

# **GREENSLEEVES HOMES TRUST**

## **ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2016**

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# **GREENSLEEVES HOMES TRUST**

**(A Company limited by Guarantee not having a share capital -  
Company Registered Number 03260168)**

**(Charity Registration Number 1060478)**

**ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2016**

**GREENSLEEVES HOMES TRUST**  
**ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2016**

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# **GREENSLEEVES HOMES TRUST**

## **LEGAL AND ADMINISTRATIVE DETAILS**

(A Company limited by Guarantee not having a share capital - Company Registered Number 03260168)  
(Charity Registration Number 1060478)

### **TRUSTEES**

Mr R Costella  
Mr M Girling  
Ms K Gray (Appointed 28 July 2015)  
Ms L Harris-Ryberg  
Mr M J Holt (Chairman - Retired 20 May 2016)  
Ms E Marsh  
Ms L Ramakrishnan  
Mr P Rees  
Mr C Shaw (Chairman - With effect from 20 May 2016)  
Mr R Strange OBE (Vice Chairman)  
Mr P Varney

### **COMPANY SECRETARY**

Mr G Almond

### **CHIEF EXECUTIVE**

Mr P Newman

### **REGISTERED OFFICE**

Unit 2 Regent Terrace  
Rita Road  
London  
SW8 1AW

### **STATUTORY AUDITOR**

Moore Stephens LLP  
150 Aldersgate Street  
London  
EC1A 4AB

### **BANKERS**

Lloyds Bank Plc  
2<sup>nd</sup> Floor  
39 Threadneedle Street  
London EC2R 8AU

### **SOLICITORS**

Wilsons  
4 Lincoln's Inn Fields  
London  
WC2A 3AA

Moon Beaver  
24-25 Bloomsbury Square  
London  
WC1A 2PL

### **INVESTMENT ADVISORS**

Schroder & Co. Ltd  
12 Moorgate  
London  
EC2R 6DA

**GREENSLEEVES HOMES TRUST**  
**REPORT OF THE BOARD OF TRUSTEES**  
**(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)**  
**FOR THE YEAR ENDING 31 MARCH 2016**

The Trustees, who are the directors for the purposes of the Companies Act 2006, present the report and financial statements of Greensleeves Homes Trust ("the Trust" / "the Charity") for the year ended 31 March 2016. The Trustees confirm that the annual report and financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **Structure, Governance and Management**

Greensleeves Homes Trust is a company limited by guarantee and a registered charity. Its governing instrument is its Memorandum and Articles of Association which was updated on 4 February 2014.

### **The Trustees**

As at 31 March 2016, the Board of Trustees comprised eleven members who are responsible for the overall policy, direction and strategy of the Trust and for the oversight of its financial affairs. All attend Trustees' meetings, held throughout the year, at which the important matters affecting the Trust are discussed and decisions made.

All Trustees are issued with relevant key documentation including the Memorandum and Articles of Association, current annual budgets and business plans, as well as information about regulatory requirements in the care sector. They are kept informed of any developments within the Trust and in legislation affecting the Trust by the Chief Executive's Update which is issued on a regular basis and in detailed papers prior to each Board Meeting.

The current Trustees come from a wide range of backgrounds and provide the Trust with a high calibre of expertise and advice that complements support from our external advisers.

### **Finance & Audit Committee**

The Finance & Audit Committee comprises four Trustees and has responsibility for providing the Board with assurance on the adequacy of all systems, controls and processes that may have an impact on the Trust's ability to meet its objectives and to ensure that its financial resources are being deployed appropriately in furtherance of its objectives.

### **Property Committee**

The Property Committee comprises five Trustees and is responsible for providing the Board, the Chief Executive and Senior Management Team with advice on property related issues, consistent with the Trust's objectives. In particular, it advises on development activity both within the existing portfolio and by evaluating new opportunities.

### **Remuneration Committee**

The Remuneration Committee comprises three Trustees and is responsible for advising the Board and Chief Executive on pay and reward throughout the Trust, with a particular focus on the pay of senior staff, on any reward and incentive scheme and on pension issues.

### **Care & Quality Improvement Committee**

The Care & Quality Improvement Committee comprises four Trustees and is responsible for the clinical governance and risk management of resident safety and experience, quality standards and compliance, and service development / innovation.

### **Nominations Committee**

The Nominations Committee meets as required and is responsible for effective succession planning for senior roles in the Trust such as the Chairman, Vice Chairman, Chairman of any standing committee, Trustees and the Chief Executive.

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## **Health and Safety**

At Greensleeves Homes Trust we believe a safe environment for staff, residents and guests is an essential right and so we work hard to ensure that no one should come to any harm within any of our care homes. The responsibility for ensuring the safety and wellbeing of all is shared by everyone within the Trust and as such all staff are provided with relevant training, equipment and resources to achieve this goal.

To manage the provision of the training, equipment and resources, as well as the management of any accidents, incidents or near misses, a comprehensive Health and Safety Compliance process has been implemented that is ultimately overseen by the Board of Trustees with support from the Health and Safety Consultative Committee, Senior Management Team and Care Home Managers.

During the year, we have not had to report any serious accidents or similar events to any regulatory body.

## **Risk Assessment**

Identifying possible areas of risk that could affect the Trust is taken very seriously. We have an active Risk Register, covering the business, operational and financial areas of the Trust, and it is regularly reviewed in detail by appropriate members of the Senior Management Team. The Team, which comprises senior members of Head Office staff, meet on a quarterly basis to discuss all existing risks and to identify any new ones. The Register is updated accordingly before it is subsequently considered by the Finance & Audit Committee. Its review also forms part of the agenda of the Trust's other committees as appropriate. A summary is then presented to the full Board of Trustees at their quarterly meeting. The Senior Management Team carries out a variety of internal controls on a regular basis to ensure that any potential problems are identified and tackled as soon as possible.

These internal controls include:

- monthly visits to the homes by a rotation of Head Office staff that cover all aspects of the day to day running of each home including reviewing the areas of care, HR and health & safety.
- regular inspections of each home's financial records by the Trust's Finance Team to ensure that everything is in order and that there is no potential misappropriation of the Trust's funds;
- continued training of staff to ensure that they have the relevant skills and knowledge to meet the needs of the Trust.
- regular visits to the homes by a rotation of Trustees.

In addition, we employ external providers who complete care, health and safety and financial audits thus giving additional reassurance.

## **Management and Staffing**

Trustees delegate the day-to-day running of the Charity to a full-time Chief Executive, who is supported by a Senior Management Team including the Deputy Chief Executive and Chief Financial Officer. Among their many responsibilities are the development and strengthening of the services provided within the framework set by the Trustees, ensuring staff are recruited who understand the Trust's values and the regulatory requirements in the care sector, and optimising the use of the Trust's assets. In addition they provide strategic and operational leadership ensuring that regulatory requirements are met, agreed standards of service are maintained within budget and new sustainable income streams and development opportunities are identified.

Other key members of Head Office staff also assist with day to day operations and are involved in forward planning and the focus of the Trust. In anticipation of the Trust's increasing development plans, during the year, additional staff were added at Head Office and further people will be recruited in the coming year. This has impacted costs for the year and will do so again next year.

Throughout the year, the home managers attend a variety of seminars and Trust wide training events to ensure that they are kept informed of any care, HR, financial, property and health and safety issues. External speakers are invited to attend the events to share their knowledge and experience.

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**Management and staffing - continued**

The Trust has adopted a formal Remuneration Policy which is regularly reviewed. The Policy helps ensure we reward, motivate and retain staff with a particular focus on ensuring our staff members maintain high standards of care for our residents. We are committed to ensuring a proper balance between paying our staff fairly so we attract and retain the best people for the job whilst carefully managing our financial net income. The pay of senior staff is reviewed and benchmarked against other similar care providers annually. In addition, a biennial remuneration review is conducted by an external consultancy to provide benchmarking support on both pay and benefits provision. The Remuneration Committee determine the level of increase giving specific consideration to the salary of key management staff namely, the Chief Executive, the Deputy Chief Executive and the Chief Financial Officer. The Board of Trustees make the final decision on any increase.

The Trustees would like to take this opportunity to thank both staff and volunteers for their contribution during the year.

**Greensleeves Developments Limited**

The Trust has a subsidiary whose accounts are consolidated into these financial statements. It is currently considered dormant but is being kept in existence in case a trading subsidiary was required for any future activities.

**Strategic Report - Objectives and Activities**

**Aims**

Greensleeves Homes Trust is a charitable organisation providing care and accommodation for older people, primarily through residential, dementia and nursing care services.

The long-term strategy is guided by two strategic goals; quality improvement and sustainable development. A commitment to quality improvement will ensure continuous enhancement in the quality of care provided to residents and service users. A platform of sustainable development will ensure the charitable impact of Greensleeves expands in an enduring and affordable manner.

Our mission is to encourage residents to thrive as individuals and employees to practise as caring professionals. We achieve this through a set of core values which underpin and inform our work, namely; Respect; Openness; Responsibility.

Greensleeves Homes Trust aims to achieve a step change in the number of beneficiaries it supports. In 2012, the Trustees set a target of supporting one thousand beneficiaries across our homes by March 2023. At that time, this represented an increase of 420 residents.

**Objectives**

The objects of Greensleeves Homes Trust as defined by its Memorandum and Articles of Association are:

- The relief of persons who are in need by reason of age, ill-health or disability by the provision, or assistance in the provision, of accommodation and associated facilities, services and amenities or by such other means as may be charitable;
- such other purposes for the benefit of the community as shall be exclusively charitable;

in each case for the public benefit.

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## **Current Focus**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of Greensleeves Homes Trust's work is to provide residential, dementia and nursing care, comfort and security to older people, at an economic price that reflects our charitable status. The same standards are offered to all residents without regard to their background. Those unable to fund their care and who are subsidised by the local authority are afforded the same service as those that can. We pride ourselves on providing residents with a 'home for life' and it is only if their needs become such that we are unable to care for them that this is not achieved.

All of our 20 homes practise The Eden Alternative philosophy with 13 being validated formally. The ultimate goal is that all 20 will have validation. The philosophy's aim is to improve the lives of our residents and of our staff. Based around the core belief that ageing should be a continued stage of development and growth, rather than a period of decline, it is dedicated to eliminating the plagues of Loneliness, Helplessness and Boredom and goes beyond personal centred care. It enables our staff to be creative when giving care creating vibrant communities where contact with children, the outdoors and animals is central the home. Our residents are given the opportunity to fulfil their wishes such as going to a football match, driving a racing car or simply having fish and chips at the seaside.

During the year, Greensleeves Homes Trust employed approximately 920 staff who were supported by volunteer groups in some homes. As at 31 March 2016, we are able to care for up to 789 residents in 20 homes that provide residential, dementia and nursing care for older people. These homes are located in London (4), Bedfordshire, Buckinghamshire, East Sussex, Hampshire (2), Hertfordshire, Isle of Wight, Kent (2), Norfolk, Suffolk (3), Warwickshire, the West Midlands and Wiltshire.

## **Strategic Report - Achievements and Performance**

Against last year's specific 'Plans for the Future' -

- To increase the Trust's influence and visibility in the care sector - we have continued to improve the Trust's visibility through membership of appropriate organisations including the National Care Forum. We have actively participated in national care sector initiatives, won numerous local, regional and national industry awards. The number of positive reviews on external websites continues to grow and some homes are now rated as the best in their area. We were the number one care group for Quality of Life in the national Your Care Rating survey which included responses from 22,000 individuals. In addition, in February 2016, we were ranked sixth most compliant care group in a respected care publication's 'Top 20 Older & Dementia Residential Care Providers' league table for those homes with over 500 beds (Source: LaingBuisson).
- To continue to invest in the training and development of our staff - having added three new homes during the year, we doubled the size of our Quality and Training Team and invested £340,000 in mandatory and non-mandatory training for our staff. Training is also offered to Trustees who, for example, during the year attended Virtual Dementia Tour training which gives an insight into what it is like to live with dementia. This was a great success and the intention is that it now will also be undertaken by all of our staff. We retained Trust-wide Investors in People accreditation thus confirming our staff have a true understanding of our values and strategy. In addition, individually, one home has Gold accreditation and another has Silver.
- To continue to improve the standards of care and the overall service - our progress on our Eden Alternative journey continued with a further three homes being validated in the year bringing the total to 13. We constantly aim to improve, striving for the highest standards of care possible. During the year, we developed and implemented a Trust-wide Dementia Service which embraces values-based recruitment and many of our staff are now Dementia Friends, an Alzheimer's Society Initiative. Ten of our homes are rated Good overall under the Care Quality Commission's new inspection regime with three homes achieving an Outstanding in one of the categories; one in the all-important Caring category and the other two in the Responsive category.
- To successfully embed our two new homes, De Lucy House and Gloucester House. De Lucy House admitted its first resident on 10 September 2015 and numbers increased in line with projections to 21 on 31 March 2016. Gloucester House achieved occupancy of over 97%. With guidance from head office and other homes, both are operating to the same standards as our other long standing homes.



# GREENSLEEVES HOMES TRUST

## REPORT OF THE BOARD OF TRUSTEES (INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT) FOR THE YEAR ENDING 31 MARCH 2016

- To continue to research potential development sites or new homes - this process continues in earnest and, as a result, in November 2015, we acquired Viera Gray House, a leasehold home in Barnes, London which provides residential and dementia care for up to 38 residents. Along with the other two new homes, we are working towards it being fully embedded into the Trust. In addition, negotiations on three other new build opportunities are progressing well and the Trustees have agreed to pursue the purchase of an existing operating home. These are expected to be complete in the next one to three years and, if all are successful, will enable us to provide care for almost a further 250 residents.

### Other achievements during the year -

- Greensleeves Homes Trust has provided high quality residential, dementia and nursing care for in excess of 700 increasingly frail older people at competitive weekly fees in homely environments that are staffed by caring, well trained staff.
- We achieved occupancy in our homes (calculated based on anticipated resident build up at new homes) of 93.4% (2015: 92.3%) which compares favourably with the sector average which was under 90% in 2015 / 2016. This will ensure continued income to fund our future development plans and expansion and was achieved through careful occupancy monitoring, marketing vacancies but mainly the good reputation of our homes.
- We held our annual Greensleeves Care Awards event at The Oval cricket ground in London at which we recognised the achievements of our homes, employees and volunteers. This year's event was attended by almost 150 people with the majority being staff from our homes.
- We developed the Trust's first ever long-term Financial Strategy and Plan which will help drive our growth and expansion plans.
- We developed a long-term Marketing Strategy and Plan and worked extensively on a rebranding exercise which saw consultation with Trustees, staff, residents and their families. The process was completed late in the year and implementation is now well progressed.

### Strategic Report - Key Performance Indicators

We monitor performance against a variety of Key Performance Indicators including the principle ones summarised in the table below.

	<b>Outcome 2016</b>	<b>Outcome 2015</b>
Number of homes with Eden Alternative validation	13	10
Percentage of residents funded by the local authority funded	24.2%	24.9%
Staff turnover	14.8%	16.5%
Occupancy	93.4%	92.3%
Average fee per week	£735	£684

- Percentage of residents funded by the local authority - in line with public benefit, we set a target of having 25% of the total number of residents funded by local authorities. At the year end, we were slightly below this target and the percentage was lower compared to 2015. It does tend to fluctuate on a month by month basis in line with resident admissions and departures.
- Staff turnover - we have been more successful in retaining staff this year compared to 2015 and our staff turnover is lower than the average of 21.7% published by the National Care Forum.
- Average fee per week - the fee reflects the cost of running each individual home and will vary based on location, type of care being offered and the funding status of the residents. The average fee has increased in this year mainly as a result of new homes.

Information on Eden Alternative validation and occupancy is noted elsewhere in the report.

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## Strategic Report - Financial Review

### Review of Transactions and Financial Position

These financial statements for the year ended 31 March 2016 are the Charity's first financial statements that comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'. The Charity's date of transition to FRS 102 is 1 April 2014. The Charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

	<u>Existing Homes 2016</u> £	<u>Head Office 2016</u> £	<u>Continuing Operations 2016</u> £	<u>New Homes 2016</u> £	<u>Total 2016</u> £	<u>Total 2015</u> £
<b>INCOME</b>						
Residents' care fees	20,637,231	-	20,637,231	2,750,346	23,387,577	19,687,714
Residents' sundries	212,318	-	212,318	16,919	229,237	190,372
Other income	76,006	251,951	327,957	41,086	369,043	258,405
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	<b>20,925,555</b>	<b>251,951</b>	<b>21,177,506</b>	<b>2,808,351</b>	<b>23,985,857</b>	<b>20,136,491</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURE</b>						
Residents' care costs	18,833,723	-	18,833,723	3,353,494	22,187,217	18,287,624
Head Office costs	-	1,251,169	1,251,169	-	1,251,169	954,674
Other costs	-	19,221	19,221	-	19,221	18,711
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>	<b>18,833,723</b>	<b>1,270,390</b>	<b>20,104,113</b>	<b>3,353,494</b>	<b>23,457,607</b>	<b>19,261,009</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net investments (losses) / gains</b>	<b>-</b>	<b>(107,180)</b>	<b>(107,180)</b>	<b>-</b>	<b>(107,180)</b>	<b>74,347</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET INCOME</b>	<b>2,091,832</b>	<b>(1,125,619)</b>	<b>966,213</b>	<b>(545,143)</b>	<b>421,070</b>	<b>949,829</b>
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### Continuing operations

#### Income

- Residents' care fees, relating to our core activity of providing residential, dementia and nursing care, have increased by £950,000 as a result of the annual fee increase, improved occupancy and the increasing care needs of our residents.
- Residents' sundries relate to the recharge of incidental expenses incurred on behalf of residents.
- Other income includes £74,000 (2015: £76,000) generated by our investment portfolio and cash reserves plus rent from various accommodations, donations and fundraising plus profit from the sale of two motor vehicles.

#### Expenditure

- Resident care costs, relating to the running costs of our homes including depreciation, loan interest and an allocation of head office staff costs, have increased by £546,000 as a result of inflation and increased agency staff usage.
- Head office costs comprise expenditure from day to day head office operations plus professional fees in respect of expansion plans; HR, energy and health & safety consultancy; and Trust-wide computer services.
- Other costs relate to investment manager fees and costs relating to various accommodations owned by the Trust.

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**Review of Transactions and Financial Position - continued**

**Investment gains and losses**

- In the year, our investment portfolio produced realised gains of £74,000 (2015: Zero as no sales) and unrealised losses of £181,000 (2015: £74,000) leading to net losses of £107,000 (2015: £74,000).

**New homes**

During the year, we acquired two new homes as detailed in Note 17 on page 30 of the financial statements. In addition, we also opened a new build leasehold home which generated income of £396,000 and expenditure of £1.1million. Due to initial start-up costs, gradually increasing residents and the rental charge, this home produced a deficit of £727,000. Overall, the three new homes generated a deficit of £545,143.

**Overall results**

Overall, net income of £421,070 (2015: £949,829) was produced which has increased reserves to a total of £32.4million (2015: £32.0million).

**Balance Sheet**

The consolidated balance sheet shows that at 31 March 2016 the total funds of the group were £32.4million (2015: £32.0million). This was represented by fixed assets of £42.6million (2015: £37.7million), net current assets of £1.1million including investments of £1.4million (2015: net current assets of £3.7million including investments of £2.0million) and long term liabilities of £11.3million (2015: £9.4million). Unrestricted funds of £32.2million (2015: £31.9million) represent the reserves available to the Trust to fulfil its current operations and existing financial commitments over the long term and also to finance the growth in activity envisaged in future plans.

Consolidated accounts have been prepared which include the accounts of the Charity and Greensleeves Developments Limited. Greensleeves Developments Limited has an issued share capital of £4. As it generated no income during the year, it is considered a dormant company. A breakdown of Greensleeves Development Limited's Statement of Financial Activities and Balance Sheet is given in note 5 to these accounts.

**Reserves**

The Charity Commission defines free reserves as "income which becomes available to the Charity and is to be expended at the Trustees' discretion in furtherance of the Charity's objectives, but which is not yet spent, committed or expended".

The Board of Trustees regularly reviews the Trust's reserve levels in the light of its planned activities. They currently believe it necessary to hold reserves so that the future standards of service and accommodation offered to residents can be maintained and, hopefully, improved.

With this in mind, the Trust should have sufficient reserves available to fund revenue costs in the event of any unexpected problems. As the Trust's operational sites are widespread, it is expected that such problems would be isolated to a particular site and would not affect the Trust as a whole. Therefore the reserves provision for revenue costs has been set at 10% of the Trust's ordinary costs for a period of three months. In addition to this requirement, and with reference to our active development programme, there should be further reserves available that are equivalent to actual capital commitments less any associated finance arrangements that are already in place.

At the balance sheet date, the Trust's free unrestricted current assets were £1,009,000 which represents an excess of £326,000 over the £683,000 needed to fulfil the above requirement. The intention is for the excess to contribute towards the redevelopment of our current homes and also to enable further expansion of the Trust.

On transition to FRS 102, the decision was taken to adopt a 'deemed cost' value at the date of transition for the freehold homes using their value as at 1 April 2014 thus creating a revaluation reserve equivalent to the increased value only of those homes that had risen in value. The balance of this reserve at 31 March 2016 was £10.6million.

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**Reserves - continued**

The Trustees have previously chosen to designate some of the unrestricted funds to create a fixed assets reserve which consists of the net book value of the residential homes, other properties and equipment which are held for the long term benefit of the Trust less the year end long term balances outstanding on loans that were taken out to finance home purchases and developments and less the value of the revaluation reserve. The balance of this reserve as at 31 March 2016 was £21.7million (2015 £18.4million).

The Trust's Senior Management Team actively monitor reserves on behalf of the Board of Trustees and they are responsible for providing quarterly updates on the current situation and highlighting any potential problems that are envisaged.

Greensleeves Homes Trust currently has total reserves of £32.4million of which £141,000 are restricted (2015 £32.0million and £83,000 respectively). These restricted funds are made up by amenity funds raised specifically for our homes' residents' benefit.

**Investments**

The Trustees of Greensleeves Homes Trust wish to ensure the sound and competent management of the Trust's financial assets in order to maximise the monies available to fulfil the charity's core purpose of meeting the needs of current and of future older people. In the light of this, investment of funds is weighted towards capital growth rather than immediate income with the aim of maintaining capital in the long term and making a sustainable and reliable return in line with RPI plus 4% (net of costs).

The Trustees have decided to place investments in a Common Investment Fund (CIF) established and approved by the Charity Commission and regulated by the Financial Services Authority. Day to day investment decisions are delegated to the Investment Manager, who follows the requirements set out below:

- Equity like returns at less than three quarters volatility of the equity markets;
- The Trust does not apply any restrictions on where investments are placed, other than that the CIF cannot be leveraged;
- Liquidity: all funds should be capable of being available in one week.

The Investment Manager produces a report at quarterly intervals, measuring performance over the last five years, using the above benchmark.

The Trustees review this policy and the appropriateness of the CIF and meet the Investment Manager at least every 12 months. The policy is also reviewed at any stage if there are any significant changes to the Trust's situation.

The Trust's investments are overseen by Schroders & Co. Ltd with the majority of monies now being held in their Charity Multi-Asset Fund. During the year, income of £69,000 was generated with this being used to purchase additional units, £500,000 was drawn down from the portfolio to fund the acquisition of Viera Gray House and in doing so realised gains of £74,000 were generated. At the year end, we recorded unrealised losses of £181,000 which is a result of the investments decreasing in value since they were purchased. Taking net gains and cash withdrawals into consideration, the portfolio's market value as at 31 March 2016 stood at £1.44million (2015: £1.98million plus cash balances of £823).

**Strategic Report - Plans for the Future**

Our main aim is to not only to continue to build on the high quality of care we are known for but continually improve in standards through the ongoing training and recruitment of staff and the maintenance and updating of environment and equipment at the homes

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## **Key Plans**

In the coming year, our key plans are:

- To review the Trust's long-term strategy and plans.
- To continue to invest in the training and development of our staff to ensure that they are able to provide appropriate care for both current and future older generations.
- To continue to improve the standards of care and the overall service by developing the Eden Alternative philosophy and by ensuring we receive validation in at least a further three homes with the ultimate aim of all being validated.
- To integrate and support our three new homes further namely De Lucy House in Norfolk, Gloucester House in Kent and Viera Gray House in London.
- To prepare for and mobilise three new build properties in the South East.
- To complete the re-branding exercise started in this year.
- To continue to research potential development sites or new homes to expand the Trust's current portfolio of homes and the types of care it provides without jeopardising the financial strength of the Trust. This is in line with our medium to long term aim for the Trust to be supporting 1,000 older people.
- To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally.

## **Capital Programme**

Greensleeves Homes Trust's major asset is the property it owns and as such its maintenance, enhancement and expansion remains at the forefront of the Trust's plans. Our portfolio currently includes 20 residential and nursing care homes ranging from purpose built properties to listed buildings. In each, we strive to offer our residents the best environment possible, and to do this requires continuing capital investment.

Expansion plans are being developed at a number of our homes and these are currently at the design stages. The works will further increase our beneficiary numbers, enhance the quality of home environments and ensure yet more of our homes are fit for the future.

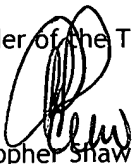
## **Strategic Report - Risks and Uncertainties**

Our Risk Register is reviewed on a quarterly basis by Trustees and by the Senior Management team. Mitigating actions are taken to minimise the likelihood and impact of all risks. The following are the key risks and uncertainties currently facing the Trust:

- Poor operational / care performance results in either Care Quality Commission enforcement action or the Trust fails to open new services effectively, leading to damage to the Trust's reputation and finances.
- Failure to meet the current regulatory requirements of the Care Quality Commission and the Charity Commission or to identify and comply with any changes in legislation.
- High staff turnover and our ability to recruit staff with sufficient knowledge, skills, expertise or experience to provide good care which could lead to higher use of agency staff and inconsistent care standards.
- Availability of bank financing at suitable rates that could prevent the Trust achieving its current target of supporting 1,000 people.

The Report of the Board of Trustees and the Strategic Report are formally approved by the Trustees. They also approve the Strategic Report in their capacity as company directors.

By Order of the Trustees



Christopher Shaw - Trustee of Greensleeves Homes Trust  
26 July 2016

**GREENSLEEVES HOMES TRUST**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**YEAR ENDED 31 MARCH 2016**

The Trustees (who are also Directors of Greensleeves Homes Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Trust and the group and of the incoming resources and application of resources including the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENSLEEVES HOMES TRUST

We have audited the financial statements of Greensleeves Homes Trust for the year ended 31 March 2016 which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board of Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



RICHARD WILLIS (Senior statutory auditor)  
for and on behalf of MOORE STEPHENS LLP  
Chartered Accountants and Statutory Auditor  
London, UK

25 August 2016

MOORE STEPHENS LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 MARCH 2016**

	<u>Notes</u>	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total 2015 £
<b>INCOME FROM</b>							
Donations and fundraising		12,808	140,972	153,780	6,869	65,023	71,892
Investments	2	73,805	-	73,805	75,867	-	75,867
Rental income		84,947	-	84,947	91,950	-	91,950
<b>Charitable activities</b>							
Residents' care fees		23,387,577	-	23,387,577	19,687,714	-	19,687,714
Residents' sundries		229,237	-	229,237	190,372	-	190,372
<b>Other</b>							
Miscellaneous income		41,562	-	41,562	18,696	-	18,696
Surplus from sale of fixed assets		14,949	-	14,949	-	-	-
<b>TOTAL</b>		<b>23,844,885</b>	<b>140,972</b>	<b>23,985,857</b>	<b>20,071,468</b>	<b>65,023</b>	<b>20,136,491</b>
<b>EXPENDITURE ON</b>							
<b>Raising funds</b>							
Investment manager fees		4,308	-	4,308	1,094	-	1,094
Rental costs		14,913	-	14,913	17,617	-	17,617
<b>Charitable activities</b>							
Residents' care costs		22,150,590	36,627	22,187,217	18,245,417	42,207	18,287,624
Head Office costs		1,251,169	-	1,251,169	954,674	-	954,674
<b>TOTAL</b>	3	<b>23,420,980</b>	<b>36,627</b>	<b>23,457,607</b>	<b>19,218,802</b>	<b>42,207</b>	<b>19,261,009</b>
<b>INVESTMENTS</b>							
Realised gains		73,919	-	73,919	-	-	-
Unrealised (losses) / gains		(181,099)	-	(181,099)	74,347	-	74,347
<b>NET INCOME</b>		<b>316,725</b>	<b>104,345</b>	<b>421,070</b>	<b>927,013</b>	<b>22,816</b>	<b>949,829</b>
Funds brought forward 1 April 2015	12	31,904,911	83,229	31,988,140	30,977,898	60,413	31,038,311
Transfer between funds	12	46,671	(46,671)	-	-	-	-
Funds carried forward 31 March 2016	12	32,268,307	140,903	32,409,210	31,904,911	83,229	31,988,140

All of the above results are derived from continuing activities.

The notes on pages 16 to 30 form part of these financial statements.



**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**31 MARCH 2016**

	<u>Notes</u>	<u>Group</u> <u>2016</u> £	<u>2015</u> £	<u>Charity</u> <u>2016</u> £	<u>2015</u> £
<b>FIXED ASSETS</b>					
Tangible fixed assets	7	42,579,250	37,670,337	42,579,250	37,670,337
Investment in Subsidiary		-	-	4	4
		<u>42,579,250</u>	<u>37,670,337</u>	<u>42,579,254</u>	<u>37,670,341</u>
<b>CURRENT ASSETS</b>					
Investments	8	1,436,263	1,977,447	1,436,263	1,977,447
Debtors	9	1,194,769	828,983	1,194,765	828,979
Bank and cash balances		791,217	2,587,959	791,165	2,587,907
		<u>3,422,249</u>	<u>5,394,389</u>	<u>3,422,193</u>	<u>5,394,333</u>
<b>CURRENT LIABILITIES</b>					
Amounts falling due within one year	10	(2,272,826)	(1,686,400)	(2,272,830)	(1,686,404)
<b>NET CURRENT ASSETS</b>		<u>1,149,423</u>	<u>3,707,989</u>	<u>1,149,363</u>	<u>3,707,929</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>43,728,673</u>	<u>41,378,326</u>	<u>43,728,617</u>	<u>41,376,270</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	10	(11,319,463)	(9,390,186)	(11,319,463)	(9,390,186)
<b>NET ASSETS</b>		<u>32,409,210</u>	<u>31,988,140</u>	<u>32,409,154</u>	<u>31,988,084</u>
<b>UNRESTRICTED FUNDS</b>					
General funds		2,394	2,822,302	2,338	2,822,246
Revaluation reserve		10,573,753	10,681,384	10,573,753	10,681,384
Fixed assets reserve		21,692,160	18,401,225	21,692,160	18,401,225
	12	<u>32,268,307</u>	<u>31,904,911</u>	<u>32,268,251</u>	<u>31,904,855</u>
<b>RESTRICTED FUNDS</b>	12	<u>140,903</u>	<u>83,229</u>	<u>140,903</u>	<u>83,229</u>
<b>TOTAL FUNDS</b>	13	<u>32,409,210</u>	<u>31,988,140</u>	<u>32,409,154</u>	<u>31,988,084</u>

Approved by the Board of Trustees and authorised for issue on 26 July 2016 and signed on their behalf by:

.....  


Christopher Shaw - Trustee of Greensleeves Homes Trust

The notes on pages 16 to 30 form part of these financial statements.

Company Registered Number 03260168

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**31 MARCH 2016**

	<u>2016</u> £	£	<u>2015</u> £	£
<b>Cash flows from operating activities</b>		<b>2,483,660</b>		<b>2,494,183</b>
<b>Cash flows from investing activities</b>				
Dividends received	69,481		69,669	
Interest received	4,324		6,198	
Loan and overdraft interest and charges payable	(497,576)		(501,025)	
		<u>(423,771)</u>		<u>(425,158)</u>
Purchases of new homes	(6,222,668)		(1,333,172)	
Sale of tangible fixed assets	16,500		-	
Purchases of investments	(69,438)		(69,056)	
Sales of investments	503,442		-	
		<u>(5,772,164)</u>		<u>(1,402,228)</u>
<b>Net cash used in investing activities</b>		<b>(6,195,935)</b>		<b>(1,827,386)</b>
<b>Cash flows from financing activities</b>				
New loan facilities	2,500,000		-	
Capital repayments	(584,467)		(437,688)	
<b>Net cash provided by / (used in) financing activities</b>		<b>1,915,533</b>		<b>(437,688)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,796,742)</b>		<b>229,109</b>
<b>Cash and cash equivalents at beginning of reporting period</b>		<b>2,587,959</b>		<b>2,358,850</b>
<b>Cash and cash equivalents at end of reporting period</b>		<b>791,217</b>		<b>2,587,959</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>				
Net income for the reporting period	421,070		949,829	
(Increase) in debtors	(365,786)		(60,620)	
Increase in creditors	600,170		207,309	
Depreciation	1,312,204		1,046,850	
Returns on investments and servicing of finance	423,771		425,158	
Net losses / (gains) on investments	107,180		(74,347)	
Gains on fixed asset disposals	(14,949)		-	
Write off of tangible fixed assets	-		4	
<b>Net cash provided by operating activities</b>		<b>2,483,660</b>		<b>2,494,183</b>
<b>Analysis of cash and cash equivalents</b>				
		<b>Cash at 31 March 2016</b>		<b>Cash at 31 March 2015</b>
<b>Cash at bank</b>		<b>791,217</b>		<b>2,587,959</b>

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2016**

**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. They are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

**(b) Judgements in applying accounting policies and key sources of estimation uncertainty**

There are no significant areas of judgement or key assumptions that affect items in the financial statements other than those included within the accounting policies described below.

**(c) Basis of consolidation**

These financial statements consolidate the results of the Charity and its wholly owned subsidiary Greensleeves Developments Limited on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the Charity itself following the exemptions afforded by section 408 of the Companies Act 2006.

	<u>2016</u> £	<u>2015</u> £
Charity's income	23,985,857	20,136,491
Charity's expenditure	(23,457,607)	(19,261,009)
Net (losses) / gains on investments	(107,180)	74,347
	<hr/>	<hr/>
Charity's net income	421,070	949,829
	<hr/>	<hr/>

**(d) Income recognition**

Residents' care fees and donations are recognised when the Charity has entitlement to the amounts due and their receipt is probable.

Income from investments or bank interest is included when receivable and the amount can be measured reliably by the Charity; this is normally on notification by our investment advisor or by the bank.

Investment income, including bank interest, is stated gross as it is paid without deduction of tax.

**(e) Expenditure recognition**

Expenditure is recognised once there is a legal or constructive obligation to make a payment where it can be reliably measured and it is probable settlement will be required.

Expenditure on raising funds comprise the fees paid to the manager of our investment portfolio plus costs in respect of rental properties.

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2016**

**1 ACCOUNTING POLICIES (continued)**

**(f) Fixed assets**

Fixed assets are stated at cost (or deemed cost) less accumulated depreciation. Cost includes the original purchase price and any associated costs directly attributable to bringing the asset to its working condition for its intended use.

The cost or deemed cost of each home's building value is split into two elements:

- 'Core' which includes foundations, walls, stairs, roof structure, site works, drainage and external services and has a longer life.
- 'Renewables' which includes windows, roof coverings, bathrooms, kitchens, lifts and mechanical and electrical services and have a shorter life.

Each home has been assessed for its remaining useful life and is depreciated accordingly.

Land is not depreciated. Depreciation and amortisation of other fixed assets is provided on a straight line basis to write off the cost over the estimated useful lives of the assets:

Freehold property - Core	-	over the lower of 50 years or the estimated remaining useful life of the home
Freehold property - Renewables	-	over the lower of 20 years or the estimated remaining useful life of the home
Long-term leasehold property	-	over the period of the specific lease
Computer equipment	-	over three years
Furniture and equipment	-	over five years
Motor vehicles	-	over four years

As a result of changes to how depreciation on freehold properties is calculated, the overall depreciation charge has decreased by £313,000 (2015: decreased by £296,000).

Fixed assets include amounts in respect of significant development contracts' valuation certificates received immediately after the year end on the assumption that the work thereon would have occurred prior to the year end.

Where a development at one of our homes is being funded by way of bank finance, any loan interest and associated charges that are attributable to the period during which the works are being undertaken are capitalised as part of the project's cost.

Provisions for impairment are made if there is a permanent diminution in the value based on the future service potential of the Trust's assets.

Depreciation is charged when an asset is available for use.

**(g) Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the Balance Sheet date using the quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2016**

**1 ACCOUNTING POLICIES (continued)**

**(h) Debtors and prepayments**

Trade and other debtors are recognised at the amount due on the day that they arise. Prepayments are amounts paid in advance and are stated at the actual amount that has been prepaid

**(i) Bank and cash balances**

Bank and cash balances consist of monies held in current accounts and cash monies held at the Charity's homes and head office. They include monies in respect of both restricted and unrestricted funds.

**(j) Creditors and accruals**

Creditors and accruals are recognised when the Charity has an obligation to make a payment to a third party. Capital repayments due on long-term loans are stated at today's value and are split into instalments due within the next twelve months or due after more than twelve months. Residents' deposits are amounts collected from residents on admission and are repayable on departure. They are classified as long term liabilities.

**(k) Operating leases**

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the term of the lease.

**(l) Funds**

General funds are unrestricted funds held for the general objects of the Trust's work. Restricted funds are funds used for specific purposes as laid down by the donor. Expenditure which meets this criterion is identified to the specific fund. Designated funds are unrestricted funds set aside by the Trustees for a particular purpose.

**(m) Pension**

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered Scheme. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

**(n) Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**(o) Going concern**

Accounting standards required the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Charity has adequate resources to continue in operational existence for the foreseeable future. There are sufficient cash reserves and whilst there is some loan financing, these are secured against some of the freehold homes owned and future cash flows will meet repayments and interest as they fall due.

**(p) Acquisitions**

On acquisition of an operating home, fair values are attributed to identifiable assets and liabilities as appropriate.

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2016**

**2 INVESTMENT INCOME**

	<u>2016</u> £	<u>2015</u> £
Dividends	69,481	69,669
Bank interest	4,324	6,198
	<u>73,805</u>	<u>75,867</u>

**3 EXPENDITURE**

**a) Analysis of expenditure**

	Staff costs (note 4) £	Other care costs (note 3b) £	Other Support costs (note 3c) £	Governance costs £	Total 2016 £	Total 2015 £
<b>Unrestricted funds</b>						
<b>Raising funds</b>						
Investment manager fees	-	-	4,308	-	4,308	1,094
Rental costs	-	-	14,913	-	14,913	17,617
<b>Charitable activities</b>						
Residents' care costs	15,561,223	6,589,367	-	-	22,150,590	18,245,417
Head Office costs	365,999	-	852,256	32,914	1,251,169	954,674
	<u>15,927,222</u>	<u>6,589,367</u>	<u>871,477</u>	<u>32,914</u>	<u>23,420,980</u>	<u>19,218,802</u>
<b>Restricted funds</b>						
<b>Charitable activities</b>						
Residents' care costs	-	36,627	-	-	36,627	42,207
	<u>-</u>	<u>36,627</u>	<u>-</u>	<u>-</u>	<u>36,627</u>	<u>42,207</u>
<b>Total expenditure</b>	<u>15,927,222</u>	<u>6,625,994</u>	<u>871,477</u>	<u>32,914</u>	<u>23,457,607</u>	<u>19,261,009</u>

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2016**

**3 EXPENDITURE (continued)**

**b) Analysis of other care costs**

	<u>2016</u> £	<u>2015</u> £
Charitable activities		
Food	1,203,476	1,041,915
Medical costs	74,600	54,008
Activities	361,856	319,760
Care Quality Commission fees	84,980	80,079
Maintenance	1,218,933	1,232,438
Cleaning and housekeeping	522,723	445,455
Insurance	103,634	83,312
Utilities costs	696,586	614,117
Administration costs	306,795	229,022
Loan interest and charges	497,576	501,025
Leasehold rents	273,238	-
Depreciation	1,281,597	1,016,592
Write off of tangible fixed assets	-	4
	<hr/> 6,625,994 <hr/>	<hr/> 5,617,727 <hr/>

**c) Analysis of head office support costs**

	<u>2016</u> £	<u>2015</u> £
Professional fees in respect of development plans	179,435	112,845
HR, health & safety, energy consultancy plus other professional fees	196,975	101,453
Trust-wide computer services	225,631	157,452
Head office running costs	219,608	187,978
Depreciation	30,607	30,258
	<hr/> 852,256 <hr/>	<hr/> 589,986 <hr/>

**d) Analysis of governance costs**

	<u>2016</u> £	<u>2015</u> £
Legal and professional fees	4,627	24,168
Audit fees	25,500	24,900
Trustees' expenses	2,787	3,499
Trustee training and development	-	11,104
	<hr/> 32,914 <hr/>	<hr/> 63,671 <hr/>

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2016**

**4 WAGES AND SALARIES**

	<u>2016</u> £	<u>2015</u> £
Summary of wages and salaries allocation in respect of:		
Residents' care costs	15,561,223	12,669,897
Head Office costs	365,999	301,017
	<u>15,927,222</u>	<u>12,970,914</u>
Analysis of wages and salaries:		
Salaries	12,688,184	10,460,041
National insurance costs	685,467	583,141
Pension costs	191,772	156,358
Agency staff	1,636,768	1,112,002
Training	339,625	269,857
Recruitment	142,619	129,366
Other staff costs	242,787	260,149
	<u>15,927,222</u>	<u>12,970,914</u>

Central staff costs are allocated to residents' care costs or head office costs based on the activities being undertaken.

The average number of persons employed during the year was:-

	<u>2016</u> FTE	<u>2016</u> Number	<u>2015</u> FTE	<u>2015</u> Number
Residents' care	618	921	506	777
Head Office	5	5	4	4
	<u>623</u>	<u>926</u>	<u>510</u>	<u>780</u>

The number of employees whose emoluments including employer's pensions contributions amount to over £60,000 in the year was as follows:-

	<u>2016</u> Number	<u>2015</u> Number
£60,001 to £70,000	1	-
£70,001 to £80,000	2	1
£100,001 to £110,000	1	1
	<u>4</u>	<u>2</u>

Pension contributions paid on behalf of the four above employees for the year amounted to £16,738 (2015: £8,361 for two employees).

Key management personnel consist of the Chief Executive, Deputy Chief Executive and Chief Financial Officer whose total employment benefits for the year including employer pension contributions were £268,628 (2015: £227,488 although the Chief Financial Officer was only employed for part of the year - extrapolated amount £257,822).



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**5 SUBSIDIARY RESULTS**

Greensleeves Developments Ltd (company number 02898839) has an issued share capital of £4 which is held by Greensleeves Homes Trust. The company is currently dormant and is being kept in existence for possible future use.

A summary of the company's trading results and balance sheet is shown below:

	<u>2016</u> £	<u>2015</u> £
<b>Profit and loss account</b>		
Turnover	-	-
	<hr/>	<hr/>
Operating profit	-	-
Bank interest receivable	-	1
	<hr/>	<hr/>
Retained profit for the year	-	1
	<hr/> <hr/>	<hr/> <hr/>
	<u>2016</u> £	<u>2015</u> £
<b>Balance sheet</b>		
Debtors	4	4
Cash at bank	52	52
	<hr/>	<hr/>
	56	56
	<hr/>	<hr/>
Net assets	56	56
	<hr/> <hr/>	<hr/> <hr/>

**6 TRUSTEE AND RELATED PARTY TRANSACTIONS**

The Trustees received no remuneration for their services during the current or prior year. Travel expenses of £2,787 were reimbursed to 11 Trustees during the year (2015: £3,499 for 14 Trustees).

**GREENSLEEVES HOMES TRUST**  
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**7 TANGIBLE FIXED ASSETS - Group and Charity**

	<u>Freehold property</u> £	<u>Long term leasehold property</u> £	<u>Computer equipment</u> £	<u>Furniture and equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
<b>Cost</b>						
At 1 April 2015	37,823,309	84,243	199,874	3,170,813	84,862	41,363,101
Additions during the year	4,704,799	551,009	152,658	755,531	58,671	6,222,668
Sales during the year	-	-	-	-	(35,177)	(35,177)
<b>At 31 March 2016</b>	<b>42,528,108</b>	<b>635,252</b>	<b>352,532</b>	<b>3,926,344</b>	<b>108,356</b>	<b>47,550,592</b>
<b>Depreciation</b>						
At 1 April 2015	749,334	23,213	126,358	2,718,169	75,690	3,692,764
Charge for the year	838,731	16,891	89,164	349,627	17,791	1,312,204
Sales during the year	-	-	-	-	(33,626)	(33,626)
<b>At 31 March 2016</b>	<b>1,588,065</b>	<b>40,104</b>	<b>215,522</b>	<b>3,067,796</b>	<b>59,855</b>	<b>4,971,342</b>
<b>Net book value at 31 March 2016</b>	<b>40,940,043</b>	<b>595,148</b>	<b>137,010</b>	<b>858,548</b>	<b>48,501</b>	<b>42,579,250</b>
<b>Net book value at 31 March 2015</b>	<b>37,073,975</b>	<b>61,030</b>	<b>73,516</b>	<b>452,644</b>	<b>9,172</b>	<b>37,670,337</b>

Further capital expenditure contracted for at 31 March 2016 but not provided for in these accounts amounted to £37,000 (2014: £241,000).

Freehold property with a carrying value of £20.6million (2015: £16.8million) is pledged as security for the loans disclosed in note 10.

**GREENSLEEVES HOMES TRUST**  
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**8 CURRENT ASSET INVESTMENTS - Group and Charity**

	<u>2016</u> £	<u>2016</u> £
Market value at 1 April 2015	1,977,447	1,834,044
Add: additions to investments at cost	69,438	69,056
Book value of disposals in year		
Proceeds from sales	(503,442)	-
Realised gain	73,919	-
	<u>(429,523)</u>	-
Net unrealised (loss) / gain in the year	(181,099)	74,347
Market value at 31 March 2016	<u>1,436,263</u>	<u>1,977,447</u>
Cost at 31 March 2016	<u>1,287,299</u>	<u>1,647,384</u>
	<u>2016</u> £	<u>2015</u> £
Investments are represented by:		
Schroder Charity Multi-Asset Fund	1,434,843	1,976,270
Corporate bonds	1,420	1,177
	<u>1,436,263</u>	<u>1,977,447</u>

All investments are held in the United Kingdom but the Schroder Charity Multi-Asset Fund does have some exposure to overseas investments.

Realised gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value

**9 DEBTORS - Group and Charity**

	<u>Group</u> <u>2016</u> £	<u>2015</u> £	<u>Charity</u> <u>2016</u> £	<u>2015</u> £
Amounts due within one year:				
Residential care home debtors	656,475	477,922	656,475	477,922
Other debtors	145,929	55,152	145,925	55,148
Prepayments and accrued income	392,365	295,909	392,365	295,909
	<u>1,194,769</u>	<u>828,983</u>	<u>1,194,765</u>	<u>828,979</u>

**GREENSLEEVES HOMES TRUST**  
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**10 CREDITORS - Group and Charity**

	<u>2016</u> £	<u>Group</u> <u>2015</u> £	<u>Charity</u> <u>2016</u> £	<u>2015</u> £
<b>Amounts due within one year:</b>				
Bank loans	646,246	456,321	646,246	456,321
Other creditors and accruals	1,348,810	1,027,185	1,348,814	1,027,189
Payments in advance	277,770	202,894	277,770	202,894
	<u>2,272,826</u>	<u>1,686,400</u>	<u>2,272,830</u>	<u>1,686,404</u>
<b>Amounts due after more than one year:</b>				
Bank loans	10,313,337	8,587,729	10,313,337	8,587,729
Residents' deposits	1,006,126	802,457	1,006,126	802,457
	<u>11,319,463</u>	<u>9,390,186</u>	<u>11,319,463</u>	<u>9,390,186</u>

The bank loans listed above consist of the four loans detailed below. The capital and interest repayments for all are paid on a quarterly basis. All are secured against a selection of the Trust's freehold homes:

	<u>2016</u> <u>Amount</u> <u>outstanding</u> £
<b>Loan one</b> was used to purchase Borovere and commenced in April 2005. It comprises two tranches:	
<b>Tranche 1</b> was for 50% of the original loan amount repayable over 20 years at a variable rate of 1.250% over the Bank of England Base Rate	450,000
<b>Tranche 2</b> was for 50% of the original loan amount repayable over 20 years at a fixed rate of 6.450%	618,983
<b>Loan two</b> was used to purchase Speirs House and commenced in March 2010. It comprises three tranches:	
<b>Tranche 1</b> was for 50% of the original loan. It is a 10 year facility amortised over 20 years and charged at a 10 year fixed interest rate of 6.475%	1,293,107
<b>Tranche 2</b> was for 25% of the original loan amount repayable over 20 years at a fixed rate of 6.715%	720,800
<b>Tranche 3</b> was for 25% of the original loan amount repayable over 20 years at a variable rate of 2.490% over LIBOR	612,500
<b>Loan three</b> was used to fund works at St Cross Grange and was drawn over a two year period during the development. It comprises two tranches:	
<b>Tranche 1</b> was for 75% of the original loan amount. It is a 10 year facility amortised over 20 years and charged at a fixed rate of 6.250%	3,605,663
<b>Tranche 2</b> was for 25% of the original loan amount. It is a 10 year facility amortised over 20 years and charged at a variable rate of 2.000% over LIBOR	1,283,530
<b>Loan four</b> was used to part fund the purchase of Gloucester House and commenced in June 2015. It comprises one tranche:	
<b>Tranche 1</b> was for 100% of the original loan amount. It is a 5 year facility amortised over 15 years at a variable rate of 1.750% over the Bank's Base Rate	2,375,000
	<u>10,959,583</u>

**GREENSLEEVES HOMES TRUST**  
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**10 CREDITORS - Group and charity (continued)**

Financial instruments measured at amortised cost comprise the loan financing provided by banks to the Charity.

At the year end the total amount of loans outstanding (repayable by instalments) was repayable as follows:

	<u>2016</u> £	<u>2015</u> £
Due within one year	646,246	456,321
Due between two and five years	7,832,403	2,918,222
Due after more than five years	2,480,934	5,669,507
	<u>10,959,583</u>	<u>9,044,050</u>

As noted above, the loan financing is in the form of secured loans with both fixed and variable interest rates. The market risk facing the Charity is that variable interest rates could increase. Liquidity risk is managed by the Charity by monitoring the covenants of the loan on a regular basis throughout the year.

**11 OPERATING LEASES**

At the balance sheet date, the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<u>2016</u> £
Due within one year	443,000
Due within two to five years	1,770,000
Due after five years	13,001,000
	<u>15,214,000</u>

The amounts payable increase annually over the course of the lease in line with the Retail Price Index.

**12 FUNDS - Group**

	At 1 April <u>2015</u> £	<u>Income</u> £	<u>Expenditure</u>	Investment gains / (losses) £	Transfer between Funds £	At 31 March <u>2016</u> £
<b>Unrestricted</b>						
General funds	2,822,302	23,844,885	(23,313,349)	(107,180)	(3,244,264)	2,394
Revaluation reserve	10,681,384	-	(107,631)	-	-	10,573,753
<b>Designated funds</b>						
Fixed assets reserve	18,401,225	-	-	-	3,290,935	21,692,160
<b>Total unrestricted funds</b>	<u>31,904,911</u>	<u>23,844,885</u>	<u>(23,420,980)</u>	<u>(107,180)</u>	<u>46,671</u>	<u>32,268,307</u>
<b>Restricted</b>						
Amenity funds	83,229	140,972	(36,627)	-	(46,671)	140,903
<b>Total restricted funds</b>	<u>83,229</u>	<u>140,972</u>	<u>(36,627)</u>	<u>-</u>	<u>(46,671)</u>	<u>140,903</u>
<b>Total funds</b>	<u>31,988,140</u>	<u>23,985,857</u>	<u>(23,457,607)</u>	<u>(107,180)</u>	<u>-</u>	<u>32,409,210</u>

**GREENSLEEVES HOMES TRUST**  
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**12 FUNDS - Group (continued)**

**General funds** are unrestricted funds held for the general objects of the Trust's work. Due to substantial investment in new homes in the year, general funds are significantly depleted at the year end. However, this is a short term situation and further funds will be generated in the coming year.

The **fixed assets reserve** consists of the net book value of the residential homes, other properties and of equipment which are held for the long term benefit of the Trust less the year end long term balances outstanding on loans taken out to finance home purchases and developments and less the revaluation reserve.

The **revaluation reserve** represents the remainder of the increase in freehold homes property values that arose on transition to FRS 102 and the adoption of a deemed cost valuation. The £107,631 written against it in the year relates to increased depreciation at some homes which arose as a result.

The **amenity funds** represent monies raised by each home to be spent on specific projects and activities in that home.

**Transfer between funds** of £46,671 represents the purchase of two motor vehicles for residents' use at two different homes. Both purchases were funded by amenity funds.

**Transfer between funds** of £3,290,935 represents a net movement in fixed asset values and loan balances during the year.

**13 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS**

	<u>Restricted funds</u> £	<u>Designated funds</u> £	<u>Revaluation reserve</u> £	<u>General funds</u> £	<u>Total</u> £
Tangible fixed assets	-	32,005,497	10,573,753	-	42,579,250
Investments	-	-	-	1,436,263	1,436,263
Current assets	140,903	-	-	1,845,083	1,985,986
Current liabilities	-	-	-	(2,272,826)	(2,272,826)
Long term liabilities	-	(10,313,337)	-	(1,006,126)	(11,319,463)
<b>Total net assets</b>	<b>140,903</b>	<b>32,265,913</b>	<b>10,573,753</b>	<b>2,394</b>	<b>32,409,210</b>

**14 TAXATION**

Greensleeves Homes Trust is a registered charity and it is therefore exempt from taxation on its charitable activities as it falls within the definition of Charitable Company as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen during the year.

**15 CONNECTED ENTITIES**

The following entity is connected to the Trust by virtue of common or related objects or by unity of administration:

**WRVS Trust** - A charitable Trust supporting the activities of Greensleeves Homes Trust and the Women's Royal Voluntary Service whose responsibility is to distribute legacies on receipt to the appropriate legatee.

**GREENSLEEVES HOMES TRUST**  
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**16 TRANSITION TO FRS 102**

These financial statements for the year ended 31 March 2016 are the Charity's first financial statements that comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'. The Charity's date of transition to FRS 102 is 1 April 2014. The Charity's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The transition to FRS 102 has resulted in changes to the Charity's accounting policies compared to those used when applying previous UK GAAP.

The following explanatory notes to the accounts describe the differences between the funds and income and expenditure under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 March 2015 (i.e. comparative information), as well as the funds presented in the opening statement of the balance sheet (i.e. at 1 April 2014). It also describes the changes in accounting policies made on first-time adoption of FRS 102.

The tables below reconcile Net Income for the financial year ended 31 March 2015 and Funds as at 1 April 2014 (the date of transition to FRS 102) and 31 March 2015 between UK GAAP as previously reported and FRS 102.

**Net income for the financial year**

	Note	Year ended 31 March 2015
<b>UK GAAP - As previously reported</b>		<b>579,566</b>
Gains on investments	a	74,347
Change in depreciation	b	295,916
<b>FRS 102 - As restated</b>		<b>949,829</b>

**Funds**

	Note	As at 1 April 2014	As at 31 March 2015
<b>UK GAAP - As previously reported</b>		<b>25,414,933</b>	<b>26,068,846</b>
Change in depreciation	b	-	295,916
<b>Revaluation of freehold homes</b>			
Homes whose value increased	b	10,789,015	10,681,384
Depreciation re homes' increased values	b	-	107,631
Homes whose value was impaired	b	(5,165,637)	(5,165,637)
<b>FRS 102 - As restated</b>		<b>31,038,311</b>	<b>31,988,140</b>

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**16 TRANSITION TO FRS 102 - continued**

Explanation of changes to previous reported net income and funds:

- a FRS 102 requires that an adjustment is made for gains / (losses) on investments which are now treated as a component of net income.
- b Before the introduction of FRS 102, freehold homes had been stated in the accounts at accumulated cost less accumulated depreciation. However, the decision was taken to adopt a 'deemed cost' value at the date of transition for the freehold homes so as to give a truer indication of their value. In order to do this, Knight Frank was commissioned to complete a valuation at 1 April 2014, our date of transition to FRS 102.

The Knight Frank valuation split the homes' values into land and buildings. Where values were higher than previously stated, the increase has been included in a revaluation reserve. Where values were lower, the decrease has been considered as an impairment in value and has been written back against retained earnings at the date of transition to FRS 102.

The deemed cost of each home's building value has been split into two elements:

- 'Core' which includes foundations, walls, stairs, roof structure, site works, drainage and external services and has a longer life.
- 'Renewables' which includes windows, roof coverings, bathrooms, kitchens, lifts and mechanical and electrical services and have a shorter life.

Each home has been assessed for its remaining useful life and will be depreciated accordingly.

Land had previously been depreciated as it had not be separately identifiable. As its value is now known, it will no longer be depreciated.

On adopting a 'deemed cost', the depreciation charge for some homes has increased as they had previously been included at low historical values. In such cases, the increase in depreciation charge will be offset against the revaluation reserve.

If a home is subsequently sold the attributable revaluation reserve remaining at the time of disposal will be transferred directly to retained earnings.



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**17 ACQUISITIONS**

During the year, we acquired the following two existing operational homes:

- Gloucester House in Sevenoaks, Kent is a freehold home purchased in June 2015 for £3.56million comprising land at £1.88million, buildings at £1.63million and fixture & fittings at £55,000. The acquisition was part funded by a loan for £2.5million with the remainder paid for from cash reserves. The home is registered for up to 51 residents providing both residential and nursing care.
- Viera Gray House in Barnes, London is a leasehold home acquired in November 2015 for a lease premium of £0.5million comprising buildings of £0.45million and fixtures & fittings of £49,000. It was funded from cash reserves. The lease expires in August 2050 and a peppercorn rent is payable. The home is registered for up to 38 residents providing residential and dementia care.

Neither acquisition included any intangible assets.

The financial performance of the two homes included in the Statement of Financial Activities for the year ended 31 March 2016 is as follows:

	<u>Income</u> £	<u>Expenditure</u> £	<u>Net income</u> £
Gloucester House - For seven and a half months	1,889,893	1,715,921	173,972
Viera Gray House - For three and a half months	522,453	514,976	7,477
	<hr/>	<hr/>	<hr/>
	2,412,346	2,230,897	181,449
	<hr/>	<hr/>	<hr/>