

GREENSLEEVES HOMES TRUST

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019



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 2019

GREENSLEEVES HOMES TRUST
ANNUAL REPORT
YEAR ENDED 31 MARCH 2019

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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)
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TRUSTEES

Mr R Costella
Ms K Davies
Ms K Gray
Ms L Harris-Ryberg (Retired 4 May 2019)
Mr D Kelly OBE
Ms E Marsh
Ms D Pounds
Ms L Ramakrishnan (Retired 4 May 2019)
Mr C Shaw (Chairman)
Mr C Spence (Appointed 17 May 2018)
Mr R Strange OBE (Vice Chairman)
Ms M Townsend (Appointed 21 November 2018)

COMPANY SECRETARY

Mr G Almond

CHIEF EXECUTIVE

Mr P Newman

KEY MANAGEMENT PERSONNEL

Ms J Clarges - Director of Quality and Compliance
Mr C Doherty - Chief Financial Officer
Mr N Farmer - Director of Operations and Planning
Mr G Williams - Director of Business Development

REGISTERED OFFICE

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STATUTORY AUDITOR

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Victoria House
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BANKERS

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London EC2R 8AU

SOLICITOR

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SOLICITOR

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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 2019

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 2019. 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).

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.

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 expand its charitable impact by increasing the number of beneficiaries it supports with high quality care and support services.

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.

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, safety 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.

Our aim through practising The Eden Alternative philosophy is to improve the lives of our residents and our staff. Based around the core belief that ageing should be a continued stage of development and growth, rather than a period of decline, we are dedicated to eliminating the plagues of Loneliness, Helplessness and Boredom and to go beyond person-centred care. The philosophy encourages our staff to be creative when giving care, creating vibrant communities where contact with children, the outdoors and animals is central to 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.

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Strategic Report - Achievements and Performance

Major achievements during the year -

- In November 2018, the board held its biennial Away Day in Cambridge and completed a detailed review of its long-term strategy. In addition, the board undertook a facilitated governance review and considered compliance with the latest version of the Charity Governance Code. The Trust's performance had continued to improve and remains in the upper quartile of charities which participate in the benchmark study.
- Greensleeves Homes Trust has provided high quality residential, dementia and nursing care at competitive weekly fees in homely environments that are staffed by caring and well trained staff. As at 31 March 2019, we were able to care for up to 971 residents across 24 homes, an increase of 99 residents and two homes compared to last year.
- Harleston House, our home in Lowestoft, Suffolk, achieved an overall rating of Outstanding from our regulator the Care Quality Commission (CQC) with ratings of Outstanding in three Key Lines of Enquiry. This is the third of the Trust's homes to receive an Outstanding rating with the others being The Briars in Sandown on the Isle of Wight and Broadlands in Oulton Broad, Suffolk.
- In addition to the three Outstanding ratings, as at 31 March 2019, the Trust had achieved a CQC rating of Good at 16 of our homes with outstanding traits at one of these. Three homes had been classified as requiring improvement and action plans are in place to rectify any areas of concern identified by the CQC inspectors. Two homes added during the year had not been inspected at the year end. Therefore, based on the 22 homes that had been inspected, 86% have been rated as Good or above by the CQC.
- We continued to be highly rated on the leading online care directory www.carehome.co.uk, having achieved an overall group score of 9.7 out of ten on 31 March 2019 and been rated as a Top 20 Recommended Care Home Group in the United Kingdom in 2019.
- The Greensleeves Centre for Quality has continued to develop with working groups on nutritional wellbeing and end of life care being added to the existing group that focuses on residents' activities. This means best practice and industry standards are shared across the Trust's homes as well as being used for future projects, thus pushing Greensleeves Care forward as a leader in the care industry.
- We achieved a significantly higher than average score in the 2018/19 Your Care Rating Residents Survey conducted by Ipsos MORI which measured the quality of care across 525 UK care homes; in the Residents' Survey, over 11,000 care home residents took part and we scored 926 out of 1,000 which compares favourably to the overall average of 878; in the Family and Friends' Survey where almost 7,000 people took part, we scored 882 against an overall average of 842. Specifically, Borovere in Alton, Hampshire was rated number one care home in the country in the Family and Friends' Survey scoring an overall score of 987 and Torkington House in Acton, West London was ranked third scoring 973.
- We achieved annual staff turnover of lower than the average published by the National Care Forum.
- Two new homes were added to the Trust's portfolio. These were Lavender Fields in Seal, near Sevenoaks, Kent and Whitegates in Westfield, East Sussex:
 - Lavender Fields is our new leasehold home which was handed over to us in July 2018. The home was built specifically for us meaning we had input into its specification. It will provide residential and dementia care for up to 75 residents and is therefore currently our largest home.
 - Whitegates was acquired on 31 July 2018 following the acquisition of the Whitegates Group of companies (Whitegates Retirement Home Limited and Whitegates Investments Limited). It is an operating home providing residential care for up to 24 residents with planning permission in place to add a further 20 bedrooms.

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Strategic Report - Achievements and Performance - continued

- We achieved occupancy in our homes (calculated based on phased resident build up at new homes) of 91.9% (2018: 93.5%) which compares favourably with the sector average which, according to the Knight Frank Care Home Trading Performance Review 2018 was approximately 90% in 2017-2018. This will help ensure continued income to fund our future development plans and expansion. The overall good occupancy level was achieved through careful occupancy monitoring, effective marketing of vacancies, but mainly the high quality of care provided and resulting good reputation of our homes.
- We published our second Social Impact Report which provided the public with a comprehensive update both pictorially and narratively on our achievements. The format will continue to be developed in the coming years.

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

- **To work towards all of the Trust's homes having a rating of at least Good from the Care Quality Commission** - As at 31 March 2019, of the 22 homes that had been inspected, 16 homes were rated Good and three had achieved an Outstanding rating.
- **To continue to invest in the training and development of our staff** - during the year, we invested £289,000 in mandatory and non-mandatory training. We recognise the importance of continuing to invest in our staff to ensure they are able to provide appropriate care for our residents and appreciate that, as we grow, our training resources must also expand in order to maintain standards. A review of our training provision was completed and strengthened with the introduction of an eLearning system to allow for a blended approach to learning for our staff. Staff can now attend both face to face training with our three regional trainers as well as maintain an independent learning path through the completion of online learning modules.
- **To continue to improve the standards of care and the overall service by developing the Eden Alternative philosophy** - the Eden Alternative philosophy is a continually evolving journey for our homes which changes to reflect the needs and wants of our residents. As at 31 March 2019, 19 of the Trust's 24 homes had achieved Eden accreditation. We continue to concentrate on ensuring those homes accredited with the Eden Alternative are putting it into practice and as such all homes re-inspected during the year have retained their accreditation. A further two homes, both more recently acquired, have been put forward for accreditation.
- **To complete the acquisition of Whitegates, our new home in Westfield, near Hastings, Sussex** - the acquisition of the home was completed on 31 July 2018 and its integration into the Trust is progressing well.
- **To further integrate Glebelands and Rose Cottage into the Trust** - both homes are now fully integrated in the Greensleeves Care way of working. This has been confirmed by both homes achieving a rating of Good from the Care Quality Commission.
- **To mobilise our new-build property, Lavender Fields, in Kent and integrate it into the Trust** - the home was handed over during July 2018. Soon after, residents from Mount Ephraim House in Tunbridge Wells were transferred across into the new home which instantly brought the home to life. Since then resident numbers have gradually increased and, as at 31 March 2019, there were 48 residents in the home.
- **To work towards commencing construction of our new home adjacent to Rye Hospital in Sussex** - the purchase of the land on which the home will be built completed in November 2018. Works are now underway to supply services to the site and also to prepare detailed specifications for the new home before tendering the build contract and selecting the most appropriate contractor.
- **To commence major extension and development works at Croxley House in Croxley Green, Rickmansworth and at Mount Ephraim House in Tunbridge Wells** - both projects are underway albeit with some delays. At Croxley House, works had to stop following the discovery of a bat on site and at Mount Ephraim House, unforeseen structural and asbestos issues were identified early on. Works at both will continue throughout the whole of next year with completion scheduled for during the year ending 31 March 2021.

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Strategic Report - Achievements and Performance - continued

- To continue to research potential development sites or new homes to expand the Trust's current portfolio - we have one project which will come to fruition early in the new year; this is the addition of a 66 bed home in Ely, Cambridgeshire called The Orchards which is scheduled to be handed over in July 2019. In addition, other projects have either been agreed by the Board or are in the early stages of discussion.
- To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally - we have continued to improve the Trust's visibility through membership of appropriate organisations such as the National Care Forum. We have actively participated in national care sector initiatives and won numerous local, regional and national industry awards. As detailed above, the number of positive reviews on external websites continues to grow with some homes now rated as the best in their area and we also continue to benchmark ourselves against other care providers by taking part in surveys such as Your Care Rating. Our profile on Facebook, which is seen as an effective tool to promote the homes, has been given more impetus with homes having individual pages where items of interest are promoted to an increasing number of followers from the local community. More recently, various care related advice type blog posts have been published as well.

Strategic Report - Key Performance Indicators

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

	Outcome 2019	Outcome 2018
Number of homes with Eden Alternative validation	19	18
Percentage of residents funded by the local authority	26.0%	25.9%
Staff turnover	21.6%	23.9%
Occupancy	91.9%	93.5%
Average fee per week	£942	£871

- One further home achieved Eden Alternative validation during the year bringing the total to 19. We continue towards the ultimate aim of having all our homes validated.
- Percentage of publicly funded residents - in line with public benefit and our sustainable operating model, we aim to have approximately 25% of the total number of our residents funded by public bodies. At the year end, we had exceeded this target and the percentage had increased very slightly compared with 2018. The percentage tends to fluctuate on a monthly basis in line with resident admissions and departures and our overall target remains at 25%.
- Staff turnover has fallen this year and remains comfortably below the average of 25% published by the National Care Forum. Recruitment remains a challenge for the sector and, while our staff turnover is lower than the national average, we continue to investigate innovative ways to attract the best people to join us.
- Occupancy levels are lower than last year (based on anticipated resident build up at new homes) but still compare favourably with the sector average of around 90%. This year's performance was affected by the impact of development works at some homes where significant levels of investment are being made to improve the quality of the homes for our residents.
- 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 this year reflecting inflationary pressures, the higher care needs of residents and the addition of Lavender Fields where fees are higher due to a greater provision of dementia care at the home.

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Strategic Report - Financial Review

Review of Transactions and Financial Position

These financial statements for the year ended 31 March 2019 comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'.

Overall results

Overall, a net deficit of £184,295 (2018: £721,728 net income) was produced which has reduced reserves to a total of £33.4million (2018: £33.6million). The deficit was largely driven by the impact of the phased build-up of residents at Lavender Fields, our new leasehold home which opened in July 2018.

The table on page 7 shows the results for the year compared with 2018. Please note that those homes considered new homes last year are included under existing homes this year.

Existing operations

Income

- Residents' care fees, relating to our core activity of providing residential, dementia and nursing care, have increased by £3.8million. Of this amount, £1.9million relates to this year's full year of operations at the two homes added during 2018 compared to the part year included last year. The remainder is due to the annual fee increase (which was again impacted by the National Living Wage and increased inflation as a result of the decision to leave the European Union), stable occupancy and the generally rising care needs of our residents.
- Residents' sundries relate to the recharge of incidental expenses incurred on behalf of residents.
- Other income includes £103,000 (2018: £125,000) generated by our investment portfolio and cash reserves plus rent from various accommodations, donations and fundraising.

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 £3.4million. Of this amount, £1.6million relates to a full year of direct costs at the two homes added during 2018 compared to the part year included last year. The remainder is a result of inflationary cost pressures, the annual increase in the National Living Wage, increased investment in the upkeep of the homes and the rising care needs of our residents.
- 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. They have increased this year due to the recruitment of further head office staff needed to support the increasing number of homes and increasing consultancy costs relating to fire risk, asbestos and health & safety.
- Costs of raising finance of £91,000 relate to the amortisation of arrangement fees in respect of the loan from Retail Charity Bonds Plc.
- Other costs relate to investment manager fees and costs relating to various rental properties owned by the Trust.

Investment gains and losses

- In the year, our investment portfolio produced realised gains of £800 (2018: £1,000) and unrealised gains of £300 (2018: unrealised losses of £46,000) leading to net gains of £1,100 (2018: net losses of £45,000).

New homes

During the year ended 31 March 2019, two new homes were added; one was Lavender Fields, a leasehold home in Seal, near Sevenoaks, Kent providing care of up to 75 residents and the other Whitegates in Westfield, East Sussex which is an existing operating home providing care for up to 24 residents. Both were added to the Trust's portfolio in July 2018.

Since being added, the new homes generated total income of £1.3million and expenditure of £2.1million resulting in a deficit of £809,000; as had been anticipated, Lavender Fields produced a deficit of £872,000, a result of opening start-up costs and initially lower income during the phased build-up of residents and Whitegates generated a surplus of £63,000. The results for both homes are after an allocation of head office costs and loan interest.

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Strategic Report - Financial Review - continued

	Existing Homes 2019 £	Head Office 2019 £	Existing Operations 2019 £	New Homes 2019 £	Total 2019 £	Existing Homes 2018 £	Head Office 2018 £	Existing Operations 2018 £	New Homes 2018 £	Total 2018 £
INCOME										
Residents' care fees	37,373,948	-	37,373,948	1,279,147	38,653,095	33,569,989	-	33,569,989	-	33,569,989
Residents' sundries	279,665	-	279,665	17,016	296,681	269,394	-	269,394	-	269,394
Other income	534,035	119,376	653,411	543	653,954	437,404	143,211	580,615	-	580,615
Surplus from sale of fixed assets	-	-	-	-	-	-	225,579	225,579	-	225,579
TOTAL	38,187,648	119,376	38,307,024	1,296,706	39,603,730	34,276,787	368,790	34,645,577	-	34,645,577
EXPENDITURE										
Residents' care costs	35,171,070	-	35,171,070	2,105,791	37,276,861	31,813,220	-	31,813,220	-	31,813,220
Head Office costs	-	2,228,135	2,228,135	-	2,228,135	-	1,831,201	1,831,201	-	1,831,201
Cost of raising finance	-	91,367	91,367	-	91,367	-	90,692	90,692	-	90,692
Other costs	-	192,790	192,790	-	192,790	124,526	18,776	143,302	-	143,302
TOTAL	35,171,070	2,512,292	37,683,362	2,105,791	39,789,153	31,937,746	1,940,669	33,878,415	-	33,878,415
Net investments gains / (losses)	-	1,128	1,128	-	1,128	-	(45,434)	(45,434)	-	(45,434)
NET INCOME	3,016,578	(2,391,788)	624,790	(809,085)	(184,295)	2,339,041	(1,617,313)	721,728	-	721,728

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Strategic Report - Financial Review - continued

Balance Sheet

The balance sheet shows that at 31 March 2019 the total funds were £33.4million (2018: £33.6million). This was represented by fixed assets of £64.8million including investments of £1.8million (2018: £54.8million including investments of zero), net current assets of £4.2million (2018: net current assets of £12.9 million including investments of £1.7million) and long term liabilities of £35.6million (2018: £34.1million).

Please note:

- Investments have been reclassified as Fixed Asset Investments in these accounts as currently there is no intention of disposing of them within the next twelve months. They had previously been classed as Current Asset Investments. Their value as at 31 March 2019 was £1.8million (2018: £1.7million).
- Residents' Deposits have been reclassified as short term liabilities in these accounts. The balance held on 31 March 2019 was £2.0million (2018: £1.6million). They had previously been classified as long term liabilities.

Unrestricted funds of £33.3million (2018: £33.5million) 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.

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 Reserves Policy is considered annually and the Board of Trustees reviews the Trust's reserve levels throughout the year in the light of its planned activities, budget and cashflow forecasts. The Board currently believe it necessary to hold reserves so that the future standards of service and accommodation offered to residents can be maintained and improved. It is also important that funds are available to fulfil any committed acquisition and development activity.

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 reserves before long term liabilities were £4.1million which represents a shortfall of £15.1million over the £19.2million needed to fulfil the above requirement. This shortfall will be funded by the sale of land completed shortly after the year end which generated sale proceeds of £10million plus further borrowing under the Retail Charity Bonds plc facility where £14million is still available for drawdown (both events had taken place at the date of signing the accounts).

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 2019 was £10.3million.

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 £33.4million of which £142,000 are restricted (2018: £33.6million and £122,000 respectively). These restricted funds are made up by amenity funds raised specifically for our homes' residents' benefit.

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Strategic Report - Financial Review - continued

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 twelve 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 Schroder & Co. Limited with the majority of monies now being held in their Charity Multi-Asset Fund. During the year, income of £68,900 was generated which was used to purchase additional units. Investment manager fees of £4,200 were funded through the disposal of units which generated realised gains of £800. At the year end, we recorded unrealised gains of £300 which is a result of the investments increasing in value since they were purchased. Taking gains and fees into consideration, the portfolio's market value as at 31 March 2019 stood at £1.77million (2018: £1.70million).

Investments have been reclassified from Current Asset Investments to Fixed Asset Investments in this accounts.

Temporary surplus funds derived from the proceeds of the loan from Retail Charity Bonds Plc are being held on short term deposit pending utilisation on planned development activity.

Going concern

The Trustees believe the Charity is a going concern. Its trading since the year end has continued in line with that reported in these financial statements and, due to continued phased build-up of residents at Lavender Fields, is in fact improving. Taking into account year end cash reserves, the proceeds from the sale of land completed in May 2019 and the potential to raise further funds on the loan from Retail Charity Bonds plc plus improving trading, we will be able to fulfil our current commitments and continue in operational existing for the foreseeable future. As at 31 March 2019, the total owing in respect of the loan from Retail Charity Bonds Plc amounted to £36million. This is an unsecured loan and future cash flows will enable us to meet the six monthly interest payments as they fall due and latterly monies will be accrued in readiness for its repayment in 2026.

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Strategic Report - Plans for the Future

During the year, the Board reviewed the Trust's key strategic goals and re-confirmed them as:

- Quality Improvement - Ensure continuous enhancement in the quality of care provided to residents and service users.
- Sustainable Development - Expand the charitable impact of Greensleeves in an enduring and affordable manner.

Key Plans

In the coming year, our key plans are:

- To work toward all of the Trust's homes having a rating of at least Good from the Care Quality Commission.
- 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 with the ultimate aim of all of the Trust's current 24 homes being validated.
- To further integrate our recently added homes, Lavender Fields and Whitegates, into the Trust by ensuring the care provision is comparable to the Trust's homes and the financial results are in line with expectations.
- To mobilise our new build property, The Orchards in Ely, Cambridgeshire and integrate it into the Trust.
- To work towards commencing construction of our new home adjacent to Rye Hospital in Sussex.
- To progress major extension and development works at Borovere in Alton in Hampshire, Croxley House in Croxley Green, Rickmansworth and at Mount Ephraim House in Tunbridge Wells.
- To commence construction of a new home in Ipswich enabling us to re-provide our existing local home, Thornbank.
- 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 the medium to long term aim for the Trust to continue our sustainable growth.
- To draw down the balance of funds available under the Retail Charity Bond loan facility and to review further funding arrangements as required
- To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally.

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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.
- The impact of Brexit. Whilst plans are in place to mitigate its potential impact, the continuing uncertainty on how and when it will finally happen make it difficult to plan for all possible outcomes.
- The need to ensure sufficient funds are accrued in readiness for repaying the loan from Retail Charity Bonds Plc on maturity.

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 2019

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.

The Trustees

At the time of signing these accounts, the Board of Trustees comprised ten 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.

Trustees are usually recruited with the support of an external agency specialising in non-executive recruitment. In recruiting new Trustees or by advertising in appropriate press, the aim is to attract appropriate people who will complement the skill set of the existing Board and fill any identified skills gaps. Potential new Trustees are interviewed by the Nominations Committee or a panel of board members. Any suitable candidates are then recommended to the Board for appointment.

As part of their induction, all Trustees are issued with relevant key documentation including the Memorandum and Articles of Association, current annual budget and business plans, as well as information about regulatory requirements in the care and charity sectors. They also meet with the Chief Executive to discuss current strategy and future aims and objectives, as well as identifying any specific, additional training or induction needs. Going forward, Trustees are kept informed of any developments within the Trust and in legislation affecting the Trust by the Chief Executive and in board papers.

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 six Trustees and has responsibility for providing the Board with assurance on the adequacy of all systems, controls, processes and risk management 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 four 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.

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 2019

Structure, Governance and Management - Continued

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.

Knowledge and skills around health and safety have been significantly strengthened in the year with considerable investment in the training and development of our management and maintenance teams. Areas covered included the management of contractors and works within our homes and standard skills such as working from height, risk assessment and general health and safety management.

A comprehensive review and update of the Trust's Health and Safety policy was undertaken in the early part of the year before being ratified by the Board in August 2018.

During the year, we submitted five RIDDOR reports to the Health and Safety Executive in respect of minor issues. The incidents occurred across five different homes with one involving a member of staff and the other four involving residents. Where appropriate, actions were taken to mitigate the potential for reoccurrence.

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 reviews on a regular basis to ensure that any potential problems are identified and tackled as soon as possible.

These internal reviews 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.
- informal visits from the Senior Management Team who meet with the Home Manager and speak to staff, residents and relatives at the home.
- periodic 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.

During the year, our Internal Auditors, RSM completed the second round of financial audits visiting the remaining homes not previously visited to ensure compliance with procedures and that there were no financial irregularities. Some minor control issues were identified and measures will be taken to address these in the coming year.

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 2019

Structure, Governance and Management - Continued

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 Chief Financial Officer, the Director of Operations and Planning, the Director of Quality and Compliance and the Director of Business Development. 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.

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.

The Trust has 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 Board of Trustees make the final decision on any staff-wide pay increases as part of the annual budget-setting process.

The pay of senior staff is reviewed and benchmarked against other similar care providers annually. In addition, a biennial, independent 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 Executive pay namely, the Chief Executive, the Chief Financial Officer, Director of Operations and Planning, the Director of Quality and Compliance and the Director of Business Development posts. In setting the salary for these five roles the Trust will take into consideration market data and the future growth plans for Greensleeves Homes Trust.

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

Employee involvement

The Trust has established work practices in place that enable effective communication and engagement with staff, for example the quarterly staff newsletter and the staff engagement survey. Staff meetings are held at all homes on a regular basis which give employees the opportunity to discuss any issues and make suggestions on how their home operates.

Disabled Persons

We are committed to encouraging diversity amongst our workforce and seek to make reasonable adjustments to ensure our premises and working conditions meet the needs of staff members and job applicants that are disabled. All staff are afforded the same opportunities.

Volunteers

Greensleeves Homes Trust and its residents are fortunate to benefit from a multitude of volunteers who support our homes. These volunteers give their time freely to help us in a number of ways including assisting with activities, facilitating fundraising events or simply providing friendly conversation and companionship to residents. The Trustees are extremely grateful to all those volunteers who support us in delivering a valued and important service and making such a positive contribution to the lives of not only our residents but our staff as well.

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 2019

Structure, Governance and Management - Continued

Subsidiary undertakings

The Trust has a long standing subsidiary, Greensleeves Developments Limited. It is currently dormant but is being kept in existence in case a trading subsidiary is required for any future activities. Details can be found in note 5 of the notes to these financial statements.

The Trust acquired the Whitegates Group of companies (Whitegates Investments Limited and Whitegates Retirement Home Limited) for the cash sum of £3.25million in July 2018. The Whitegates Group is associated with the residential care home, Whitegates located in Westfield, East Sussex. Specific details can be found in note 18 of the notes to these financial statements.

Fundraising

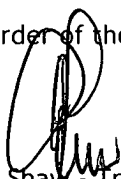
Part of the Trust's income is from donations and fundraising. The donations are generally unsolicited and are received from the families of residents after they have left the home. Fundraising income is generated by events held at homes, for example, raffles, summer fayres, firework displays or Christmas parties. These can be ticketed events at which donated goods might be sold to raise funds. Any monies raised are used for general amenity purposes or for larger purchases such as a new minibus and, in both cases, for the residents' use. These events are organised in house by our own staff, sometimes with the assistance of local volunteers. We have strict controls around fundraising and ensure that any cash is handled by two or more people. Participation in any fundraising is voluntary and we do not unduly pressure people into giving money or other donations.

Reports to the Charity Commission

During the year, we notified the Charity Commission of a potential incident that might have affected the Trust's public reputation. This was following a letter received from a former member of staff who threatened to contact the Charity Commission and release information on Social Media. Ultimately neither came to fruition.

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



Mr C Shaw - Trustee of Greensleeves Homes Trust
25 July 2019

GREENSLEEVES HOMES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2019

The trustees (who are also directors of Greensleeves Homes Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company 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 then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting 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 charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

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

Opinion

We have audited the financial statements of Greensleeves Homes Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the Group Charitable Company Statement of Financial Activities (incorporating the Group Charitable Company Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019 and of the group's incoming resources and application of resources including, its group's 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.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 2 to 15 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

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:

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out of page 16, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Use of our report

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

Grant Thornton UK LLP

William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date: *27 August 2019*

GREENSLEEVES HOMES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2019

	<u>Notes</u>	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £
INCOME FROM							
Charitable activities							
Residents' care fees		38,653,095	-	38,653,095	33,569,989	-	33,569,989
Residents' sundries		296,681	-	296,681	269,394	-	269,394
Rental income		414,066	-	414,066	345,741	-	345,741
Raising funds							
Donations and fundraising		4,119	111,355	115,474	1,356	80,492	81,848
Investments	2	102,745	-	102,745	124,758	-	124,758
Other							
Miscellaneous income		21,669	-	21,669	28,268	-	28,268
Surplus from sale of fixed assets		-	-	-	225,579	-	225,579
TOTAL		39,492,375	111,355	39,603,730	34,565,085	80,492	34,645,577
EXPENDITURE ON							
Charitable activities							
Residents' care costs	3	37,216,699	60,162	37,276,861	31,761,279	51,941	31,813,220
Head Office costs	3	2,228,135	-	2,228,135	1,831,201	-	1,831,201
Rental costs	3	188,570	-	188,570	139,218	-	139,218
Raising funds							
Investment manager fees	3	4,220	-	4,220	4,084	-	4,084
Cost of raising finance	3	91,367	-	91,367	90,692	-	90,692
TOTAL	3	39,728,991	60,162	39,789,153	33,826,474	51,941	33,878,415
INVESTMENT GAINS / (LOSSES)	9	1,128	-	1,128	(45,434)	-	(45,434)
NET (LOSS) / INCOME		(235,488)	51,193	(184,295)	693,177	28,551	721,728
Transfer between funds	12	31,205	(31,205)	-	21,045	(21,045)	-
NET MOVEMENT IN FUNDS		(204,283)	19,988	(184,295)	714,222	7,506	721,728
FUNDS AT 1 APRIL 2018	12	33,483,360	122,251	33,605,611	32,769,138	114,745	32,883,883
FUNDS AT 31 MARCH 2019	12	33,279,077	142,239	33,421,316	33,483,360	122,251	33,605,611

All of the above results are derived from continuing activities.

The parent company has elected not to present its unconsolidated SOFA under section 408 of the Companies Act 2006.

The notes on pages 23 to 36 form part of these financial statements.

GREENSLEEVES HOMES TRUST
CONDOLIDATED AND CHARITY BALANCE SHEETS
31 MARCH 2019

	<u>Notes</u>	<u>Group</u> <u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>	<u>Charity</u> <u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>
FIXED ASSETS					
Tangible assets	7	63,011,803	54,809,170	63,011,803	54,809,170
Investments	9	1,765,700	-	1,765,700	-
Investment in Subsidiaries	5	-	-	104	4
		<u>64,777,503</u>	<u>54,809,170</u>	<u>64,777,607</u>	<u>54,809,174</u>
CURRENT ASSETS					
Debtors	8	2,282,294	2,209,298	2,282,190	2,209,294
Investments	9	-	1,699,912	-	1,699,912
Bank and cash balances		6,834,201	10,853,552	6,834,149	10,853,500
		<u>9,116,495</u>	<u>14,762,762</u>	<u>9,116,339</u>	<u>14,762,706</u>
CURRENT LIABILITIES					
Amounts falling due within one year	10	(4,913,028)	(3,402,795)	(4,913,032)	(3,402,799)
NET CURRENT ASSETS		<u>4,203,467</u>	<u>11,359,967</u>	<u>4,203,307</u>	<u>11,359,907</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>68,980,970</u>	<u>66,169,137</u>	<u>68,980,914</u>	<u>66,169,081</u>
CREDITORS					
Amounts falling due after more than one year	10	(35,559,654)	(32,563,526)	(35,559,654)	(32,563,526)
NET ASSETS		<u>33,421,316</u>	<u>33,605,611</u>	<u>33,421,260</u>	<u>33,605,555</u>
UNRESTRICTED FUNDS					
General funds		23,028,217	23,124,869	23,028,161	23,124,813
Revaluation reserve		10,250,860	10,358,491	10,250,860	10,358,491
	12	<u>33,279,077</u>	<u>33,483,360</u>	<u>33,279,021</u>	<u>33,483,304</u>
RESTRICTED FUNDS	12	<u>142,239</u>	<u>122,251</u>	<u>142,239</u>	<u>122,251</u>
TOTAL FUNDS	13	<u>33,421,316</u>	<u>33,605,611</u>	<u>33,421,260</u>	<u>33,605,555</u>

Approved by the Board of Trustees and authorised for issue on 25 July 2019 and signed on their behalf by:

.....
Mr C Shaw - Trustee of Greensleeves Homes Trust

The notes on pages 23 to 36 form part of these financial statements.

Company Registered Number 03260168

GREENSLEEVES HOMES TRUST
CONSOLIDATED CASH FLOW STATEMENT
31 MARCH 2019

	<u>2019</u> £	£	<u>2018</u> £	£
Cash flows from operating activities		3,257,657		1,503,145
Cash flows from investing activities				
Dividends received	69,174		64,692	
Interest received	33,571		60,066	
	<hr/>		<hr/>	
		102,745		124,758
Purchases of tangible assets	(10,372,542)		(13,297,952)	
Sale of tangible assets	-		233,400	
Transfer of tangible assets to current assets	61,321		-	
Purchases of investments	(68,879)		(64,479)	
Sales of investments	4,219		2,769	
	<hr/>		<hr/>	
		(10,375,881)		(13,126,262)
Net cash used in investing activities		(10,273,136)		(13,001,504)
Cash flows from financing activities				
New loan facilities	3,000,000		-	
Capitalisation of costs	(58,500)		(2,563)	
Amortisation of capitalised costs	54,628		54,561	
	<hr/>		<hr/>	
Net cash provided by financing activities		2,996,128		51,998
Change in cash and cash equivalents in the reporting period		(4,019,351)		(11,446,361)
Cash and cash equivalents at beginning of reporting period		10,853,500		22,299,861
Cash and cash equivalents at end of reporting period		<hr/> <hr/>		<hr/> <hr/>
		6,834,149		10,853,500
Reconciliation of net income to net cash flow from operating activities				
Net income for the reporting period		(184,295)		721,728
(Increase) in debtors		(72,996)		(990,563)
Increase in creditors		1,510,233		306,354
Depreciation		2,094,435		1,770,529
Dividends and interest from investments		(102,745)		(124,758)
Net (gains) / losses on investments		(1,128)		45,434
Gains on fixed asset disposals		-		(225,579)
Write off of tangible assets		14,153		-
		<hr/>		<hr/>
Net cash provided by operating activities		3,257,657		1,503,145
Analysis of cash and cash equivalents				
		Cash at 31 March 2019		Cash at 31 March 2018
Cash at bank		<hr/> <hr/>		<hr/> <hr/>
		6,834,201		10,853,552

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

1 ACCOUNTING POLICIES

(a) Basis of accounting

Greensleeves Homes Trust is a Company limited by Guarantee and is incorporated in England and Wales. It is also a Charity that constitutes a public benefit entity as defined by FRS 102.

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 currency used in the financial statements is Pound Sterling.

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

Preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions concerning the future. The areas of the financial statements that are subject to these judgements are as follows:

- Care home debtors: An allowance for bad and doubtful debts is maintained in respect of estimated losses resulting from the inability of the Charity's debtors to settle amounts due.
- Fixed asset valuation: On transition to FRS 102, the decision was taken to adopt a 'deemed cost' value for the freehold homes so as to give a truer indication of their value. A professional valuation was therefore undertaken as at 1 April 2014; being the transition date, and the carrying value of all homes held at that date is based on this valuation less provision for depreciation and impairment subsequently charged. Additions are stated at cost less depreciation. The existence of impairment indicators is considered by the Trustees at each reporting date, as is the continuing appropriateness of the depreciation policy.
- Loan measurement: Future payments have been estimated in respect of the loan in computing the effective interest rate at inception, with a periodic re-assessment being undertaken of the effective rate as a floating rate instrument based on actual outcomes during the loan term.

(c) Income recognition

Residents' care fees, rental income and donations are recognised when the Charity has entitlement to the amounts due and their receipt is probable. It is accounted for on a receivable basis.

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.

(d) 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 is allocated to the particular activity where it directly relates to that activity. Any that is not directly attributable to one activity is allocated as appropriate.

Expenditure on raising funds comprise the fees paid to the manager of our investment portfolio, charges incurred in repaying existing bank loans early and the amortisation of initial costs incurred in respect of the loan from Retail Charity Bonds Plc. Rental costs are in respect of a small number of rental properties owned by the Trust.

(e) Fixed assets

Fixed assets are stated at cost (or, in the case of some freehold property, 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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

1 ACCOUNTING POLICIES - continued

As this is the basis on which such properties are bought and sold, the cost or deemed cost of each home is valued by reference to the profits method based on an assessment of its fair maintainable trade and adjusted for size, location and other material factors. Each home's cost is split into a land value and a building value. The cost or deemed cost of each home's building value is further 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

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.

A review for impairment of a fixed asset is carried out at each reporting date to determine if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Depreciation is charged from when an asset is available for use.

(f) Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed funds and company shares 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.

(g) 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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

1 ACCOUNTING POLICIES - continued

(h) Bank and cash equivalents

Bank and cash equivalents 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.

(i) 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 short term liabilities (having been reclassified from long term liabilities this year).

(j) 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.

(k) 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.

(l) 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.

(m) Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

1 ACCOUNTING POLICIES - continued

(n) Going concern

Accounting standards require 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 the loan from Retail Charity Bonds Plc amounts to £36million and is unsecured, future cash flows will meet the six monthly interest payments as they fall due and monies will be accrued in readiness for its repayment in 2026.

(o) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2 INVESTMENT INCOME

	<u>2019</u> £	<u>2018</u> £
Dividends	69,174	64,692
Bank interest	33,571	60,066
	<u>102,745</u>	<u>124,758</u>

3 EXPENDITURE

(a) Analysis of expenditure

	Staff costs (note 4) £	Other care costs (note 3b) £	Other Support costs (note 3c) £	Governance costs (note 3d) £	Total 2019 £	Total 2018 £
Unrestricted funds						
Charitable activities						
Residents' care costs	26,267,702	10,948,997	-	-	37,216,699	31,761,279
Head Office costs	708,037	-	1,436,909	83,189	2,228,135	1,831,201
Rental costs	25,807	-	162,763	-	188,570	139,218
Raising funds						
Investment manager fees	-	-	4,220	-	4,220	4,084
Cost of raising finance	-	-	91,367	-	91,367	90,692
	<u>27,001,546</u>	<u>10,948,997</u>	<u>1,695,259</u>	<u>83,189</u>	<u>39,728,991</u>	<u>33,826,474</u>
Restricted funds						
Charitable activities						
Residents' care costs	-	60,162	-	-	60,162	51,941
	<u>-</u>	<u>60,162</u>	<u>-</u>	<u>-</u>	<u>60,162</u>	<u>51,941</u>
Total expenditure	<u>27,001,546</u>	<u>11,009,159</u>	<u>1,695,259</u>	<u>83,189</u>	<u>39,789,153</u>	<u>33,878,415</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

3 EXPENDITURE - continued

(b) Analysis of other care costs

	<u>2019</u> £	<u>2018</u> £
Charitable activities		
Food	1,872,275	1,538,822
Medical costs	117,915	104,938
Activities	520,490	453,609
Care Quality Commission fees	133,917	127,152
Maintenance	1,901,116	1,831,026
Cleaning and housekeeping	756,286	685,146
Insurance	182,284	134,675
Utilities costs	1,003,700	829,985
Administration costs	391,761	322,166
Loan interest and charges	1,403,557	1,402,564
Leasehold rents	692,725	459,494
Depreciation	2,033,133	1,693,810
	<u>11,009,159</u>	<u>9,583,387</u>

(c) Analysis of head office support costs

	<u>2019</u> £	<u>2018</u> £
Professional fees in respect of development plans	16,406	124,343
HR, health & safety, energy consultancy plus other professional fees	371,447	182,595
Trust-wide computer services	435,802	328,095
Head office running costs	538,088	466,424
Depreciation	75,166	75,166
	<u>1,436,909</u>	<u>1,176,623</u>

(d) Analysis of governance costs

	<u>2019</u> £	<u>2018</u> £
Legal and professional fees	6,607	9,545
Audit fees for current year	38,820	36,000
Audit fees in respect of previous year	2,318	4,644
Internal auditor fees	21,331	36,000
Trustees' expenses	2,068	2,935
Trustee recruitment	109	2,461
Trustee training and development	11,936	1,398
	<u>83,189</u>	<u>92,983</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

4 WAGES AND SALARIES

	<u>2019</u> £	<u>2018</u> £
Summary of wages and salaries allocation in respect of:		
Residents' care costs	26,267,702	22,229,833
Head Office costs	708,037	561,595
Rental costs	25,807	25,031
	<hr/> 27,001,546	<hr/> 22,816,459
Analysis of wages and salaries:		
Salaries	21,754,800	18,387,022
National insurance costs	1,375,503	1,177,300
Pension costs	561,860	285,953
Apprenticeship Levy	89,986	72,736
Agency staff	2,251,715	2,018,853
Training	288,644	286,416
Recruitment	184,569	239,044
Other staff costs	494,469	349,135
	<hr/> 27,001,546	<hr/> 22,816,459

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

As at 31 March 2019, total pension contributions still to be paid over to employees' policies amounted to £143,517 (2018: £56,977).

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

	<u>2019</u> FTE	<u>2019</u> Number	<u>2018</u> FTE	<u>2018</u> Number
Residents' care	949	1,267	858	1,102
Head office - Homes' support	25	28	20	20
Head office - Central administration	8	9	6	6
	<hr/> 982	<hr/> 1,304	<hr/> 884	<hr/> 1,128

The number of employees whose emoluments amount to over £60,000 in the year was as follows:-

	<u>2019</u> Number	<u>2019</u> Number
£60,001 to £70,000	5	2
£70,001 to £80,000	2	1
£80,001 to £90,000	-	1
£90,001 to £100,000	-	1
£101,000 to £110,000	1	-
£120,001 to £130,000	-	1
£130,001 to £140,000	1	-
	<hr/> 9	<hr/> 6

Pension contributions paid on behalf of the nine above employees for the year amounted to £31,977 (2018: £23,865 for six employees).

Key management personnel consist of the Chief Executive, Chief Financial Officer, Director of Operations and Planning, Director of Quality and Compliance and Director of Business Development whose total employment benefits for the year including employer's national insurance and pension contributions were £488,316 (2018: £426,915 although figures are not directly comparable due to in year staff structure changes).

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

5 SUBSIDIARY RESULTS

Greensleeves Developments Limited (company number 02898839 - Registered Office at 54 Fenchurch Street, London EC3M 3JY) is a wholly owned dormant subsidiary of the Charity. It has in issue 4 Ordinary Shares with a nominal value of £1 and has not traded throughout the current or prior year, generating neither a profit nor loss. Its net assets at the end of both years amounted to £56 and these are consolidated in the Balance Sheet shown on page 21.

Whitegates Investments Limited (company number 6751602 - Registered Office at 54 Fenchurch Street, London EC3M 3JY) is a wholly owned subsidiary of the Charity that was acquired on 31 July 2018.

Whitegates Retirement Home Limited (company number 3927420 - Registered Office at 54 Fenchurch Street, London EC3M 3JY) is a wholly owned subsidiary of Whitegates Investments Limited. It formed part of the acquisition of the Whitegates home.

Both of the Whitegates companies relate to the Whitegates care home in Westfield, East Sussex which was added to the Trust's portfolio of homes in July 2018 as part of the acquisition. The intention is to liquidate the two companies in the next financial year. In preparation, the decision was made to cease trading in both companies on 30 November 2018 and all trading and assets and liabilities were transferred to the Charity with effect from 1 December 2018. During the period of 1 August to 30 November 2018, the income and expenditure of the two companies was as follows:

	Whitegates Retirement Home Limited £	Whitegates Investments Limited £	Total £
Income			
Residents' care fees	337,966	-	337,966
Residents' sundries	2,461	-	2,461
	<hr/>	<hr/>	<hr/>
Total income	340,427	-	340,427
	<hr/>	<hr/>	<hr/>
Expenditure			
Residents' care costs	247,150	-	247,150
	<hr/>	<hr/>	<hr/>
Total expenditure	247,150	-	247,150
	<hr/>	<hr/>	<hr/>
Net income	93,277	-	93,277
	<hr/>	<hr/>	<hr/>

The above income and expenditure has been consolidated into the Statement of Financial Activities on page 20.

The Charity's investment in subsidiaries is summarised as follows:

	Investment in subsidiaries £
As at 1 April 2018	4
Additions during the year	100
	<hr/>
As at 31 March 2019	104
	<hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

6 TRUSTEE AND RELATED PARTY TRANSACTIONS

The Trustees received no remuneration for their services during the current or prior year. Travel expenses of £2,068 were reimbursed to twelve Trustees during the year (2018: £2,935 for ten Trustees).

7 TANGIBLE ASSETS - All 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> £
Cost						
At 1 April 2018	55,569,630	1,181,872	609,047	4,209,766	139,611	61,709,926
Additions during the year	8,495,459	380,502	301,443	1,177,137	18,001	10,372,542
Written off during year	-	-	-	(478,891)	-	(478,891)
Transfer to current assets	(61,321)	-	-	-	-	(61,321)
At 31 March 2019	64,003,768	1,562,374	910,490	4,908,012	157,612	71,542,256
Depreciation						
At 1 April 2018	3,500,438	88,527	451,241	2,760,301	100,249	6,900,756
Charge for the year	1,160,728	40,820	189,800	679,572	23,515	2,094,435
Written off during year	-	-	-	(464,738)	-	(464,738)
At 31 March 2019	4,661,166	129,347	641,041	2,975,135	123,764	8,530,453
Net book value at 31 March 2019	59,342,602	1,433,027	269,449	1,932,877	33,848	63,011,803
Net book value at 31 March 2018	52,069,192	1,093,345	157,806	1,449,465	39,362	54,809,170

Freehold property includes £27.39 million of land which is not depreciated.

Included under freehold property are assets with a net book value as at 31 March 2019 of £33.03 million (2018: £33.76 million) which are included at deemed cost less depreciation based on a valuation dated 1 April 2014 (the date of transition to FRS 102). The valuation was undertaken by Knight Frank.

Future capital expenditure contracted for at 31 March 2019 but not provided for in these accounts amounted to £18.1million (2018: £330,000).

None of the above assets are used as security for the Trust's borrowings.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

8 DEBTORS - Group and Charity

	<u>Group</u> <u>2019</u> £	<u>2018</u> £	<u>Charity</u> <u>2019</u> £	<u>2018</u> £
Amounts due within one year:				
Residential care home debtors	956,099	950,363	956,099	950,363
Other debtors	102,518	204,857	102,414	204,853
Prepayments and accrued income	1,223,677	1,054,078	1,223,677	1,054,078
	<u>2,282,294</u>	<u>2,209,298</u>	<u>2,282,190</u>	<u>2,209,294</u>

Other debtors includes £61,321 (2018: Zero) in respect of land that has been reclassified as a current asset pending its sale early in the next financial year.

9 INVESTMENTS - All Charity

	<u>2019</u> £	<u>2018</u> £
Market value at 1 April 2018.	1,699,912	1,683,636
Add: additions to investments at cost	68,879	64,479
Book value of disposals in year		
Proceeds from sales	(4,219)	(2,769)
Realised gain	829	577
	<u>(3,390)</u>	<u>(2,192)</u>
Net unrealised gain / (loss) in the year	299	(46,011)
Market value at 31 March 2019	<u>1,765,700</u>	<u>1,699,912</u>
Cost at 31 March 2019	<u>1,466,244</u>	<u>1,400,755</u>
	<u>2019</u> £	<u>2018</u> £
Investments are represented by:		
Schroder Charity Multi-Asset Fund	<u>1,765,700</u>	<u>1,699,912</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.

As there is no intention of disposing of them within the next twelve months, Investments have been reclassified as Fixed Asset Investments in these accounts. They had previously been classified as Current Asset Investments.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

10 CREDITORS - Group and Charity

	<u>Group</u> <u>2019</u> £	<u>2018</u> £	<u>Charity</u> <u>2019</u> £	<u>2018</u> £
Amounts due within one year:				
Trade creditors	1,912,656	875,137	1,912,656	875,137
Other creditors and accruals	548,685	676,286	548,689	676,290
Payments in advance	429,664	300,070	429,664	300,070
Residents' deposits	2,022,023	1,551,302	2,022,023	1,551,302
	<u>4,913,028</u>	<u>3,402,795</u>	<u>4,913,032</u>	<u>3,402,799</u>

Payments in advance relate to fee invoices raised before the year end which cover periods in the following year. It also includes monies paid in advance of future fees or refunds due to be made post year end. The amount of £300,070 at the end of 2018 was released in full in the year ended 31 March 2019.

Amounts due after more than one year:				
Loan from Retail Charity Bonds Plc	35,559,654	32,563,526	35,559,654	32,563,526

On 30 March 2017, Retail Charity Bonds Plc (RCB Plc) launched the Greensleeves Homes Trust Retail Charity Bond which was issued through their Retail Charity Bonds platform and is listed on the London Stock Exchange.

RCB Plc raised £33million from the issue of bond. It was issued for a period of nine years at a fixed rate of interest of 4.25% with the option to extend the term by a further two years. All funds raised were loaned to the Trust on the same terms as the bond. Interest is paid six monthly in arrears. There is an annual arrangement fee at an initial rate of 0.1% of the loan which is payable six monthly in advance. This fee is subject to a yearly increase in line with the Retail Price Index.

During the year ended 31 March 2019 a further £3million of bonds were issued with the proceeds being loaned to the Trust at the same terms as the original advance. Costs of £58,500 were incurred as a result.

In total, costs in respect of the two tranches of £549,832 have been capitalised and are to be amortised over the term of the loan. The year-end position is as follows:

	<u>2019</u> £	<u>2018</u> £
Loan value		
As at 1 April 2018	33,000,000	33,000,000
Additional borrowing during the year	3,000,000	-
	<u>36,000,000</u>	<u>33,000,000</u>
Capitalised costs		
As at 1 April 2018	(491,332)	(488,770)
Additional costs incurred during the year	(58,500)	(2,562)
Amortisation of capitalised costs	109,486	54,858
	<u>(440,346)</u>	<u>(436,474)</u>
Balance shown in the balance sheet	<u>35,559,654</u>	<u>32,563,526</u>

The loan is repayable in full in March 2026. It is unsecured and has two main covenants.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

10 CREDITORS - Group and Charity - continued

At the year end the total amount of loans outstanding was repayable as follows:

	<u>Group</u> <u>2019</u> £	<u>2018</u> £	<u>Charity</u> <u>2019</u> £	<u>2018</u> £
Due within one year	-	-	-	-
Due between two and five years	-	-	-	-
Due after more than five years	35,559,654	32,563,526	35,559,654	32,563,526
	<u>35,559,654</u>	<u>32,563,526</u>	<u>35,559,654</u>	<u>32,563,526</u>

11 OPERATING LEASES - All Charity

All operating leases are in respect of property namely our homes De Lucy House in Diss, Norfolk and Lavender Fields in Seal, near Sevenoaks, Kent. The latter is a new home which was added to the Trust's portfolio of homes in July 2018.

Rents paid in the year amounted to £692,725 split De Lucy House £475,218 and Lavender Fields £217,507.

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>De Lucy House</u> £	<u>Lavender Fields</u> £	<u>2019</u> £	<u>2018</u> £
Due within one year	482,000	712,000	1,194,000	465,000
Due within two to five years	1,924,000	3,825,000	5,749,000	1,862,000
Due after five years	12,693,000	24,888,000	37,581,000	13,209,000
	<u>15,099,000</u>	<u>29,425,000</u>	<u>44,524,000</u>	<u>15,536,000</u>

The amounts payable increase annually over the course of the leases in line with the Retail Price Index. The amounts shown above make no assumption for this and are based on the current annual rent.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019

12 FUNDS - Group

	At 1 April 2018 £	Income £	Expenditure £	Investment gains £	Transfer between Funds £	At 31 March 2019 £
Unrestricted						
General funds	23,124,869	39,492,375	(39,621,360)	1,128	31,205	23,028,217
Revaluation reserve	10,358,491	-	(107,631)	-	-	10,250,860
Total unrestricted funds	33,483,360	39,492,375	(39,728,991)	1,128	31,205	33,279,077
Restricted						
Amenity funds	122,251	111,355	(60,162)	-	(31,205)	142,239
Total restricted funds	122,251	111,355	(60,162)	-	(31,205)	142,239
Total funds	33,605,611	39,603,730	(39,789,153)	1,128	-	33,421,316

General funds are unrestricted funds held for the general objects of the Trust's work.

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 reduction in the year reflects the increased depreciation which arose as a result and is charged to income and expenditure.

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

Transfer between funds of £31,205 represents the purchase of a motor vehicle and the purchase of some activity equipment. Both are for the residents' use at one home and were funded by amenity funds.

13 ANALYSIS OF ASSETS BETWEEN FUNDS

	Restricted funds £	Revaluation reserve £	General funds £	Total £
Fixed assets	-	10,250,860	52,760,943	63,011,803
Investments	-	-	1,765,700	1,765,700
Other current assets	142,239	-	8,974,256	9,116,495
Current liabilities	-	-	(4,913,028)	(4,913,028)
Long term liabilities	-	-	(35,559,654)	(35,559,654)
Total net assets	142,239	10,250,860	23,028,217	33,421,316

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14 FINANCIAL INSTRUMENTS - Group

	<u>2019</u> £	<u>2018</u> £
Financial assets		
Financial assets measured at fair value through income and expenditure	6,834,201	10,853,552
Financial assets measured at amortised cost	1,058,617	1,155,220
	<u>7,892,818</u>	<u>12,008,772</u>
Financial liabilities		
Financial liabilities measured at amortised cost	40,472,686	35,666,255
	<u>40,472,686</u>	<u>35,666,255</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

Financial assets measured at amortised cost comprise residential care home debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank and other loans, other creditors and accruals and residents' deposits.

15 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.

16 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. There were no transactions during the year.

17 POST BALANCE SHEET EVENTS

- a) On 15 April 2019, we exchanged contracts for the sale of our freehold interest in land at two sites in Streatham, South West London and Bickley, Kent. This was after a number of years of discussion and research plus a more recent joint marketing arrangement with Stonewater Housing, the leaseholders of the land on which their social housing was located.

The two parcels of land had a book value as at 31 March 2019 of £61,321 and this was transferred to Current Assets on that date.

The sale was completed in two stages; firstly on 13 May 2019 and secondly on 20 May 2019, realising combined sale proceeds of £16.2million which represented the true market value of the land ascertained following a comprehensive joint marketing exercise and receipt of a Qualified Surveyor's Report. The Trust's share of the proceeds was £10million. Any gains will be reflected in next year's financial statements.

- b) On 4 June 2019, we completed the acquisition of land in Henley Road, Ipswich. The price paid was £2.3million. A new home providing residential and dementia care for 66 residents will be constructed on the site over the course of the next year with a view to completion in autumn 2020. This will enable us to re-provide our existing home in Ipswich.

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17 POST BALANCE SHEET EVENTS - continued

- c) By 3 July 2019, the remainder of the Greensleeves Homes Trust Retail Charity Bond had been issued by Retail Charity Bonds Plc. The proceeds were subsequently loaned to the Trust at the same terms of the facility's existing £36million of borrowing bringing the total to £50million.
- d) On 19 July 2019, we took possession of our new home, The Orchards in Ely, Cambridgeshire. This is the Trust's 25th home. It is leasehold and provides residential and dementia care for up to 66 residents.
- e) On 20 July 2019, we exchanged contracts on a new home in Crowthorne, Berkshire. This home will provide care for up to 80 residents and will be leased to us once construction is complete.

18 BUSINESS ACQUISITIONS

On 31 July 2018, Greensleeves Care acquired the Whitegates Group of companies (Whitegates Investments Limited and Whitegates Retirement Home Limited) for the cash sum of £3.25million. The Whitegates Group is associated with the residential care home, Whitegates located in Westfield, East Sussex. The home provides care for up to 24 residents across 21 bedrooms as some are double rooms.

The following assets and liabilities were recognised at the acquisition date:

	Whitegates Group	Adjustment	Fair Value
Fixed assets			
Land and buildings	1,814,881	1,532,795	3,347,676
Fixtures and fittings	44,434	-	44,434
Motor vehicles	1	-	1
	<hr/> 1,859,316	<hr/> 1,532,795	<hr/> 3,392,111
Current assets			
Debtors and prepayments	5,295	-	5,295
Bank and cash	45,121	-	45,121
	<hr/> 50,416	<hr/> -	<hr/> 50,416
Current liabilities			
Creditors and accruals	124,834	-	124,834
Corporation Tax liability	67,693	-	67,693
	<hr/> 192,527	<hr/> -	<hr/> 192,527
Total assets and liabilities	<hr/> <hr/> 1,717,205	<hr/> <hr/> 1,532,795	<hr/> <hr/> 3,250,000

The adjustment is to bring the land and buildings value into line with an independent valuation completed prior to the acquisition taking into account the other assets and liabilities listed above.

On 30 November 2018, the decision was made to cease trading at both companies and a hive up of their assets and liabilities into the Charity took place. From 1 December 2018, all trading was transferred across into the Charity.

During the period from acquisition on 31 July 2018 to the date of the hive up on 30 November 2018, Whitegates Group produced income of £340,427 and expenditure of £247,150 resulting in net income of £93,277 and this has been consolidated into the Statement of Financial Activities on page 20.