

SUPPLEMENTARY PROSPECTUS

Castle Trust Income HouSA plc

Incorporated with limited liability in Jersey with registered number 108225 and having its registered office at Elizabeth House, 9 Castle Street, St. Helier, Jersey JE4 2QP.

£1,800,000,000 CASTLE TRUST INCOME HOUSA NOTE PROGRAMME

SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus constitutes a supplementary prospectus in accordance with Prospectus (Directive 2003/71/EC) Regulations 2005 and relevant implementing measures in the United Kingdom (the "**Prospectus Directive**"). This Supplementary Prospectus has been approved by the FCA, which is the United Kingdom competent authority for the purposes of the Prospectus Directive, as a supplementary prospectus issued in compliance with the Prospectus Directive.

This Supplementary Prospectus is supplemental to and must be read in conjunction with the Base Prospectus, the supplementary prospectus published on 28 December 2012 (the "**December Supplementary Prospectus**") and the supplementary prospectus published on 27 March 2013 (the "**March Supplementary Prospectus**"). You should read the whole of this Supplementary Prospectus, the December Supplementary Prospectus, the March Supplementary Prospectus and the Base Prospectus.

The date of this Supplementary Prospectus is 28 June 2013.

The Issuer and the Directors accept responsibility for the information contained in this Supplementary Prospectus and declare that, to the best of the knowledge and belief of the Issuer and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information or which would make any statement herein misleading.

Castle Trust and the Castle Trust Directors accept responsibility for the information contained in this Supplementary Prospectus relating to Castle Trust and declare that, to the best of the knowledge and belief of Castle Trust and the Castle Trust Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus relating to Castle Trust is in accordance with the facts and contains no omission likely to affect its import or which would make any statement herein misleading.

This Supplementary Prospectus includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange for the purpose of giving information with regard to the Issuer.

In accordance with section 87Q(4)-(6) FSMA, prospective investors who, prior to the publication of this Supplementary Prospectus, have agreed to buy or subscribe for Notes pursuant to the Programme, have the right to withdraw their commitments. Such prospective investors may withdraw their commitments by sending a written notice of withdrawal (which must include the full name and address of the person wishing to exercise such statutory withdrawal right and identify the transferable securities to which that statutory withdrawal right relates) by electronic mail to legal@castletrust.co.uk. Such right shall expire at the end of the second working day after the date of this Supplementary Prospectus.

Purpose of this Supplementary Prospectus

The purpose of this supplementary prospectus is to draw to the attention of prospective and current investor to the publication of the interim report and financial statements of the Issuer for the period 1 October 2012 to 31 March 2013 and to consequential updates to the summary of the Base Prospectus, as further described below.

Supplementary Information

The purpose of this Supplementary Prospectus is to draw prospective and current investors' attention to the publication on 28 June 2013 by the Issuer of its interim financial statements for the period 1 October 2012 to 31 March 2013 (the "CTIH Interim Report"). A copy of the CTIH Interim Report is included in schedule 1 of this Supplementary Prospectus.

The CTIH Interim Report has been prepared by the Issuer as interim results and has neither been audited nor reviewed by auditors.

The CTIH Interim Report, the Base Prospectus, the December Supplementary Prospectus and the March Supplementary Prospectus, can also be viewed online at www.castletrust.co.uk/literature-library. The website www.castletrust.co.uk is not incorporated by reference into this Supplementary Prospectus and no part of the website www.castletrust.co.uk forms part of this Supplementary Prospectus.

The CTIH Interim Report is new information which may be significant for the purposes of making an informed assessment of the kind mentioned in section 87A(2) FSMA. It should be considered in addition to the information set out in the Base Prospectus, the December Supplementary Prospectus and the March Supplementary Prospectus.

Save as disclosed in this Supplementary Prospectus, the December Supplementary Prospectus and the March Supplementary Prospectus, no significant new factor, material mistake or inaccuracy or significant change relating to information included in the Base Prospectus has arisen since publication of the Base Prospectus on 3 October 2012.

Updates to summary of Base Prospectus

Certain supplements to the summary of the Base Prospectus are appropriate following the publication of the CTIH Interim Report. Elements B.22 and B.23 of the summary of the Base Prospectus are updated as follows:

B.22	Statement regarding lack of operations/ financial statements since incorporation	Not applicable. The Issuer commenced operations on 4 October 2012. The Issuer published audited financial statements for the period ended 30 September 2012 in a supplementary prospectus dated 27 March 2013. The Issuer further published unaudited interim financial statements for the period 1 October 2012 to 31 March 2013 in a supplementary prospectus dated 28 June 2013.																					
B.23	Historical key financial information regarding the Issuer	<p>The table below sets out summary key information from the unaudited financial statements of the Issuer for the period 1 October 2012 to 31 March 2013:</p> <table border="1" data-bbox="544 1608 1445 2022"> <thead> <tr> <th data-bbox="544 1608 1018 1727">Castle Trust Income HouSA plc Statement of Financial Position</th> <th data-bbox="1023 1608 1225 1727">Unaudited 31 March 2013 GBP</th> <th data-bbox="1230 1608 1445 1727">Audited 30 September 2012 GBP</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 1733 1018 1765">Non-current assets</td> <td></td> <td></td> </tr> <tr> <td data-bbox="544 1765 1018 1823">Derivative financial assets at fair value through profit or loss</td> <td data-bbox="1023 1765 1225 1823">567,541</td> <td data-bbox="1230 1765 1445 1823">-</td> </tr> <tr> <td></td> <td data-bbox="1023 1823 1225 1859"><hr/>567,541</td> <td data-bbox="1230 1823 1445 1859"><hr/>-</td> </tr> <tr> <td data-bbox="544 1888 1018 1919">Current assets</td> <td></td> <td></td> </tr> <tr> <td data-bbox="544 1919 1018 1951">Debtors</td> <td data-bbox="1023 1919 1225 1951">15,077</td> <td data-bbox="1230 1919 1445 1951">2</td> </tr> <tr> <td></td> <td data-bbox="1023 1951 1225 1986"><hr/>15,077</td> <td data-bbox="1230 1951 1445 1986"><hr/>2</td> </tr> </tbody> </table>	Castle Trust Income HouSA plc Statement of Financial Position	Unaudited 31 March 2013 GBP	Audited 30 September 2012 GBP	Non-current assets			Derivative financial assets at fair value through profit or loss	567,541	-		<hr/> 567,541	<hr/> -	Current assets			Debtors	15,077	2		<hr/> 15,077	<hr/> 2
Castle Trust Income HouSA plc Statement of Financial Position	Unaudited 31 March 2013 GBP	Audited 30 September 2012 GBP																					
Non-current assets																							
Derivative financial assets at fair value through profit or loss	567,541	-																					
	<hr/> 567,541	<hr/> -																					
Current assets																							
Debtors	15,077	2																					
	<hr/> 15,077	<hr/> 2																					

		Total assets	582,618	2
		Equity		
		Ordinary Shares	2	2
		Retained earnings	(65,922)	-
		Total Equity	(65,920)	2
		Non-current liabilities		
		Financial liabilities at fair value through profit or loss	567,541	-
		Creditors	13,000	-
			580,541	-
		Current liabilities		
		Loans payable	49,213	-
		Creditors	18,784	-
			67,997	-
		Total liabilities	648,538	-
		Total Equity and Liabilities	582,618	2
		As of the date of this document there has been no significant change to the financial position of the Issuer during the period covered by the financial information or since 31 March 2013.		

Documents available for inspection

Copies of the Base Prospectus, the December Supplementary Prospectus, the March Supplementary Prospectus, this Supplementary Prospectus and the CTIH Interim Report may be inspected free of charge at the offices of JTC (Jersey) Limited, Elizabeth House, 9 Castle Street, St. Helier, Jersey JE4 2QP and at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT.

SCHEDULE 1

CASTLE TRUST INCOME HOUSA PLC

CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD 1 OCTOBER 2012 TO 31 MARCH 2013

CASTLE TRUST INCOME HOUSA PLC

Interim Financial Statements

For the period 1 October 2012 to 31 March 2013

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CASTLE TRUST INCOME HOUSA PLC

Condensed Statement of Financial Position

As at 31 March 2013

	Notes	Unaudited 31 March 2013 £	Audited 30 September 2012 £
Non-current assets			
Derivative financial assets at fair value through profit or loss	4	<u>567,541</u>	-
		<u>567,541</u>	-
Current assets			
Debtors	5	<u>15,077</u>	2
		<u>15,077</u>	2
Total assets		<u><u>582,618</u></u>	<u><u>2</u></u>
Equity			
Ordinary Shares	6	2	2
Retained earnings		<u>(65,922)</u>	-
Total Equity		<u>(65,920)</u>	2
Non-current liabilities			
Financial liabilities at fair value through profit or loss	7	567,541	-
Creditors	8	<u>13,000</u>	-
		<u>580,541</u>	-
Current liabilities			
Loans payable	9	49,213	-
Creditors	8	<u>18,784</u>	-
		<u>67,997</u>	-
Total liabilities		<u>648,538</u>	-
Total Equity and Liabilities		<u><u>582,618</u></u>	<u><u>2</u></u>

The financial statements on pages 1 to 11 were approved and authorised for issue by the directors on
and signed on behalf of the Board by:

Director

The accompanying notes on pages 4 to 11 form an integral part of these financial statements.

CASTLE TRUST INCOME HOUSA PLC

Condensed Statement of Comprehensive Income

For the period 1 October 2012 to 31 March 2013

	Notes	Unaudited 1 October 2012 to 31 March 2013 £	Unaudited 1 October 2011 to 31 March 2012 £
Income			
Arrangement fee income	11	2,889	-
Expenses			
Administration fees		(41,202)	-
Annual fees		(4,725)	-
Audit fees		(3,000)	-
Listing fees		(18,750)	-
Marketing fee	11	(1,134)	-
Total operating expenses		(68,811)	-
Loss for the period		(65,922)	-
Finance income		436	-
Finance cost		(436)	-
Net gain on financial assets through profit or loss		716	-
Net loss on financial liabilities through profit or loss		(716)	-
Total comprehensive expense for the period		(65,922)	-

All of the results above are from continuing operations.

The accompanying notes on pages 4 to 11 form an integral part of these financial statements.

CASTLE TRUST INCOME HOUSA PLC

Condensed Statement of Changes in Equity

For the period 1 October 2012 to 31 March 2013

	Number of shares	£
Balance as at 1 October 2012	<u>2</u>	<u>2</u>
Total comprehensive expense for the period	<u>-</u>	<u>(65,922)</u>
Balance as at 31 March 2013	<u>2</u>	<u>(65,920)</u>

For the period 1 October 2011 to 31 March 2012

	Number of shares	£
Balance as at 1 October 2011	<u>2</u>	<u>2</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>
Balance as at 31 March 2012	<u>2</u>	<u>2</u>

The accompanying notes on pages 4 to 11 form an integral part of these financial statements.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Condensed Financial Statements

For the period 1 October 2012 to 31 March 2013

1. General information

Incorporation and structure

Castle Trust Income HouSA PLC (the "Company") was incorporated in Jersey, Channel Islands, on 24 May 2011 under the Companies (Jersey) Law 1991 as a private company. On 14 December 2011, the Company re-registered as a public company under the Companies (Jersey) Law 1991 and at the same time changed its name to Castle Trust Income HouSA PLC.

The Company issues Index Linked Income HouSA Loan Notes ("Loan Notes"), the first tranche of which were listed on the Channel Islands Stock Exchange on 4 October 2012.

The address of the Company's registered office is Elizabeth House, 9 Castle Street, St Helier, Jersey JE2 3RT.

2. Accounting policies

a. Basis of presentation

The interim condensed financial statements for the six months ended 31 March 2013 have been compared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 30 September 2012.

Cash Flow Statement

The Company does not have a bank account and therefore no cash or cash equivalents balances are recorded. As a result the Company is not required to prepare a cash flow statement.

Standards and Amendments to existing standards that are relevant to the Company, not yet effective and have not been early adopted by the Company

The directors have considered all applicable standards and interpretations in issue but not yet effective and do not believe that these will have a material impact on the financial statements.

Going Concern

The financial statements of the Company have been prepared on the going concern basis. In assessing whether the going concern assumption remains appropriate for the Company, the Directors have considered:

- business activities, future developments and the financial position of the Company.
- whether there are adequate provisions within the Investment and Shareholder Agreement to ensure that the Company is adequately capitalised to continue operations.
- risk management policies and how the Company is placed to manage business risks.
- the fact that there is no material uncertainty that the Company is a going concern.

Castle Trust Capital Management Limited ("CTCM") bore the set-up costs relating to the establishment of the Company. The Company incurs its own ongoing administration expenses which are paid by Castle Trust Capital PLC ("Castle Trust") under the Set off Agreement dated 24 September 2012 ("Set off Agreement") and are offset against the arrangement fee from Castle Trust.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Financial Statements (continued)

For the period 1 October 2012 to 31 March 2013

2. Accounting policies (continued)

b. *Financial instruments*

Financial instruments carried on the Condensed Statement of Financial Position include financial assets at fair value through profit or loss, debtors, creditors, loans payable and financial liabilities at fair value through profit or loss. The particular accounting policies adopted for these financial instruments are disclosed in the individual policy statements associated with each item below.

(i) Classification

Financial assets at fair value through profit or loss

The Company classifies its Halifax House Price Index ("HHPI") Derivative Swap whose value is determined by reference to movements in the HHPI, upon initial recognition, as financial assets held at fair value through profit or loss (note 4).

Loans and receivables

The Company classifies debtors, comprising prepaid expenses and other receivables, upon initial recognition, as loans and receivables.

Financial liabilities at fair value through profit or loss

The Company classifies its Loan Notes payable, upon recognition, as financial liabilities at fair value through profit or loss (note 7).

Other financial liabilities

The Company classifies all other liabilities, upon initial recognition, as other financial liabilities.

(ii) Recognition and derecognition

The Company recognises financial assets and financial liabilities when, and only when, the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset where:

- the rights to receive cash flows from the assets have expired;
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (i) the Company has transferred substantially all the risks and rewards of the assets, or (ii) the Cell has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has met the last two conditions above but has not transferred control of the asset, the asset is recognised to the extent of the Company's involvement in the asset, which is measured as the extent to which the Company is exposed to changes in the value of the transferred asset.

The Company derecognises a financial liability when the obligation under the liability is discharged.

(iii) Measurement

Initial measurement

Financial assets and liabilities at fair value through profit or loss are initially recognised at cost which is the fair value at the date of recognition. All transaction costs for such instruments are recognised directly in profit or loss as incurred.

Other receivables and other financial liabilities are initially measured at fair value plus any directly attributable incremental costs of acquisition or issue.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Financial Statements (continued)

For the period 1 October 2012 to 31 March 2013

2. Accounting policies (continued)

Subsequent measurement

Subsequent to initial measurement, the Company re-measures financial instruments at fair value through profit or loss at fair value. Changes in the fair value are recognised in the Statement of Comprehensive Income. Interest and dividend income earned from such instruments are recorded separately.

Other receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gain and losses are recognised in profit or loss when the receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

(iv) Fair value estimation

The fair values of derivative financial assets and financial liabilities held by the Company are derived by reference to the HHPI linked return, which is subject to a number of macroeconomic factors.

c. Foreign currency

Functional and presentation currency

The Company's functional and presentation currency is Sterling ("£"), which is the currency in which the Company's performance is evaluated and is also the primary economic environment in which the Company operates. The Loan Notes are issued in £ and any returns to the investors in a liquidation would be in GBP.

Foreign currency translations

Transactions denominated in currencies other than GBP are translated into £ at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into £ at exchange rates in effect at the reporting date. Resulting translation differences are charged or credited to the Statement of Comprehensive Income as foreign currency gains or losses. Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within net gain/loss on financial assets and financial liabilities at fair value through profit or loss.

d. Expenses

Expenses are accounted for on an accruals basis.

e. Ordinary Shares

The Company issues ordinary shares which are non-redeemable and as such are classified as equity.

f. Net gains or losses on financial assets at fair value through profit or loss

Net gains or losses on financial assets at fair value through profit or loss include changes in fair value of financial assets and the realised gains or losses from disposal of financial assets.

g. Net gains or losses on financial liabilities at fair value through profit or loss

Net gains or losses on financial liabilities at fair value through profit or loss include changes in fair value of financial liabilities.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Financial Statements (continued)

For the period 1 October 2012 to 31 March 2013

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires the directors to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using Black Scholes options pricing models and discounted cash flows. The models incorporate various inputs as follows:

- Movement in HHPI: This is the percentage movement in HHPI from the Initial Index Level of each share class to the latest published value of HHPI as of the end of the period;
- Elapsed Term: This is the amount of time that has elapsed from the closing date of each share class to the end of the period;
- Expected future movement in the HHPI: This is the assumed annual rate that the HHPI is expected to grow at in the future;
- Volatility of the movement in HHPI: This is the assumed annualised volatility of the future HHPI returns; and
- Product Terms: These are terms that are specific to each share class such as profit share, loss share, coupon rate and term.

4. Derivative financial assets at fair value through profit or loss

	Unaudited 31 March 2013 £	Audited 30 September 2012 £
HHPI Derivative Swaps		
Book cost	566,825	-
Fair value adjustment	716	-
Fair value	567,541	-

Financial assets at fair value through profit or loss comprise the HHPI Derivative Swaps that were by definition classified as held for trading. During the cooling off period, the fair value is determined as being the cost of the Loan Notes issued (note 7) less the initial costs incurred by the Company in relation to the HHPI Derivative Swap.

The Company uses valuation models for determining fair values of HHPI derivative swaps. The most frequently applied valuation techniques include discounted cash flows and Black Scholes option pricing models. The models incorporate various inputs including the movement in HHPI from issuance to the latest published value of HHPI as at 31 March 2013, the amount of time elapsed from issuance to the 31 March 2013, the expected future movement in HHPI, the amount of variation or volatility in this future movement and the product terms.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Financial Statements (continued)

For the period 1 October 2012 to 31 March 2013

5. Debtors

	Unaudited 31 March 2013 £	Audited 30 September 2012 £
Prepayments	15,075	-
Other receivables	<u>2</u>	<u>2</u>
	<u>15,077</u>	<u>2</u>

6. Share Capital

	Unaudited 31 March 2013		Audited 30 September 2012	
	Number	£	Number	£
• Authorised				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Issued and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

7. Financial liabilities at fair value through profit or loss

The Company issues Loan Notes, the first tranche of which were listed on the Channel Islands Stock Exchange on 4 October 2012.

The Loan Notes are divided into individual tranches. There are currently 3 tranches offered each month: 3 year term Loan Notes; 5 year term Loan Notes; and 10 year term Loan Notes. The Company is an investment product which is designed to grant the investor exposure to the potential growth or fall of the Halifax House Price Index (the "HHPI") over the life of the product and a fixed income that the investor will receive quarterly over the term of the product. It will provide a return such that the amount invested will be adjusted by the returns providing full exposure to both the upside and downside of HHPI movements. The precise terms of the return payable to Investors will depend on the duration of the product.

As at the reporting date 900,000,000 Loan Notes had been issued by the Company of which 566,825 were fully paid up, 66,825 by external investors and 500,000 by Castle Trust. The remaining 899,433,175 Loan Notes were forfeited and cancelled. The following table shows the nominal value and fair value of the Loan Notes in issue at the reporting date:

CASTLE TRUST INCOME HOUSA PLC

Notes to the Financial Statements (continued)

For the period 1 October 2012 to 31 March 2013

7. Financial liabilities at fair value through profit or loss (continued)

	Unaudited 31 March 2013		Audited 30 September 2012	
	Nominal value £	Fair value £	Nominal value £	Fair value £
3 Year October 2012	-	-	-	-
5 Year October 2012	2,425	2,436	-	-
10 Year October 2012	-	-	-	-
3 Year November 2012	-	-	-	-
5 Year November 2012	30,000	30,231	-	-
10 Year November 2012	-	-	-	-
3 Year December 2012	-	-	-	-
5 Year December 2012	19,400	19,407	-	-
10 Year December 2012	15,000	14,986	-	-
3 Year January 2013	500,000*	500,481	-	-
5 Year January 2013	-	-	-	-
10 Year January 2013	-	-	-	-
3 Year February 2013	-	-	-	-
5 Year February 2013	-	-	-	-
10 Year February 2013	-	-	-	-
3 Year March 2013	-	-	-	-
5 Year March 2013	-	-	-	-
10 Year March 2013	-	-	-	-
	566,825	567,541	-	-

Tranche	Number of Loan Notes Issued	Forfeited during period	Outstanding at end of period
3 Year October 2012	50,000,000	50,000,000	-
5 Year October 2012	50,000,000	49,997,575	2,425
10 Year October 2012	50,000,000	50,000,000	-
3 Year November 2012	50,000,000	50,000,000	-
5 Year November 2012	50,000,000	49,970,000	30,000
10 Year November 2012	50,000,000	50,000,000	-
3 Year December 2012	50,000,000	50,000,000	-
5 Year December 2012	50,000,000	49,980,600	19,400
10 Year December 2012	50,000,000	49,985,000	15,000
3 Year January 2013	50,000,000	49,500,000	500,000*
5 Year January 2013	50,000,000	50,000,000	-
10 Year January 2013	50,000,000	50,000,000	-
3 Year February 2013	50,000,000	50,000,000	-
5 Year February 2013	50,000,000	50,000,000	-
10 Year February 2013	50,000,000	50,000,000	-
3 Year March 2013	50,000,000	-	50,000,000
5 Year March 2013	50,000,000	-	50,000,000
10 Year March 2013	50,000,000	-	50,000,000

* see note 11

Subsequent to the period end, those Loan Notes issued but not fully paid were forfeited and cancelled.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Financial Statements (continued)

For the period 1 October 2012 to 31 March 2013

7. Financial liabilities at fair value through profit or loss (continued)

Investment Return

The Investment Return is the amount payable as calculated under the relevant investment product with respect to each Loan Note on its maturity date by Castle Trust as follows:

$(\text{HHPI Percentage Change} \times \text{Investment Amount}) + \text{Investment Amount}$

Interest

Each Loan Note bears interest from (and including) the first day following the end of the offer period at the rate per annum stated in the table below. Interest will be payable in arrears quarterly in each year up to (and including) the quarter immediately preceding the maturity date of the Loan Note.

Maturity Period of Loan Note	Annual interest
3 years	2%
5 years	2.5%
10 years	3%

8. Creditors

	Unaudited 31 March 2013 £	Audited 30 September 2012 £
Due in more than one year		
Deferred income	<u>13,000</u>	<u>-</u>
Due within one year		
Accruals	12,000	-
Deferred income	<u>6,784</u>	<u>-</u>
	<u>18,784</u>	<u>-</u>

The Company receives an arrangement fee from Castle Trust which is calculated as 4% of each Loan Note issued. Of the 4% arrangement fee, 0.2% is fully recognised upon the completion of the cooling off period and 3.8% is amortised over the life of the investment product. This amortised amount is included within deferred income.

9. Loan payable

	Unaudited 31 March 2013 £	Audited 30 September 2012 £
Castle Trust Capital PLC	<u>49,213</u>	<u>-</u>

The loan payable to Castle Trust is unsecured, interest free and is repayable on demand.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Financial Statements (continued)

For the period 1 October 2012 to 31 March 2013

10. Taxation

Profits arising in the Company are subject to United Kingdom Corporation tax at the small companies rate of 20%.

11. Related party transactions

The following are considered related parties to the Company:

Marketing Manager

Castle Trust Capital Management Limited ("Marketing Manager") is considered a related party by virtue of the contractual arrangements with the Company. Under the terms of the Marketing Agreement, the marketing fee is 0.2% of those Loan Notes issued which shall be refundable during an investor's cooling off period. During the period a marketing fee of £1,134 was paid.

Castle Trust

Castle Trust is considered a related party by virtue of the contractual arrangements with the Company. The first being in relation to the HHPI Derivative Swaps. The second in relation to the Loan Notes, which confirms that if an investor redeems before maturity any gain/loss will be recognised by Castle Trust and not the Company. The third is in relation to an arrangement fee that the Company receives from Castle Trust, the arrangement fee is 4% of Loan Notes issued, of which 0.2% is recognised immediately after the cooling-off period and 3.8% is treated as deferred income and released over the life of the investment product. During the period the Company received an arrangement fee of £2,889.

Castle Trust purchased 500,000 3 year January 2013 Loan Notes to ensure that the requirement for a minimum investment of £500,000 in the Company is met. Whilst Castle Trust may redeem all or part of their Loan Notes in the future, it is the intention that sufficient amounts will remain invested such that the total investment in the Company remains in excess of £500,000. The price which Castle Trust would receive on early redemption would be the price as applied to all investors seeking to redeem their Loan Notes on that day.

12. Subsequent events

Subsequent to the reporting date and at the date of signing the financial statements, the Company has issued 300,000,000 Loan Notes to Castle Trust, of which 164,420 were fully paid up. The remaining 299,835,580 Loan notes were forfeited. The table below sets of the Loan Note issues in further detail.

Tranche	Number of Loan Notes Issued	Number of Loan Notes Fully Paid	Number of Loan Notes Forfeited
3 Year April 2013	50,000,000	-	50,000,000
5 Year April 2013	50,000,000	25,161	49,974,839
10 Year April 2013	50,000,000	23,040	49,976,960
3 Year May 2013	50,000,000	-	50,000,000
5 Year May 2013	50,000,000	116,219	49,883,781
10 Year May 2013	50,000,000	-	50,000,000