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.

Financial Conduct Authority
Document Approved
Date: 23/6/14
Signed: [signature]

£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 published by Castle Trust Income Housa plc (the "Issuer") on 30 September 2013 (the "Base Prospectus"), the supplementary prospectus published on 31 December 2013 (the "**December Supplementary Prospectus**") and the supplementary prospectus published on 30 April 2014 (the "**April Supplementary Prospectus**"). You should read the whole of this Supplementary Prospectus, the December Supplementary Prospectus, the April Supplementary Prospectus and the Base Prospectus.

An investment in Notes issued pursuant to the programme under which the Issuer may issue loan notes up to a nominal value of £1,800,000,000 as described in the Base Prospectus (the "Programme") involves certain risks. For a discussion of these, please see the Risk Factors set out in Part II of the Base Prospectus.

The date of this Supplementary Prospectus is 23 June 2014.

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.

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.

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. The Directors accept full responsibility for the information contained in this Supplementary Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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 right shall expire at the end of the second working day after the date of this Supplementary Prospectus.

This document is not for distribution in the US, Australia, Canada or Japan. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, including outside the United States in offshore

Signed by Mark Creasey under Power of Attorney for each of:
Mr Keith Abeecromby
Mr Sean Oldfield
Mr Richard Ramsay
And on behalf of himself

Signed by Saffron Harrop

transactions in reliance on Regulation S.

Subject to certain exceptions, the Notes may not, directly or indirectly, be offered or sold within Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. No action has been taken by the Issuer, Castle Trust or CTCM that would permit an offer of Notes or possession or distribution of this document (or other offer or publicity material or application form relating to the Notes) in any jurisdiction where action for that purpose is required, other than the United Kingdom.

Neither this Supplementary Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, Castle Trust or CTCM to any person to subscribe for or to purchase any Notes to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

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 2013 to 31 March 2014 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 23 June 2014 by the Issuer of its interim financial statements for the period 1 October 2013 to 31 March 2014 (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 Base Prospectus, the December Supplementary Prospectus and the April Supplementary Prospectus, can also be viewed online at www.castletrust.co.uk/information. 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 April Supplementary Prospectus.

Save as disclosed in this Supplementary Prospectus, the December Supplementary Prospectus and the April 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 30 September 2013.

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:

<table>
<tr><td>B.22</td><td>Statement regarding lack of operations/ financial statements since incorporation</td><td>Not applicable. The Issuer commenced operations on 4 October 2012. The Issuer published audited financial statements for the period ended 30 September 2013 in a supplementary prospectus dated 31 December 2013. The Issuer further published unaudited interim financial statements for the period 1 October 2013 to 31 March 2014 in a supplementary prospectus dated 23 June 2014.</td></tr>
<tr><td>B.23</td><td>Historical key financial information regarding the Issuer</td><td>The table below sets out summary key information from the unaudited financial statements of the Issuer for the period 1 October 2013 to 31 March 2014:

<table>
<tr><th>Castle Trust Income Housa plc
Statement of Financial Position</th><th>Unaudited
31 March
2014
GBP</th><th>Audited
30 September
2013
GBP</th></tr>
<tr><td>Assets</td><td></td><td></td></tr>
<tr><td>Derivative financial assets at fair value through profit or loss</td><td>1,309,292</td><td>995,337</td></tr>
<tr><td>Debtors</td><td>20,069</td><td>15,686</td></tr>
<tr><td>Total assets</td><td>1,329,361</td><td>1,011,023</td></tr>
<tr><td>Equity</td><td></td><td></td></tr>
<tr><td>Ordinary Shares</td><td>2</td><td>2</td></tr>
<tr><td>Retained earnings</td><td>(245,796)</td><td>(187,096)</td></tr>
<tr><td>Total Equity</td><td>(245,794)</td><td>(187,094)</td></tr>
<tr><td>Liabilities</td><td></td><td></td></tr>
<tr><td>Financial liabilities at fair value through profit or loss</td><td>1,315,414</td><td>998,402</td></tr>
<tr><td>Creditors</td><td>49,332</td><td>105,734</td></tr>
<tr><td>Loans payable</td><td>210,409</td><td>93,981</td></tr>
<tr><td>Total liabilities</td><td>1,575,155</td><td>1,198,117</td></tr>
<tr><td>Total Equity and Liabilities</td><td>1,329,361</td><td>1,011,023</td></tr>
</table>

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 2014.</td></tr>
</table>

Documents available for inspection

Copies of the Base Prospectus, the December Supplementary Prospectus, the April 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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD 1 OCTOBER 2013 TO 31 MARCH 2014

CASTLE TRUST INCOME HOUSA PLC

Interim Financial Statements
For the period 1 October 2013 to 31 March 2014

Index | **Pages**

CASTLE TRUST INCOME HOUSA PLC

Condensed Statement of Financial Position

As at 31 March 2014

	Notes	**Unaudited 31 March 2014 £**	Audited 30 September 2013 £
Assets			
Derivative financial assets at fair value through profit or loss	4	**1,309,292**	995,337
Debtors	5	**20,069**	15,686
Total assets		**1,329,361**	1,011,023
Equity			
Ordinary Shares	6	**2**	2
Retained earnings		**(245,796)**	(187,096)
Total Equity		**(245,794)**	(187,094)
Liabilities			
Financial liabilities at fair value through profit or loss	7	**1,315,414**	998,402
Creditors	8	**49,332**	105,734
Loans payable	9	**210,409**	93,981
Total liabilities		**1,575,155**	1,198,117
Total Equity and Liabilities		**1,329,361**	1,011,023

The financial statements on pages 1 to 18 were approved and authorised for issue by the Board of Directors on and signed on behalf of the Board by:

Director

The accompanying notes on pages 4 to 18 form an integral part of these financial statements.

CASTLE TRUST INCOME HOUSA PLC

Condensed Statement of Comprehensive Income

For the period 1 October 2013 to 31 March 2014

	Notes	**Unaudited 1 October 2013 to 31 March 2014 £**	Unaudited 1 October 2012 to 31 March 2013 £
Income			
Arrangement fee income		**-**	2,889
Finance income		**14,160**	436
Finance cost		**(14,160)**	(436)
Net gain on financial assets through profit or loss		**73,093**	-
Net loss on financial assets through profit or loss	11	**(44,098)**	-
		28,995	2,889
Expenses			
Administration fees		**(36,170)**	(41,202)
Annual fees		**(200)**	(4,725)
Audit fees		**(12,500)**	(3,000)
Non-audit fees		**(1,000)**	-
Listing fees		**(36,375)**	(18,750)
Marketing fee	13	**(1,450)**	(1,134)
Total operating expenses		**(87,695)**	(68,811)
Loss before taxation		**(58,700)**	(65,922)
Taxation	10	**-**	-
Total comprehensive expense for the period		**(58,700)**	(65,922)

All of the results above are from continuing operations.

The accompanying notes on pages 4 to 18 form an integral part of these financial statements.

CASTLE TRUST INCOME HOUSA PLC

Condensed Statement of Changes in Equity

For the period 1 October 2013 to 31 March 2014 (unaudited)

	Number of shares	**£**
Balance as at 1 October 2013	**2**	**(187,094)**
Total comprehensive expense for the period	**-**	**(58,700)**
Balance as at 31 March 2014	**2**	**(245,794)**

For the year ended 30 September 2013 (audited)

	Number of shares	£
Balance as at 1 October 2012	2	2
Total comprehensive expense for the year	-	(187,096)
Balance as at 30 September 2013	2	(187,094)

The accompanying notes on pages 4 to 18 form an integral part of these financial statements.

Notes to the Unaudited Condensed Interim Financial Statements

For the period 1 October 2013 to 31 March 2014

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. On 20 December 2013, the listings transferred over to the Channel Island Securities Exchange ("CISE").

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

Activities and results

The Statement of Comprehensive Income for the period is set out on page 2 and reflects total comprehensive expense for the year of £58,700 (period 1 October 2012 to 31 March 2013: £65,922). This comprises net gains on financial assets and liabilities of £28,995 (period 1 October 2012 to 31 March 2013: £nil) against which there are operating expenses of £87,695 (period 1 October 2012 to 31 March 2013: £68,811). When Loan Notes of nominal value are issued only 96% of the funds received are withheld to purchase Halifax House Price Index ("HHPI") Derivative Asset, the remaining 4% of the nominal value is intended to be used to pay operating expenditure.

2. Accounting policies

a. *Basis of presentation*

The interim condensed financial statements for the six months ended 31 March 2014 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34").

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 2013.

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.

New standards, interpretations and amendments to the existing standards and interpretations

The following new/revised standards relevant to the Company were effective for the period from 1 October 2013 to 31 March 2014 and have thus been adopted in the preparation of these financial statements:

Amendment to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities"

This clarifies the disclosure for all financial assets and financial liabilities which are offset in accordance with IAS 32 "Financial Instruments: Presentation". It requires disclosure of the following in tabular form: the gross amounts of those recognised financial assets and recognised financial liabilities; the amounts that are off set when determining the net amounts presented in the statement of financial position; the net amounts presented in the statement of financial position; and the amounts subject to an enforceable master netting arrangement or similar agreement;

2. Accounting policies (continued)

a. *Basis of presentation (continued)*

New standards, interpretations and amendments to the existing standards and interpretations (continued)

IFRS 12 "'Disclosure of Interest in Other Entities"
This requires enhanced disclosure for related parties (consolidated and unconsolidated entities) that will enable the users of the financial statements to evaluate the nature of, and risks associated with, the entity's interests in other entities as well as the effects of those interests on the entity's financial performance and cash flows;

IFRS 13 "Fair Value Measurement"
This provides a source of guidance and establishes a framework for measuring fair value whilst requiring enhanced disclosure regarding fair value and the basis of measurement. It also requires, with some exceptions, classification of measurements into a 'fair value hierarchy' based on the nature of inputs. Various disclosures are required based on the fair value measurement.
Standards and Amendments to existing standards that are relevant to the Company, not yet effective and have not been early adopted by the Company

IFRS 9 "Financial Instruments - Classification and Measurement" (effective for accounting periods commencing on or after 1 January 2015);

Amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" (effective for accounting periods commencing on or after 1 January 2014);

Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities" (effective for accounting periods commencing on or after 1 January 2014);

Amendments to IFRS 7 and IFRS 9 "Mandatory Effective Date and Transition Disclosures" (effective for accounting periods commencing on or after 1 January 2015).

These standards and interpretations will be adopted when they become effective.

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. As the Company does not have its own bank account all outgoing expenses of the Company are settled by Castle Trust and included in an intercompany loan detailed in the Set Off Agreement dated 24 September 2012 ("Set Off Agreement").

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 year;
- Elapsed Term: This is the amount of time that has elapsed from the closing date of each share class to the end of the year;
- 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;
- Discount rate: This is not a market rate, nor is it derived from a market rate; and
- Product Terms: These are terms that are specific to each share class such as profit share, loss share, coupon rate and term.

IFRS 7 requires disclosures relating to the fair value measurements using a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, then that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. At the year end, the derivative financial assets and financial liabilities at fair value through profit or loss have been classified at Level 3, because their fair value has been derived indirectly using unobservable inputs. During the 14 day cooling off period ("the cooling off period"), the fair value is determined as being the purchase price of the HHPI Derivative Swap (this has been classified as Level 3, having been derived indirectly using observable market data). See note 11 for Fair Value Hierarchy.

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

	Unaudited 31 March 2014 £	Audited 30 September 2013 £
HHPI Derivative Swaps		
Book cost	**1,223,031**	933,758
Fair value adjustment	**86,261**	61,579
Fair value	**1,309,292**	995,337

Notes to the Unaudited Condensed Interim Financial Statements (continued)

5. Debtors

	Unaudited 31 March 2014 £	Audited 30 September 2013 £
Prepayments	**19,125**	15,450
Interest receivable	**942**	234
Due on ordinary shares	**2**	2
	20,069	15,686

6. Share Capital

	Unaudited 31 March 2014 Number	Unaudited 31 March 2014 £	Audited 30 September 2013 Number	Audited 30 September 2013 £
Authorised				
Ordinary shares of £1 each	**10,000**	**10,000**	10,000	10,000
Issued and fully paid				
Ordinary shares of £1 each	**2**	**2**	2	2

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.

On 20 December 2013, the listings transferred over to the Channel Island Securities Exchange ("CISE").

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 balance sheet date 2,700,000,000 Loan Notes had been issued by the Company of which 1,273,990 were fully paid up by external investors. 2,548,917,310 Loan Notes were forfeited and cancelled at the Statement of Financial Position date. The remaining 149,808,700 were forfeited and cancelled after the balance sheet date on 28 April 2014. The following table shows the nominal value and fair value of the Loan Notes in issue at the balance sheet date:

CASTLE TRUST INCOME HOUSA PLC

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period 1 October 2013 to 31 March 2014

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

	Unaudited 31 March 2014		Audited 30 September 2013	
	Nominal value	**Fair value**	Nominal value	Fair value
	£	**£**	£	£
5 Year October 2012	**2,425**	**2,637**	2,425	2,436
5 Year November 2012	**30,000**	**32,690**	30,000	30,231
5 Year December 2012	**19,400**	**20,956**	19,400	19,407
10 Year December 2012	**15,000**	**15,962**	15,000	14,986
3 Year January 2013	**-***	**-**	500,000*	500,481
5 Year April 2013	**25,162**	**26,897**	25,162	25,910
10 Year April 2013	**23,040**	**24,345**	23,040	23,626
5 Year May 2013	**116,220**	**121,971**	116,220	117,598
5 Year July 2013	**85,275**	**88,314**	85,275	85,289
10 Year July 2013	**11,520**	**11,855**	11,520	11,527
3 Year August 2013	**25,000**	**25,706**	25,000	24,741
5 Year August 2013	**43,010**	**44,079**	43,010	42,593
3 Year September 2013	**20,000**	**20,773**	20,000	20,000
5 Year September 2013	**51,613**	**53,388**	51,613	51,613
10 Year September 2013	**5,000**	**5,137**	5,000	5,000
3 Year October 2013	**103,000**	**106,942**	-	-
5 Year October 2013	**137,377**	**142,262**	-	-
10 Year October 2013	**15,000**	**15,454**	-	-
3 Year November 2013	**50,000**	**51,402**	-	-
5 Year November 2013	**64,812**	**66,495**	-	-
10 Year November 2013	**18,216**	**18,606**	-	-
5 Year December 2013	**9,700**	**9,839**	-	-
10 Year December 2013	**25,000**	**25,267**	-	-
3 Year January 2014	**10,000**	**10,409**	-	-
5 Year January 2014	**74,400**	**77,321**	-	-
3 Year February 2014	**56,000**	**57,630**	-	-
5 Year February 2014	**35,000**	**35,979**	-	-
10 Year February 2014	**11,520**	**11,801**	-	-
3 Year March 2014 (out with cooling off period)	**38,250**	**38,244**	-	-
3 Year March 2014 (within cooling off period)	**15,000**	**14,998**	-	-
5 Year March 2014 (all within cooling off period)	**123,530**	**123,547**	-	-
10 Year March 2014 (all within cooling off period)	**14,520**	**14,508**		
	1,273,990	**1,315,414**	972,665	998,402

* see note 13

CASTLE TRUST INCOME HOUSA PLC

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period 1 October 2013 to 31 March 2014

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

Tranche	Number of Loan Notes Issued	Number of Loan Notes Forfeited	Number of Loan Notes Redeemed	Number of Loan Notes Remaining in Issue
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		-
3 Year April 2013	50,000,000	50,000,000		-
5 Year April 2013	50,000,000	49,974,838		25,162
10 Year April 2013	50,000,000	49,976,960		23,040
3 Year May 2013	50,000,000	50,000,000		-
5 Year May 2013	50,000,000	49,883,780		116,220
10 Year May 2013	50,000,000	50,000,000		-
3 Year June 2013	50,000,000	50,000,000		-
5 Year June 2013	50,000,000	50,000,000		-
10 Year June 2013	50,000,000	50,000,000		-
3 Year July 2013	50,000,000	50,000,000		-
5 Year July 2013	50,000,000	49,914,725		85,275
10 Year July 2013	50,000,000	49,988,480		11,520
3 Year August 2013	50,000,000	49,975,000		25,000
5 Year August 2013	50,000,000	49,956,990		43,010
10 Year August 2013	50,000,000	50,000,000		-
3 Year September 2013	50,000,000	49,980,000		20,000
5 Year September 2013	50,000,000	49,948,387		51,613
10 Year September 2013	50,000,000	49,995,000		5,000
3 Year October 2013	50,000,000	49,897,000		103,000
5 Year October 2013	50,000,000	49,862,623		137,377
10 Year October 2013	50,000,000	49,985,000		15,000
3 Year November 2013	50,000,000	49,950,000		50,000
5 Year November 2013	50,000,000	49,935,188		64,812
10 Year November 2013	50,000,000	49,981,784		18,216
3 Year December 2013	50,000,000	50,000,000		-
5 Year December 2013	50,000,000	49,990,300		9,700
10 Year December 2013	50,000,000	49,975,000		25,000

* see note 13

CASTLE TRUST INCOME HOUSA PLC

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period 1 October 2013 to 31 March 2014

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

Tranche	Number of Loan Notes Issued	Number of Loan Notes Forfeited	Number of Loan Notes Redeemed	Number of Loan Notes Remaining in Issue
3 Year January 2014	50,000,000	49,990,000	-	10,000
5 Year January 2014	50,000,000	49,925,600	-	74,400
10 Year January 2014	50,000,000	50,000,000	-	-
3 Year February 2014	50,000,000	49,944,000	-	56,000
5 Year February 2014	50,000,000	49,965,000	-	35,000
10 Year February 2014	50,000,000	49,988,480	-	11,520
3 Year March 2014	50,000,000	-	-	50,000,000
5 Year March 2014	50,000,000	-	-	50,000,000
10 Year March 2014	50,000,000	-	-	50,000,000
Total at 31 March 2014	**2,700,000,000**	**2,548,417,310**	**500,000**	**151,082,690**
Forfeited in April 2014	-	149,808,700	-	(149,808,700)
Total after April 2014 forfeiture	**2,700,000,000**	**2,698,226,010**	**500,000**	**1,273,990**

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:

(HHPI Percentage Change x Investment Amount) + Investment Amount

Interest
Each Loan Note incurs 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 maturity date of the Loan Note. The final interest payment will be made concurrently with the redemption amount.

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

8. Creditors

	Unaudited 31 March 2014 £	Audited 30 September 2013 £
Due within one year		
Accruals	**49,332**	105,734

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 2014 £	Audited 30 September 2013 £
Castle Trust Capital PLC	**210,409**	93,981

The loan payable to Castle Trust is unsecured, interest free and is repayable on demand. As Castle Trust has signed a letter of support to the Company, no repayments are anticipated during the next 12 months from approval of these financial statements.

10. Taxation

Management and Control of the Company is deemed to reside in the United Kingdom by virtue of the residency of the Company's Directors and as such the Company is subject to UK Corporation Tax. Profits arising in the Company are subject to tax at the Small Companies rate of 20% due to the anticipated scale of operations in the foreseeable future.

Tax recognised in profit or loss

	Unaudited 31 March 2014 £	Unaudited 31 March 2013 £
Current tax expense		
Current period	-	-
Tax expense from continuing operations	-	-

Reconciliation of effective tax rate

		Unaudited 31 March 2014 £		Unaudited 31 March 2013 £
Loss before tax for the period		**(58,700)**		(65,922)
Tax using the Company's domestic tax rate	**0%**	**-**	0%	-
Effect of tax rates in foreign jurisdictions	**20%**	**(11,740)**	20%	(13,184)
Expenditure for which a deferred tax asset is not Recognised	**20%**	**11,740**	20%	13,184
		-		-

As at 31 March 2014, the Company had a loss before tax for the period of £58,700 (period 1 October 2013 to 31 March 2013: £65,922) in respect of which a deferred tax asset of £11,740 (period 1 October 2013 to 31 March 2013: £13,184) has not been recognised due to uncertainty surrounding the availability of taxable profits against which these could be offset.

11. Fair value of financial assets and financial liabilities at fair value through profit or loss

Fair value modelling: policy and procedures
The fair values of the HHPI swaps are calculated in-house using a system called the Housa Pricing System. This calculates the fair value 'price', which is the fair value per unit of issuance. 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 2014, the amount of time elapsed from issuance to 31 March 2014, the expected future movement in HHPI, the amount of variation or volatility in this future movement and the product terms, as described in more detail below.

During the cooling off period, the fair value is determined as being the purchase price of the HHPI swap. The financial liabilities at fair value through profit and loss, and the swap, have been classified as Level 3, as the lowest level input identified is the discount rate is derived from unobservable data.

Fair value measurement
The Housa model incorporates 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 year. As at 31 March 2014, the latest published value of HHPI was 577.4. The Initial Index Level varied from 517.2 for the November 2012 series to 577.4 for the March 2014 series. As at 30 September 2013, the published value of HHPI was 550.5. The Initial Index Level varied from 517.2 for the November 2012 series to 556.7 for the August 2013 series.
- Elapsed Term: This is the amount of time that has elapsed from the closing date of each share class to the end of the half year. As at 31 March 2014, this value varied between 17 months for the October 2012 series to 0 months for the March 2014 series.
- Expected future movement in the HHPI: This is the assumed annual rate that the HHPI is expected to grow at in the future and was 4.5% per annum.
- Volatility of the movement in HHPI: This is the assumed annualised volatility of the future HHPI returns and was 12.91% per annum. This is defined consistently with market practice for financial option valuation approaches.
- Product Terms: These are terms that are specific to each share class such as profit share, loss share, coupon rate and term, as set out in further detail in sections 6.2 and 6.3 below. The product terms are defined in the terms and conditions of each Housa. In summary, the profit share was between 170% and 100%; the loss share was between 100% and 0%; the coupon rate was between 0% and 3% per annum and the term was 3, 5 or 10 years.
- Discount rates: The discount rates were calculated to be consistent with the assumptions about future house price growth. This calculation produced discount rates between 5% and 10% per annum.

Fair value hierarchy
The table below analyses the derivative financial assets at fair value through profit or loss, by the fair value hierarchy. The three different levels have been defined as follows:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs are unobservable inputs for the asset or liability.

11. Fair value of financial assets and financial liabilities at fair value through profit or loss (continued)

Fair value hierarchy (continued)
The Directors have assessed the asset and liability hierarchies for the period 1 October 2013 to 31 March 2014 and determined that the lowest level input with a material impact on the fair value is the discount rate, which is a non-market rate. Consequently, the derivative financial assets at fair value through profit or loss and the financial liabilities through profit or loss have been classed as Level 3 as the fair value has been derived indirectly using unobservable market data. See note 12 for sensitivity analysis on the HHPI.

	Unaudited 31 March 2014 Level 3 £	Audited 30 September 2013 Level 3 £
Derivative financial assets at fair value through profit or loss	1,309,292	995,337
Total assets	**1,309,292**	995,337
Financial liabilities at fair value through profit or loss	(1,315,414)	(998,402)
Total liabilities	**(1,315,414)**	(998,402)

31 March 2014 (unaudited)	**Derivative financial assets at fair value through profit or loss £**	**Financial liabilities at fair value through profit or loss £**
Balance at 1 October 2013	**995,337**	**(998,402)**
Total gains and (losses) recognised in comprehensive income:		
- realised	**48,411**	**(28,411)**
- unrealised	**24,682**	**(15,687)**
Purchases at cost	**769,273**	**(801,325)**
Sales proceeds	**(528,411)**	**528,411**
Balance at 31 March 2014	**1,309,292**	**(1,315,414)**

30 September 2013 (audited)	Derivative financial assets at fair value through profit or loss £	Financial liabilities at fair value through profit or loss £
Balance at 1 October 2012	-	-
Total gains and (losses) recognised in comprehensive income:		
- unrealised	61,579	(25,737)
Purchases at cost	933,758	(972,665)
Balance at 30 September 2013	995,337	(998,402)

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period 1 October 2013 to 31 March 2014

12. Financial risk management

The Company's activities expose it to various types of financial risk that are associated with the financial instruments and markets in which it participates. The Company's overall risk management objective is to minimise the potential adverse effects of these financial risks on its performance and maximise the correlation of the Company's performance to the HHPI.

12.1 Market risk

Market risk is the risk that the fair value of future cash flows from financial instruments will fluctuate as a result of changes in market variables such as foreign exchange rates, interest rates and given the inherent nature of the underlying investment product, the Company is exposed to movements in the HHPI.

12.1a Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's functional and operational currency is £ and all contracts are in £, therefore there is little or no currency risk exposure.

12.1b Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments. The Company is not exposed to interest rate risk as the interest which is paid to the holders of the Loan Notes is matched by interest received from Castle Trust.

12.1c Price risk

Upon redemption of a particular Loan Note, the proceeds due to be received from Castle Trust under the terms of HHPI Derivative Swap, subsequent to the cooling off period, are defined in such a way as to equal the proceeds payable to the holders of the specific class of Loan Notes.

Price risk is the risk that the fair values of the HHPI Derivative Swap and the value of the Loan Notes are not aligned. However, any change in HHPI will impact upon the Net Asset Value of the Company and hence the redemption value of the Loan Notes. The price risk exposure, subsequent to the cooling off period, has therefore been negated by the HHPI Derivative Swap which determines that the Company's assets and liabilities remain in line.

The analysis below shows the impact on the financial assets and financial liabilities if the HHPI was to increase or decrease by 10%. The analysis assumes that all other variables remain constant.

Sensitivity Analysis - 31 March 2014 (unaudited)

	HHPI Increase by 10%	HHPI Decrease by 10%
	£	£
Financial assets		
Derivatives	102,428	(101,306)
Total financial assets	102,428	(101,306)
Financial liabilities		
Liabilities	102,428	(101,306)
Total financial liabilities	102,428	(101,306)
Net effect on total equity	-	-

12. Financial risk management (continued)

12.1 Market risk (continued)

12.1c Price risk

Sensitivity Analysis - 30 September 2013 (audited)

	HHPI Increase by 10% £	HHPI Decrease by 10% £
Financial assets		
Derivatives	85,490	(85,490)
Total financial assets	85,490	(85,490)
Financial liabilities		
Liabilities	85,490	(85,490)
Total financial liabilities	85,490	(85,490)
Net effect on total equity	-	-

12.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The significant element of liquidity risk for the Company arises from the redemption of the Loan Notes. Liquidity risk has been transferred to Castle Trust under the terms of the Set Off Agreement, HHPI Swap Agreement, Investment Management Agreement and Service Management Agreement. Under these agreements, Castle Trust is obliged to purchase the Loan Notes from the holder at maturity. Prior to maturity, any sale or purchase is at the discretion of the two parties involved and there is no obligation to purchase on the Company.

The Company incurs its own expenses. Under the terms of the Set Off Agreement, Castle Trust settles these expenses on the Company's behalf. These are settled by way of utilising 4% of the nominal value of the Loan Notes issued and paid. Where expenses exceed this withheld amount of 4%, the Company will have an inter-company loan payable to Castle Trust in respect of expenses settled on the Company's behalf. Liquidity risk in terms of the Company's expenses is effectively transferred to Castle Trust under the terms of the Set Off Agreement.

The table below indicates the maturity profile of the Company's financial assets and financial liabilities at the reporting date. The analysis is based on the remaining period to contractual maturity date as at the reporting date.

CASTLE TRUST INCOME HOUSA PLC

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period 1 October 2013 to 31 March 2014

12. Financial risk management (continued)

12.2 Liquidity risk

31 March 2014 (unaudited)

	Within 1 year	More than 1 year less than 3 years	More than 3 less than 5 years	More than 5 years	Total
	£	£	£	£	£
Financial assets					
Derivatives	178,588	372,176	774,366	150,308	1,475,438
Debtors	20,069	-	-	-	20,069
Total financial assets	198,657	372,176	774,366	150,308	1,495,507
Financial liabilities					
Liabilities	222,960	333,926	774,366	150,308	1,481,560
Loans payable	210,409	-	-	-	210,409
Creditors	49,332	-	-	-	49,332
Total financial liabilities	482,701	333,926	774,366	150,308	1,741,301

30 September 2013 (audited)

	Within 1 year	More than 1 year less than 3 years	More than 3 less than 5 years	More than 5 years	Total
	£	£	£	£	£
Financial assets					
Derivatives	93,573	585,056	344,525	58,300	1,081,454
Debtors	15,686	-	-	-	15,686
Total financial assets	109,259	585,056	344,525	58,300	1,097,140
Financial liabilities					
Liabilities	96,637	585,056	344,525	58,300	1,084,518
Loans payable	93,981	-	-	-	93,981
Creditors	105,734	-	-	-	105,734
Total financial liabilities	296,352	585,056	344,525	58,300	1,284,233

12.3 Credit risk

Credit risk is the risk that the counterparty to a financial asset will fail to honour an obligation under the original terms of a contract, resulting in a loss to the Company. The Company's credit risk arises from the HHPI Derivative Swap position whereby the Company has a receivable from Castle Trust for 100% of the value of the Loan Notes issued of which 4% is used to pay some of the Company's expenses. If Castle Trust was unable to honour its obligation under the HHPI Derivative, the Company would be unable to pay back the Loan Notes when they mature nor expenses as and when they became payable.

12. Financial risk management (continued)

12.3 Credit risk (continued)
Castle Trust will provide partnership mortgages ("Partnership Mortgages") to homebuyers and homeowners. A Partnership Mortgage is a mortgage for 20% of the value of a property, advanced alongside a 60% (or less) capital and interest mortgage from a traditional lender. The customer must provide a minimum 20% deposit (or retain 20% equity if using a Partnership Mortgage and not purchasing a property). Partnership Mortgages will be issued to customers for the purchase or remortgage of their primary residence. There are no monthly payments on the Partnership Mortgage. At the end of the mortgage term or on the sale of the property, Castle Trust receives its principal back:

- plus 40% of the increase in property value, if the property has increased in value; or
- less 20% of the decrease in property value, if the property has decreased in value in relation to Partnership Mortgages used to purchase a home; that is to say the homebuyer would repay less than the amount borrowed. For homeowners who take a Partnership Mortgage to remortgage an existing home, or who sell their property within 12 months, the repayment would just be the original amount of the Partnership Mortgage.

Castle Trust is the only counterparty under the HHPI Derivative Swap agreement. This means that the risks Castle Trust faces as a result of its Partnership Mortgage lending operation and its cash investment operation may adversely impact its solvency and will directly affect its ability to meet payments due to the Company.

Members of Castle Trust's management team and board have significant experience in managing the creditworthiness of borrowers. However, Castle Trust may be exposed to the risk of borrowers defaulting on their repayment obligations. In particular, if a borrower defaults on his primary mortgage, the borrower will be required to pay an administration fee as well as to repay the Partnership Mortgage early. Castle Trust has a secondary charge over the property resulting from the Partnership Mortgage. If a borrower has defaulted then it is likely that they may also be unable to meet repayments under the terms of the Partnership Mortgage. Such a default by individual borrowers is an inherent risk of the business but would have little impact on Castle Trust's business. However, systemic default by many borrowers would, if it occurred, have a significant impact on Castle Trust's business. As at 31 July 2013, the maximum credit risk in relation to the HHPI Derivative Swap is £1,309,292 (unaudited) (30 September 2013: £995,337 (audited)).

12.4 Fair values
All financial instruments at fair value through profit or loss are included in the financial statements at their fair value. As at 31 March 2014, the accumulated amount of the change in fair value attributable to changes in credit risk was £nil.

13. Related party transactions
For the purposes of the financial statements, a related party is an entity or entities who are able to exercise significant influence directly or indirectly on the Company's operations.

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 common ownership. 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 £1,450 was paid to the Marketing Manager (period from 1 October 2012 to 31 March 2013: £1,134).

CASTLE TRUST INCOME HOUSA PLC

Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period 1 October 2013 to 31 March 2014

13. Related party transactions (continued)

Castle Trust

Castle Trust is a related party due to Castle Trust being the sole shareholder of the Company and the Board of Directors being the same in both Castle Trust and the Company. The Directors do not receive any income from the Company. Castle Trust has three contractual arrangements with the Company. These are: (a) in relation to the HHPI Derivative Swaps; (b) 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; and (c) in relation to interest income whereby Castle Trust will pay the Company interest equivalent to the amount of interest paid to the holders of the Loan Notes. Under the terms of this arrangement, the Company has recognised interest income during the period of £14,160 (period from 1 October 2012 to 31 March 2013: £436).

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. On 26 February 2014 Castle Trust redeemed all of their Loan Notes for a total consideration of £528,411.

14. 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 198,820 were fully paid up. 149,801,180 Loan notes were forfeited and cancelled. The remaining 150,000,000 Loan notes were outstanding at the date of signing. The table below sets out 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 2014	50,000,000	62,500	49,937,500
5 Year April 2014	50,000,000	126,320	49,873,680
10 Year April 2014	50,000,000	10,000	49,990,000
3 Year May 2014	50,000,000	-	50,000,000
5 Year May 2014	50,000,000	-	50,000,000
10 Year May 2014	50,000,000	-	50,000,000

15. Parent undertaking and controlling party

The immediate parent undertaking is Castle Trust which is the sole shareholder of the Company. The Directors, however, consider the ultimate controlling party to be James Christopher Flowers.