princess Place	460,000	-	-	160,000	620,000
	<u>1,745,000</u>	<u>-</u>	<u>-</u>	<u>655,000</u>	<u>2,400,000</u>

The properties are included at values estimated by an arms' length consultant (DVS) engaged by Jersey Property Holdings in line with central Treasury valuation instructions. In reflection that the properties are intended for long term holding, the valuation provided is a "value in use" estimate. It therefore does not reflect condition, restrictions in use or other market factors in the same way as a "realisable value" basis would. The most recent valuation was as at 31 December 2022. Valuations are performed every 5 years with an interim valuation in between.☒

3 Investments

The Fund joined the Common Investment Fund (CIF) on 1 June 2015. The Fund has invested in line with its strategy and the allocation of assets is shown below, recorded at market value.

Investment Holdings	Market Value	Purchases	Sales	Change in Market Value	Market Value
	01.01.2022	£	£	£	31.12.2022
	£	£	£	£	£
CIF					
Special Equity Pool	5,130,068	-	(726,337)	(805,369)	3,598,362
Absolute Return Bond Pool	2,514,982	26,337	(800,000)	(155,860)	1,585,459
Corporate Bond Pool	3,016	-	-	(375)	2,641
Long Term Cash Pool	64,872	500,000	(500,000)	825	65,697
	<u>7,712,938</u>	<u>526,337</u>	<u>(2,026,337)</u>	<u>(960,779)</u>	<u>5,252,159</u>
Outside CIF					
Certificates of Deposits	149,976	1,850,000	(1,400,000)	(533)	599,443
Total	<u>7,862,914</u>	<u>2,376,337</u>	<u>(3,426,337)</u>	<u>(961,312)</u>	<u>5,851,602</u>

ESTATE OF H E LE SELLEUR

Notes to the Unaudited Financial Statements for the year ended 31st December 2022

4 Cash	31.12.2022	31.12.2021
	£	£
Cash at bank and under management	17,012	430,578
	<u>17,012</u>	<u>430,578</u>
5 Current Assets	31.12.2022	31.12.2021
	£	£
Accrued Interest	3,426	115
	<u>3,426</u>	<u>115</u>
6 Current Liabilities	31.12.2022	31.12.2021
	£	£
Creditors	38	1,000,037
	<u>38</u>	<u>1,000,037</u>
<i>Creditors comprise awards granted but not yet distributed.</i>		
7 Investment Income	31.12.2022	31.12.2021
	£	£
Bank Interest	9,304	387
	<u>9,304</u>	<u>387</u>
<i>Investment income is the interest received from investments and cash held by the cash manager</i>		
8 Hire and Rentals	31.12.2022	31.12.2021
	£	£
Property Rentals	32,801	43,389
	<u>32,801</u>	<u>43,389</u>

ESTATE OF H E LE SELLEUR

Notes to the Unaudited Financial Statements for the year ended 31st December 2022

9 Supplies and Services	31.12.2022	31.12.2021
	£	£
Management Fees	495	349
Investment Advisory Fees	1,129	3,670
	<u>1,624</u>	<u>4,019</u>

10 Premises and Maintenance	31.12.2022	31.12.2021
	£	£
Building Maintenance	-	6,177
Electricity	82	80
Rates	655	777
	<u>737</u>	<u>7,034</u>

Building maintenance are charges levied for repairs and services to the properties held in the Estate of H E Le Seilleur portfolio.

11 Awards	31.12.2022	31.12.2021
	£	£
Awards	<u>500,000</u>	<u>1,049,005</u>