

GREENSLEEVES HOMES TRUST

**ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2020

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 2020

GREENSLEEVES HOMES TRUST
ANNUAL REPORT
YEAR ENDED 31 MARCH 2020

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GREENSLEEVES HOMES TRUST

LEGAL AND ADMINISTRATIVE DETAILS

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TRUSTEES

Mr R Costella
Ms K Davies
Ms K Gray
Mr D Kelly OBE
Ms E Marsh
Ms D Pounds
Mr C Shaw (Chairman)
Mr C Spence
Mr R Strange OBE (Vice Chairman)
Ms M Townson

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 G Williams - Director of Business Development
Ms S King - Divisional Director - London & Kent
Ms T Nelson - Divisional Director - East of England & The Midlands
Ms M Whittingham - Divisional Director - South & West

REGISTERED OFFICE

54 Fenchurch Street
London
EC3M 3JY

STATUTORY AUDITOR

Grant Thornton UK LLP
Victoria House
199 Avebury Boulevard
Milton Keynes
MK9 1AU

INTERNAL AUDITOR

RSM UK
Suite A, 7th Floor
City Gate East
Nottingham
NG1 5FS

BANKERS

Lloyds Bank Plc
2nd Floor
39 Threadneedle Street
London EC2R 8AU

SOLICITORS

Wilsons Solicitors LLP
4 Lincoln's Inn Fields
London
WC2A 3AA

DAC Beachcroft LLP
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Moon Beaver
Bedford House
21a John Street
London
WC1N 2BF

INVESTMENT ADVISORS

Schroder & Co. Limited
12 Moorgate
London
EC2R 6DA

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2020

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 2020. 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 2019).

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 -

- 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 2020, we were able to care for up to 1,037 residents across 25 homes, an increase of 66 residents and one home compared to last year.
- Broadlands, our home in Oulton Broad, Suffolk, retained its overall rating of Outstanding from our regulator the Care Quality Commission (CQC) and, in doing so, increased the number of individual Key Lines of Enquiry in which it is rated Outstanding to three from the previous two. Currently, two Greensleeves Care homes are rated Outstanding with the other being Harleston House in Lowestoft, Suffolk.
- In addition to the two Outstanding ratings, the Trust has achieved a CQC rating of Good at 18 of our homes with outstanding traits at two of these. Four homes had been classified as requiring improvement and action plans are in place to rectify any areas of concern identified by the CQC inspectors. One of the recently added homes has not been inspected. Therefore, based on the 24 homes that had been inspected, 83% 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 9.6 out of ten on 31 March 2020. In addition, Greensleeves Care has been rated as a Top 20 Recommended Care Home Group in the United Kingdom in 2020 and individually, Speirs House in New Malden, Surrey and Broadlands in Oulton Broad, Suffolk received awards for their respective regions.
- The Greensleeves Centre for Quality has continued to develop with working groups on nutritional wellbeing, end of life care and 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.
- In the 2019/2020 Your Care Rating survey Greensleeves Care again scored above average in both the Residents Survey and the Relatives and Friends Survey. The survey conducted by Ipsos Mori surveyed over 362 homes for residents and 280 homes' family and friends. The average score for providers across the survey completed with residents was 893 out of 1000; Greensleeves Care managed to achieve a score of 914 demonstrating good performance across all services. The average score for providers across the survey completed with family and friends was 852 out of 1000; Greensleeves Care achieved 889, again performing above average in this survey. Our top performing home was Thornbank, Ipswich which scored 996 out of 1000 with perfect scores of 1000 for three categories including Staff and Care, Choice and Having a Say and Quality of Life.
- We achieved annual staff turnover of lower than the average published by the National Care Forum and Skills for Care.
- One new home was added to the Trust's portfolio. This was The Orchards in Ely, Cambridgeshire. This is a new leasehold home which was handed over to us in August 2019 and provides residential and dementia care for up to 66 residents. September was spent ensuring the home was completely fitted out and staff were fully trained before, on 30 September, the first resident was admitted. As at 31 March 2020, the home had 24 residents which exceeded budgeted expectations by three residents.
- 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 in 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. 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 negotiated as £10million generating an overall gain of £9.7million which will be used towards funding ongoing development projects.

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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 92.6% (2019: 91.9%) which compares favourably with the sector average which, according to the Knight Frank Care Home Trading Performance Review 2019 was 88.9% in 2018-2019. 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 third 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 2020, of the 24 homes that had been inspected, 18 homes were rated Good and two had achieved an Outstanding rating.
- **To continue to invest in the training and development of our staff** - during the year, we invested £282,000 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. Training is provided either face to face by our three divisional trainers or external training providers plus through our eLearning system.
- **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 2020, 19 of the Trust's 25 homes had achieved Eden accreditation. Progress has been impacted this year by the sad death of one of Eden Alternative UK's founders. We still 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 further integrate Lavender Fields and Whitegates into the Trust** - both homes are now fully integrated in the Greensleeves Care way of working. Resident numbers gradually increased at Lavender Fields through the year peaking at 73 (97.3%) at the end of January and at Whitegates, occupancy for the year was 92.3%.
- **To mobilise our new-build property, The Orchards in Ely, Cambridgeshire and integrate it into the Trust** - the home was handed over during August 2019 and the first resident was admitted on 30 September. Between then and 31 March, there were 32 residents admitted to the home on either a permanent basis or for short term respite stays.
- **To work towards commencing construction of our new home adjacent to Rye Hospital in Sussex** - further preliminary works have been completed during the year to ensure utility services are installed at the site. This has been complicated by the need to purchase an additional small piece of land on which to relocate an electrical pylon, by ecological issues and more recently by the impact of the Covid-19 pandemic. Construction of the home is expected to commence in early 2021.
- **To progress major extension and development works at Borovere in Alton, Croxley House in Croxley Green, Rickmansworth and Mount Ephraim House in Tunbridge Wells** - all projects are progressing however the Covid-19 pandemic has led to more recent delays. Borovere was all but completed in the first quarter of 2020/21 and phase one of the Croxley House project is scheduled for completion in autumn 2021, with phase two expected to commence a month later. Progress at Mount Ephraim House has been slower and project completion is now expected in 2021.
- **To commence construction of a new home in Ipswich enabling us to re-provide our existing local home, Thornbank** - having completed the acquisition of the land on which the home is to be built in June 2019, construction commenced the following month. Works were not impacted by Covid-19 and continued throughout the peak of the pandemic so completion remains on target for late summer 2020.

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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** - in April 2019, the Board was presented with a business case for a new 80 bedded leasehold home in Crowthorne, Berkshire. After careful consideration, the project was agreed and contracts exchanged in July 2019. Construction is expected to commence in summer 2020 with completion anticipated for late 2021.
- **To draw down the balance of funds available under the Retail Charity Bond loan facility and to review further funding arrangements as required** - the remaining £14million was drawn in two tranches in June and July 2019. The funds will be used towards the cost of the development works in progress at various homes. The Trust continues to review further funding requirements and options for the future.
- **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 representation and 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 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 2020	Outcome 2019
Number of homes with Eden Alternative validation	19	19
Percentage of residents funded by the local authority	25.6%	26.0%
Staff turnover	18.5%	21.6%
Occupancy	92.6%	91.9%
Average fee per week	£1,019	£942

- While it appears the number of homes with Eden Alternative validation remained the same this year, one home was in fact newly validated but this has been offset by the removal of another home from the total as it is currently closed for development. In addition, other homes have been re-inspected and re-validated during the year. 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 although the percentage had reduced very slightly compared with 2019 which is a result of newer homes having a higher proportion of privately funded residents. 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 again this year and remains comfortably below a sector that averages in excess of 30% staff turnover. Our values appeal to staff, as does our long-term, progressive approach to pay and benefits. Recruitment remains a challenge for the sector and is problematic at some of our homes so, while our staff turnover is lower than the national average, we continue to investigate innovative ways to attract and retain the best people.
- Occupancy levels (based on anticipated resident build up at new homes) have improved since last year and compare favourably with the sector average of below 90%. While some homes have experienced lower occupancy in the latter part of the year, the shortfall has been offset by excellent occupancy at other homes including those newly added where resident numbers have exceeded expectations.

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Strategic Report - Key Performance Indicators - continued

- 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 and the higher care needs of residents. In addition, recently added new build homes have a greater provision of dementia care and so command higher fees.

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Strategic Report - Financial Review

Review of Transactions and Financial Position

These financial statements for the year ended 31 March 2020 comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'.

Overall results

Overall, net income of £7.0million (2019: £184,295 net deficit) was produced which has increased reserves to a total of £40.4million (2019: £33.4million). The results for this year were positively impacted by the sale of two parcels of land which generated gains of £9.7million.

The table on page 9 shows the results for the year compared with 2019. 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 £4.0million. £2.7million of this relates to the impact of a full year of operations at the two homes added during 2019. One home was a new build facility where resident numbers have increased towards full capacity in this year so income has grown accordingly, the other relates to a home acquired part way through last year. The remainder of the increase relates to the annual fee rise (which was again impacted by the National Living Wage), 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 £174,000 (2019: £103,000) generated by our investment portfolio and cash reserves. The amount is higher this year due to holding additional funds drawn down from the loan from Retail Charity Bonds Plc. The remaining amount is rent from various accommodations, donations and fundraising.
- The £9.7million surplus from sale of fixed assets relates to two parcels of land that were sold in the early part of the year.

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 £5.1million. Of this amount, £2.0million relates to a full year of direct costs at the two homes added during 2019 compared to the part year included last year. At the new build home, costs have also been impacted by the increasing resident numbers. 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. In addition, loan interest and associated charges has increased by £593,000 following the drawdown of additional funds early in the year.
- 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 issues.
- Costs of raising finance of £131,000 relate to the amortisation of arrangement fees in respect of the loan from Retail Charity Bonds Plc. The amount has increased this year following the drawing down of additional funds from the loan in the early part of the year.
- 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 (2019: £800) and unrealised losses of £203,600 (2019: unrealised gains of £300) leading to net losses of £202,800 (2019: net gains of £1,100).

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Strategic Report - Financial Review - continued

New homes

During the year ended 31 March 2020, a new home was added; The Orchards, a leasehold home in Ely, Cambridgeshire providing care for up to 66 residents. Practical completion happened in August and September was spent ensuring the home was completely fitted out and staff were settled before the first resident was admitted on 30 September 2019.

Since being added, the home has generated total income of £402,000 and expenditure (including leasehold rent and an allocation of head office staff costs and loan interest) of £1.5million resulting in a deficit of £1.1million. Development drag losses such as this are expected for a new build leasehold home due to the opening start-up costs and initially lower income during the phased build-up of residents.

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Strategic Report - Financial Review - continued

	<u>Existing Homes 2020</u> £	<u>Head Office 2020</u> £	<u>Existing Operations 2020</u> £	<u>New Homes 2020</u> £	<u>Total 2020</u> £	<u>Existing Homes 2019</u> £	<u>Head Office 2019</u> £	<u>Existing Operations 2019</u> £	<u>New Homes 2019</u> £	<u>Total 2019</u> £
INCOME										
Residents' care fees	42,610,395	-	42,610,395	398,352	43,008,747	38,653,095	-	38,653,095	-	38,653,095
Residents' sundries	319,725	-	319,725	2,400	322,125	296,681	-	296,681	-	296,681
Other income	927,825	186,661	1,114,486	951	1,115,437	534,578	119,376	653,954	-	653,954
Surplus from sale of fixed assets	-	9,721,433	9,721,433	-	9,721,433	-	-	-	-	-
TOTAL	43,857,945	9,908,094	53,766,039	401,703	54,167,742	39,484,354	119,376	39,603,730	-	39,603,730
EXPENDITURE										
Residents' care costs	42,337,651	-	42,337,651	1,452,298	43,789,949	37,276,861	-	37,276,861	-	37,276,861
Head Office costs	-	2,917,987	2,917,987	-	2,917,987	-	2,228,135	2,228,135	-	2,228,135
Cost of raising finance	-	130,902	130,902	-	130,902	-	91,367	91,367	-	91,367
Other costs	-	198,216	198,216	-	198,216	-	192,790	192,790	-	192,790
TOTAL	42,337,651	3,247,105	45,584,756	1,452,298	47,037,054	37,276,861	2,512,292	39,789,153	-	39,789,153
Net investments (losses) / gains	-	(202,828)	(202,828)	-	(202,828)	-	1,128	1,128	-	1,128
NET INCOME / (LOSSES)	1,520,294	6,458,161	7,978,455	(1,050,595)	6,927,860	2,207,493	(2,391,788)	(184,295)	-	(184,295)

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Strategic Report - Financial Review - continued

Balance Sheet

The balance sheet shows that at 31 March 2020 the total funds were £40.3million (2019: £33.4million). This was represented by fixed assets of £79.5million including investments of £1.6million (2019: £64.8million including investments of £1.8million), net current assets of £10.4million (2019: £4.2million) and long term liabilities of £49.6million (2019: £35.6million).

Unrestricted funds of £39.8million (2019: £33.3million) 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.

As Covid-19 pandemic has of course impacted all of our homes, the Finance & Audit Committee considered in detail whether the Policy was still appropriate. After careful consideration, the Committee deemed it was still suitable but that it be kept under review given the pandemic’s potential for continued impact on the homes.

At the balance sheet date, the Trust’s free unrestricted reserves before long term liabilities were £9.8million which represents a shortfall of £6.9million over the £16.7million needed to fulfil the above requirement. Of the £16.7million, £15.3million relates to capital commitments in respect of development works that are already in progress. The intention is that the shortfall will be funded by additional borrowing in the second half of the coming year.

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 2020 was £10.1million.

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 £40.3million of which £580,614 are restricted (2019: £33.4million and £142,239 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 £72,900 was generated which was used to purchase additional units. Investment manager fees of £4,300 were funded through the disposal of units which generated realised gains of £800. At the year end, we recorded unrealised losses of £203,600 which is a result of the investments decreasing in value since they were purchased. The loss is a result of the impact of Covid-19 seen in March 2020. Taking gains and fees into consideration, the portfolio's market value as at 31 March 2020 stood at £1.63million (2019: £1.77million).

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

As a result of the impact of Covid-19, occupancy levels have fallen since the year end, in line with similar falls experienced across the sector. Costs have also increased following the need for significantly greater usage of higher priced personal protection equipment (PPE) and increased staff costs reflecting the provision of enhanced care to our residents and to cover for staff absences during periods of self-isolating and shielding.

In light of the above, the short, medium and long term forecasts have been reviewed and revised funding requirements identified. Occupancy levels have already started to slowly improve and are expected to recover to 90% during the remainder of 2020/21. In line with sector authorities such as Laing Buisson and Carterwood coupled with our reputation for providing excellent care, we expect occupancy rates to recover to pre-Covid-19 levels within two years.

Due to the impact of Covid-19 on surpluses in the shorter term, the funding requirement has increased over previous forecast. The Trustees are currently reviewing a number of funding options and are confident of sourcing the required finance to fund current development obligations without the need to delay any planned activity.

The Trustees therefore believe that Greensleeves Homes Trust does not have any going concern issues.

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Strategic Report - Plans for the Future

During the year, the Board again 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 deliver the occupancy improvements required to normalise the operating performance of the organisation after the recent declines caused by Covid-19 and to ensure the safe provision of quality care to our residents in a safe working environment for our staff.
- 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 25 homes being validated.
- To further integrate our recently added home, The Orchards, 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, Henley House in Ipswich, Suffolk and integrate it into the Trust.
- To dispose of our existing home in Ipswich following transfer of operation to Henley House.
- To complete the remaining development work at Borovere in Alton, Hampshire.
- To progress pre-construction activity of our new home adjacent to Rye Hospital in Sussex.
- To progress major extension and development works at Croxley House in Croxley Green, Rickmansworth and at Mount Ephraim House in Tunbridge Wells.
- To review further funding arrangements to ensure sufficient funds are available to fulfil the Trust's development programme.
- To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally.

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:

- The short/medium term impact of Covid-19 on the operational performance of the organisation.
- 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 need to raise sufficient funds in the coming year to finance the committed development and, by 2026, to accrue the necessary funds to repay the loan from Retail Charity Bonds plc.

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 2020

Strategic Report - Specific risk in respect of financial instruments

The Trust uses various financial instruments including a loan, cash, investments and items such as trade debtors and trade creditors. This leads to various financial risks as summarised below:

- Credit risk - Covid-19 could lead to increased levels of outstanding fees due to residents' ability to sell their properties.
- Price risk - The value of our investments could be impacted by a downturn in the Stock Market. In fact this has been seen in the final quarter of this year; due to the impact of Covid-19, the value of our investments fell substantially. Since the year end, much of the loss has been recovered in line with improvements seen in the Market generally.
- Liquidity risk / cashflow - Whilst the Trust's bank balance on 31 March 2020 provides more than sufficient liquidity for day to day operations, there are significant commitments around the ongoing development programme. As a result, there is the need for additional borrowing in the next financial year. The requirement is higher than originally anticipated due to Covid-19's impact on occupancy. Despite this, we are confident in our ability to raise further monies to fund already committed capital expenditure and positive negotiations are already underway.

Strategic Report - Companies Act 2006 s172(1)

The Trustees, both individually and collectively, consider that they have acted in ways that they believe in good faith to be most likely to promote the success of Greensleeves Homes Trust. Decisions made during the year ended 31 March 2020 have been taken for the benefit of both residents and staff. We actively encourage feedback from residents and their relatives through annual satisfaction surveys and regular meetings.

Caring for our residents is fundamental to the success of the Trust and we endeavour to provide exemplary and innovative care to all residents across all of the Trust's homes at all times. We also strive for our homes to actively be part of the community through engagement with other local organisations.

We recognise that staff both at the individual homes and at Head Office are the Trust's most important asset and aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of staff and of residents are of the highest importance and ensuring these is one of the primary considerations when making decisions and in operating the Trust.

Strategic Report - Covid-19

In line with other adult social care providers, Greensleeves Homes Trust has been affected by Covid-19.

We thank all our supporters and fellow care professionals for their support throughout these challenging times and, importantly, we pay tribute to our staff for the selfless and valiant job they did in such unprecedented circumstances.

Infection control and management has been prioritised across the homes and all homes operate to Public Health England guidelines. Essential PPE to protect staff and residents has been available at all homes at all times.

The financial impact of the virus has been a fall in income due to increased deaths and temporary decreased demand, coupled with increased costs from higher and routine use of PPE.

PPE stock levels are monitored weekly to ensure a minimum supply of twelve weeks' stock is maintained. Resident enquiries and admissions are also monitored weekly and, in early June, we started to notice an increase in enquiry levels and admissions; between the end of May and the end of July, the number of vacant rooms across the Trust had fallen by 26.

Greensleeves Homes Trust extends its condolences to all people within our community - staff, residents, volunteers, families and friends - who have been affected by the coronavirus pandemic.

GREENSLEEVES HOMES TRUST
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Strategic Report - Streamlined Energy and Carbon Reporting

The Streamlined Energy and Carbon Reporting disclosure presents our carbon footprint within the United Kingdom across Scope 1 and Scope 2, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency improvements summary.

	Year ended 31 March 2020		
	Consumption kWh	Emissions tCO ₂ e	Intensity Metric *
Gas and other fuels (Scope 1 - direct emissions)	11,542,979	2,149.88	2.15
Electricity (Scope 2 - indirect emissions)	3,696,415	944.80	0.95
Transport (Scope 1 - direct emissions)	569,036	135.39	0.14
Overall	15,808,430	3,230.07	3.24

* Intensity metric represents tCO₂e per CQC registered space across currently operating homes.

Energy Efficiency Improvements

Greensleeves Homes Trust is committed to year on year improvements in operational energy efficiency. As such, a register of energy efficiency measures has been compiled with a view to implementation in the next five years.

Ongoing measures including those undertaken in this year:

- Where possible, we are completing replacement of all fluorescent lighting across our homes with LED lighting. This will not only reduce the energy consumption of the homes but will also reduce maintenance requirements.
- With heating being a core requirement within our homes, as appropriate, new more energy efficient heating systems are being installed as part of a rolling refurbishment process.
- All new build projects and major works are built to a minimum of a good Building Research Establishment Environmental Assessment Method (BREEAM) rating and passive house options are regularly considered.

Measures under consideration for the future:

- We are mandated to comply with the Energy Savings Opportunity Scheme (ESOS) and as such produce a summary of all available energy efficiency improvements on a four-year cycle. This will be completed again in line with the 2023 Phase 3 compliance deadline. Recommendations found within the Phase 2 reporting are being reviewed and will be acted on where practical.
- Upon the normalisation of operations following the Covid-19 pandemic, the implementation of ongoing training in energy conservation and sustainability awareness is being considered for all staff across the Trust.
- Implementation of an ISO 50001 Energy Management Standard (EnMS) is being considered. This will enable us to demonstrate continuous improvement with regards to energy efficiency and carbon reductions.

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 2020

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 four 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 2020

Structure, Governance and Management - Continued

Health and Safety

Greensleeves Homes Trust believes that it is our responsibility to provide a safe environment for staff, residents and guests 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. We have also taken the added steps of employing a dedicated Health and Safety Manager who will coordinate the management of health and safety across the Trust and provide support and guidance to all staff, residents and locations.

We continue to develop our Health and Safety Compliance processes which are ultimately overseen by the Board of Trustees with input and support from the Health and Safety Consultative Committee, the Senior Management Team, the newly appointed Health and Safety Manager and Care Home Managers. New systems, policies, procedures and protocols have been put in place to manage all aspects of health and safety across the homes including the provision of training, use and maintenance of equipment and resources as well as the management of accidents, incidents and near misses. We have also strengthened our management of contractors across all of our homes and extended our suite of risk management plans.

We continue to review and update our Health and Safety Policy to ensure that we remain compliant with all legislation and regulations as well as ensuring best practice is maintained across the trust. Workshops have been held with all Care Home Managers to roll out the updated Policy, procedures and protocols and one on one support is being provided to managers to then roll this out to their home staff.

During the year, we submitted nine RIDDOR reports to the Health and Safety Executive in respect of minor issues. The incidents occurred across five different homes with all incidents involving residents. Where appropriate, actions were taken to mitigate the potential for reoccurrence. No action was taken by the Health and Safety Executive on any of the RIDDOR's submitted.

Health and Safety remains a priority of Greensleeves Homes Trust and over the coming twelve months we will continue to manage and develop our practice to ensure that we are meeting the best practice industry standards and that the safety of all of our staff, residents and visitors is maintained at all times.

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 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.

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 2020

Structure, Governance and Management - Continued

Risk Assessment - continued

In the final quarter of the year, our Internal Auditors, RSM undertook individual audits on GDPR and Cyber Security plus a follow-up review on progress made on the points noted during their previous financial audits. There were a selection of minor issues noted in each and steps are underway to address them in the coming year.

Management and Staffing

During the year, to support the delivery of the Trust's Strategic Plan and to cater for the continued growth of the Trust, the Trustees agreed to introduce a number of new posts and new ways of working to ensure the correct resources and capabilities required to deliver the plan were in place. As a result, three new operating divisions were created, each led by a new Divisional Director reporting directly to the Chief Executive. Each of the divisions has its own dedicated support and advisory team covering HR, Property and Learning & Development/Training which is overseen by a Divisional Support Manager.

Trustees delegate the day-to-day running of the Charity to a full-time Chief Executive, who is supported by a Senior Management Team which is formed of the three Divisional Directors plus the Chief Financial Officer, 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.

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 independently reviewed and benchmarked against other similar care providers annually. Following a competitive tender, in 2019/20, the Remuneration Committee appointed reward specialists, PayData Limited, to review the Trust's approach to reward and benefits. The Remuneration Committee determine the final level of increase giving specific consideration to Executive pay namely, the Chief Executive, the Chief Financial Officer, the Director of Quality and Compliance, the Director of Business Development and Divisional Director posts. In setting the salary for these 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.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
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Structure, Governance and Management - Continued

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.

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.

As part of the purchase of Whitegates in Westfield, East Sussex, the Trust acquired the Whitegates Group of companies (Whitegates Investments Limited and Whitegates Retirement Home Limited) in July 2018. All operations were transferred across to the Trust soon after and the process of liquidating the two companies is currently in the late stages.

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.

During the year, as a testimony to the exemplary care it provides, Broadlands in Oulton Broad, Suffolk was kindly bequeathed a legacy of almost £450,000 by a former resident. The money is being held as restricted funds for future use exclusively at the home. The Trustees pass on their sincere gratitude for this generous donation.

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 safeguarding issue raised by the family of a resident at one of the homes. After a lengthy investigation both internally and led by external organisations, the claims were proven to be false and unsubstantiated.

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

Chris Shaw

Mr C Shaw - Trustee of Greensleeves Homes Trust
21 September 2020

GREENSLEEVES HOMES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2020

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 consistent;
- 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.

Qualifying third party indemnity provisions

The company has granted an indemnity to all of its trustees (who are also the directors of the charitable company for the purposes of company law) against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remains in force as at the date of approving the Report of the Board of Trustees.

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

Opinion

We have audited the financial statements of Greensleeves Home Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 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 2020 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 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 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and parent charitable company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group and charitable company associated with these particular events.

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 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.

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

In our evaluation of the trustees' conclusions, we considered the risks associated with the company's business, including effects arising from Brexit and COVID-19, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and Statement of Trustees' Responsibilities, set out on pages 2 to 19, 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.

Opinions 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report has 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement on page 19, 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

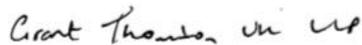
Auditor's responsibilities for the audit of the financial statements

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.

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



William Devitt BSc FCA DChA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date:
23/9/2020

GREENSLEEVES HOMES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2020

	<u>Notes</u>	Unrestricted <u>Funds</u> <u>2020</u> £	Restricted <u>Funds</u> <u>2020</u> £	Total <u>2020</u> £	Unrestricted <u>Funds</u> <u>2019</u> £	Restricted <u>Funds</u> <u>2019</u> £	Total <u>2019</u> £
INCOME FROM							
Charitable activities							
Residents' care fees		43,008,747	-	43,008,747	38,653,095	-	38,653,095
Residents' sundries		322,125	-	322,125	296,681	-	296,681
Rental income		404,228	-	404,228	414,066	-	414,066
Raising funds							
Donations and fundraising		2,299	517,436	519,735	4,119	111,355	115,474
Investments	2	174,438	-	174,438	102,745	-	102,745
Other							
Miscellaneous income		17,036	-	17,036	21,669	-	21,669
Surplus from sale of fixed assets	7	9,721,433	-	9,721,433	-	-	-
TOTAL		53,650,306	517,436	54,167,742	39,492,375	111,355	39,603,730
EXPENDITURE ON							
Charitable activities							
Residents' care costs	3	43,745,055	44,894	43,789,949	37,216,699	60,162	37,276,861
Head Office costs	3	2,917,987	-	2,917,987	2,228,135	-	2,228,135
Rental costs	3	193,883	-	193,883	188,570	-	188,570
Raising funds							
Investment manager fees	3	4,333	-	4,333	4,220	-	4,220
Cost of raising finance	3	130,902	-	130,902	91,367	-	91,367
TOTAL	3	46,992,160	44,894	47,037,054	39,728,991	60,162	39,789,153
INVESTMENT (LOSSES) / GAINS	9	(202,828)	-	(202,828)	1,128	-	1,128
NET INCOME / (LOSS)		6,455,318	472,542	6,927,860	(235,488)	51,193	(184,295)
Transfer between funds	12	34,167	(34,167)	-	31,205	(31,205)	-
NET MOVEMENT IN FUNDS		6,489,485	438,375	6,927,860	(204,283)	19,988	(184,295)
FUNDS AT 1 APRIL 2019	12	33,279,077	142,239	33,421,316	33,483,360	122,251	33,605,611
FUNDS AT 31 MARCH 2020	12	39,768,562	580,614	40,349,176	33,279,077	142,239	33,421,316

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 26 to 39 form part of these financial statements.

GREENSLEEVES HOMES TRUST
CONDOLIDATED AND CHARITY BALANCE SHEETS
31 MARCH 2020

	<u>Notes</u>	<u>Group</u> <u>2020</u> £	<u>2019</u> £	<u>Charity</u> <u>2020</u> £	<u>2019</u> £
FIXED ASSETS					
Tangible assets	7	77,920,771	63,011,803	77,920,771	63,011,803
Investments	9	1,631,771	1,765,700	1,631,771	1,765,700
Investment in Subsidiaries	5	-	-	104	104
		<u>79,552,542</u>	<u>64,777,503</u>	<u>79,552,646</u>	<u>64,777,607</u>
CURRENT ASSETS					
Debtors	8	2,868,693	2,282,294	2,868,589	2,282,190
Bank and cash balances		13,609,606	6,834,201	13,609,554	6,834,149
		<u>16,478,299</u>	<u>9,116,495</u>	<u>16,478,143</u>	<u>9,116,339</u>
CURRENT LIABILITIES					
Amounts falling due within one year	10	(6,103,203)	(4,913,028)	(6,103,207)	(4,913,032)
		<u>10,375,096</u>	<u>4,203,467</u>	<u>10,374,936</u>	<u>4,203,307</u>
NET CURRENT ASSETS					
		<u>89,927,638</u>	<u>68,980,970</u>	<u>89,927,582</u>	<u>68,980,914</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	10	(49,578,462)	(35,559,654)	(49,578,462)	(35,559,654)
		<u>40,349,176</u>	<u>33,421,316</u>	<u>40,349,120</u>	<u>33,421,260</u>
NET ASSETS					
UNRESTRICTED FUNDS					
General funds	12	29,622,635	23,028,217	29,622,579	23,028,161
Revaluation reserve	12	10,145,927	10,250,860	10,145,927	10,250,860
	12	<u>39,768,562</u>	<u>33,279,077</u>	<u>39,768,506</u>	<u>33,279,021</u>
RESTRICTED FUNDS					
	12	<u>580,614</u>	<u>142,239</u>	<u>580,614</u>	<u>142,239</u>
TOTAL FUNDS					
	13	<u>40,349,176</u>	<u>33,421,316</u>	<u>40,349,120</u>	<u>33,421,260</u>

The Charity's Net Income for the year was £6,927,860.

Approved by the Board of Trustees and authorised for issue on 21 September 2020 and signed on their behalf by:

Chris Shaw

Mr C Shaw - Trustee of Greensleeves Homes Trust

The notes on pages 26 to 39 form part of these financial statements.

Company Registered Number 03260168

GREENSLEEVES HOMES TRUST
CONSOLIDATED CASH FLOW STATEMENT
31 MARCH 2020

	<u>Notes</u>	<u>2020</u> £	£	<u>2019 (Restated)</u> £	£
Cash flows from operating activities			214,099		3,257,657
Cash flows from investing activities					
Dividends received	2	72,938		69,174	
Interest received	2	101,500		33,571	
		<hr/>		<hr/>	
Purchases of tangible assets	7	(17,284,474)	174,438	(10,372,542)	102,745
Sale of tangible assets	7	9,721,433		-	
Transfer of tangible assets to current assets	8	-		61,321	
Purchases of investments	9	(73,232)		(68,879)	
Sales of investments	9	4,333		4,219	
		<hr/>		<hr/>	
			(7,631,940)		(10,375,881)
			<hr/>		<hr/>
Net cash used in investing activities			(7,457,502)		(10,273,136)
Cash flows from financing activities					
New loan facilities	10	14,000,000		3,000,000	
Capitalisation of costs	10	(50,105)		(58,500)	
Amortisation of capitalised costs	10	68,913		54,628	
		<hr/>		<hr/>	
Net cash provided by financing activities			14,018,808		2,996,128
			<hr/>		<hr/>
Change in cash and cash equivalents in the reporting period			6,775,405		(4,019,351)
			<hr/>		<hr/>
Cash and cash equivalents at beginning of reporting period			6,834,201		10,853,552
			<hr/>		<hr/>
Cash and cash equivalents at end of reporting period			13,609,606		6,834,201
			<hr/> <hr/>		<hr/> <hr/>
Reconciliation of net income to net cash flow from operating activities					
Net income for the reporting period			6,927,860		(184,295)
(Increase) in debtors			(586,399)		(72,996)
Increase in creditors			1,190,175		1,510,233
Depreciation	7		2,375,464		2,094,435
Dividends & interest from investments	2		(174,438)		(102,745)
Net losses / (gains) on investments	9		202,828		(1,128)
Gains on fixed asset disposals	7		(9,721,433)		-
Write off of tangible assets	7		42		14,153
			<hr/>		<hr/>
Net cash provided by operating activities			214,099		3,257,657
			<hr/> <hr/>		<hr/> <hr/>
Analysis of cash and cash equivalents					
			Cash at 31 March <u>2020</u>		Cash at 31 March <u>2019</u>
Cash at bank			13,609,606		6,834,201
			<hr/> <hr/>		<hr/> <hr/>

The 2019 figures above are restated to reflect the consolidated cash position rather than just the Charity's.
The notes on pages 26 to 39 form part of these financial statements.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

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 2020

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 2020

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.

(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 2020

1 ACCOUNTING POLICIES - continued

(n) Going concern

As a result of the impact of Covid-19, occupancy levels have fallen since the year end, in line with similar falls experienced across the sector. Costs have also increased following the need for significantly greater usage of higher priced personal protection equipment (PPE) and increased staff costs reflecting the provision of enhanced care to our residents and to cover for staff absences during periods of self-isolating and shielding.

In light of the above, the short, medium and long term forecasts have been reviewed and revised funding requirements identified. Occupancy levels have already started to slowly improve and are expected to recover to 90% during the remainder of 2020/21. In line with sector authorities such as Laing Buisson and Carterwood coupled with our reputation for providing excellent care, we expect occupancy rates to recover to pre Covid-19 levels within two years.

Due to the impact of Covid-19 on surpluses in the shorter term, the funding requirement has increased over previous forecast. The Trustees are currently reviewing a number of funding options and are confident of sourcing the required finance to fund current development obligations without the need to delay any planned activity.

The Trustees therefore believe that Greensleeves Homes Trust does not have any going concern issues.

(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>2020</u> £	<u>2019</u> £
Dividends	72,938	69,174
Bank interest	101,500	33,571
	<hr/>	<hr/>
	174,438	102,745
	<hr/> <hr/>	<hr/> <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

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 2020 £	Total 2019 £
Unrestricted funds						
Charitable activities						
Residents' care costs	30,440,625	13,304,430	-	-	43,745,055	37,216,699
Head Office costs	882,038	-	1,896,732	139,217	2,917,987	2,228,135
Rental costs	25,628	-	168,255	-	193,883	188,570
Raising funds						
Investment manager fees	-	-	4,333	-	4,333	4,220
Cost of raising finance	-	-	130,902	-	130,902	91,367
	<u>31,348,291</u>	<u>13,304,430</u>	<u>2,200,222</u>	<u>139,217</u>	<u>46,992,160</u>	<u>39,728,991</u>
Restricted funds						
Charitable activities						
Residents' care costs	-	44,894	-	-	44,894	60,162
	<u>-</u>	<u>44,894</u>	<u>-</u>	<u>-</u>	<u>44,894</u>	<u>60,162</u>
Total expenditure	<u><u>31,348,291</u></u>	<u><u>13,349,324</u></u>	<u><u>2,200,222</u></u>	<u><u>139,217</u></u>	<u><u>47,037,054</u></u>	<u><u>39,789,153</u></u>

(b) Analysis of other care costs

	<u>2020</u> £	<u>2019</u> £
Charitable activities		
Food	1,994,202	1,872,275
Medical costs	162,958	117,915
Activities	551,875	520,490
Care Quality Commission fees	152,444	133,917
Maintenance	1,963,212	1,901,116
Cleaning and housekeeping	872,781	756,286
Insurance	230,627	182,284
Utilities costs	1,140,762	1,003,700
Administration costs	364,530	391,761
Loan interest and charges	1,996,901	1,403,557
Leasehold rents	1,623,040	692,725
Depreciation	2,295,992	2,033,133
	<u>13,349,324</u>	<u>11,009,159</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

3 EXPENDITURE - continued

(c) Analysis of head office support costs

	<u>2020</u> £	<u>2019</u> £
Professional fees in respect of development plans	101,337	16,406
HR, health & safety, energy consultancy plus other professional fees	498,088	371,447
Trust-wide computer services	600,075	435,802
Head office running costs	619,270	538,088
Depreciation	77,962	75,166
	<u>1,896,732</u>	<u>1,436,909</u>

(d) Analysis of governance costs

	<u>2020</u> £	<u>2019</u> £
Legal and professional fees	67,788	6,607
Audit fees for current year	41,100	38,820
Audit fees in respect of previous year	1,369	(202)
Auditor's charges re Corporation Tax Returns	3,120	2,520
Internal auditor fees	22,622	21,331
Trustees' expenses	3,218	2,068
Trustee recruitment	-	109
Trustee training and development	-	11,936
	<u>139,217</u>	<u>83,189</u>

In addition to the costs shown above, our auditor, Grant Thornton completed £6,943 of VAT consultancy works which are included under 'professional fees in respect of development plans' as shown in note 3c above.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

4 WAGES AND SALARIES

	<u>2020</u> £	<u>2019</u> £
Summary of wages and salaries allocation in respect of:		
Residents' care costs	30,440,625	26,267,702
Head Office costs	882,038	708,037
Rental costs	25,628	25,807
	<hr/>	<hr/>
	31,348,291	27,001,546
Analysis of wages and salaries:		
Salaries	25,492,807	21,754,800
National insurance costs	1,651,062	1,375,503
Pension costs	842,338	561,860
Apprenticeship Levy	105,505	89,986
Agency staff	2,186,917	2,251,715
Training	281,932	288,644
Recruitment	213,357	184,569
Other staff costs	574,373	494,469
	<hr/>	<hr/>
	31,348,291	27,001,546
	<hr/> <hr/>	<hr/> <hr/>

Central staff costs are allocated solely to unrestricted funds with 75% apportioned to residents' care costs and 25% to head office costs. Each member of central staff will support homes in varying degrees; some fully and some to a much lesser extent. Therefore this split is considered an appropriate allocation.

As at 31 March 2020, total pension contributions still to be paid over to employees' policies amounted to £132,444 (2019: £143,517).

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

	<u>2020</u> FTE	<u>2020</u> Number	<u>2019</u> FTE	<u>2019</u> Number
Residents' care	1,042	1,375	949	1,267
Head office - Homes' support	29	33	25	28
Head office - Central administration	10	11	8	9
	<hr/>	<hr/>	<hr/>	<hr/>
	1,081	1,419	982	1,304
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	<u>2020</u> Number	<u>2019</u> Number
£60,001 to £70,000	3	5
£70,001 to £80,000	3	2
£80,001 to £90,000	2	-
£100,001 to £110,000	1	1
£130,001 to £140,000	-	1
£140,001 to £150,000	1	-
	<hr/>	<hr/>
	10	9
	<hr/> <hr/>	<hr/> <hr/>

Pension contributions paid on behalf of the ten above employees for the year amounted to £45,092 (2019: £31,977 for nine employees).

Key management personnel consist of the Chief Executive, Chief Financial Officer, Director of Quality and Compliance, Director of Business Development and three Divisional Directors whose total employment benefits for the year including employer's national insurance and pension contributions were £549,104 (2019: £488,316 although figures are not directly comparable due to in year staff structure changes).

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

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 24.

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 2019.

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. They are currently in the process of being liquidated.

For the year ended 31 March 2020, all companies were entitled to exemption from audit under section s479A of Companies Act 2006.

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

	Investment in subsidiaries £
As at 1 April 2019	104
Additions during the year	-
As at 31 March 2020	104

6 TRUSTEE AND RELATED PARTY TRANSACTIONS

The Trustees received no remuneration for their services during the current or prior year. Travel expenses of £2,324 were reimbursed to ten Trustees during the year (2019: £2,068 for twelve Trustees).

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

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 2019	64,003,768	1,562,374	910,490	4,908,012	157,612	71,542,256
Additions during the year	15,819,399	409,984	243,863	779,633	31,595	17,284,474
Written off during year	-	-	(45,691)	(594,061)	(1)	(639,753)
At 31 March 2020	79,823,167	1,972,358	1,108,662	5,093,584	189,206	88,186,977
Depreciation						
At 1 April 2019	4,661,166	129,347	641,041	2,975,135	123,764	8,530,453
Charge for the year	1,238,834	58,461	250,123	807,015	21,031	2,375,464
Written off during year	-	-	(45,677)	(594,034)	-	(639,711)
At 31 March 2020	5,900,000	187,808	845,487	3,188,116	144,795	10,266,206
Net book value at 31 March 2020	73,923,167	1,784,550	263,175	1,905,468	44,411	77,920,771
Net book value at 31 March 2019	59,342,602	1,433,027	269,449	1,932,877	33,848	63,011,803

Freehold property includes £29.69million of land (£27.39million) which is not depreciated.

Included under freehold property are assets with a net book value as at 31 March 2020 of £32.3million (2019: £33.03million) 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 2020 but not provided for in these accounts amounted to £15.3million (2019: £18.1million).

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

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 in 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 had been reclassified as a current asset in last year's accounts pending disposal this year. 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 negotiated as £10million generating an overall gain of £9.7million and this is being used towards funding ongoing development projects.

GREENSLEEVES HOMES TRUST
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8 DEBTORS - Group and Charity

	<u>Group</u>		<u>Charity</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Amounts due within one year:				
Residential care home debtors	1,142,598	956,099	1,142,598	956,099
Other debtors	22,903	102,518	22,799	102,414
Prepayments and accrued income	1,703,192	1,223,677	1,703,192	1,223,677
	<u>2,868,693</u>	<u>2,282,294</u>	<u>2,868,589</u>	<u>2,282,190</u>

The other debtors figure above for 2019 includes £61,321 in respect of land that had been reclassified as a current asset pending its sale during this financial year. There is no similar amount included for 2020.

9 INVESTMENTS - All Charity

	<u>2020</u>	<u>2019</u>
	£	£
Market value at 1 April 2019	1,765,700	1,699,912
Add: additions to investments at cost	73,232	68,879
Book value of disposals in year		
Proceeds from sales	(4,333)	(4,219)
Realised gain	812	829
	<u>(3,521)</u>	<u>(3,390)</u>
Net unrealised (loss) / gain in the year	(203,640)	299
Market value at 31 March 2020	<u>1,631,771</u>	<u>1,765,700</u>
Cost at 31 March 2020	<u>1,535,955</u>	<u>1,466,244</u>
	<u>2020</u>	<u>2019</u>
	£	£
Investments are represented by:		
Schroder Charity Multi-Asset Fund	<u>1,631,771</u>	<u>1,765,700</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.

GREENSLEEVES HOMES TRUST
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10 CREDITORS - Group and Charity

	<u>Group</u>		<u>Charity</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Amounts due within one year:				
Trade creditors	1,937,324	1,912,656	1,937,324	1,912,656
Other creditors and accruals	1,426,523	548,685	1,426,527	548,689
Payments in advance	518,156	429,664	518,156	429,664
Residents' deposits	2,221,200	2,022,023	2,221,200	2,022,023
	<u>6,103,203</u>	<u>4,913,028</u>	<u>6,103,207</u>	<u>4,913,032</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 £429,664 at the end of 2019 was released in full in the year ended 31 March 2020.

Amounts due after more than one year:

Loan from Retail Charity Bonds Plc	49,578,462	35,559,654	49,578,462	35,559,654
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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.

Since the initial issue of £33million, a further £17million of bonds have been issued; £3million during the year ended 31 March 2019 and a further £14million during the year ended 31 March 2020 with the proceeds being loaned to the Trust in the two respective years at the same terms as the original advance.

In total, costs in respect of all tranches of £599,937 have been capitalised and are being amortised over the term of the loan. Of this amount, £50,105 was incurred during this year. The year-end position is as follows:

	<u>2020</u>	<u>2019</u>
	£	£
Loan value		
As at 1 April 2019	36,000,000	33,000,000
Additional borrowing during the year	14,000,000	3,000,000
	<u>50,000,000</u>	<u>36,000,000</u>
Capitalised costs		
As at 1 April 2019	(440,346)	(491,332)
Additional costs incurred during the year	(50,105)	(58,500)
Amortisation of capitalised costs	68,913	109,486
	<u>(421,538)</u>	<u>(440,346)</u>
Balance shown in the balance sheet	<u>49,578,462</u>	<u>35,559,654</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
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10 CREDITORS - Group and Charity - continued

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

	<u>Group</u>		<u>Charity</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Due within one year	-	-	-	-
Due between two and five years	-	-	-	-
Due after more than five years	49,578,462	35,559,654	49,578,462	35,559,654
	<hr/>	<hr/>	<hr/>	<hr/>
	49,578,462	35,559,654	49,578,462	35,559,654
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 OPERATING LEASES - All Charity

All operating leases are in respect of property namely our homes De Lucy House in Diss, Norfolk, Lavender Fields in Seal, near Sevenoaks, Kent and The Orchards in Ely, Cambridgeshire. The latter is a new home which was added to the Trust's portfolio of homes in August 2019.

Rents paid in the year and recognised as an expense in these financial statements amounted to £1,623,040 (2019: £692,725) split De Lucy House £489,767 (2019: £475,218), Lavender Fields £730,904 (2019: £217,507) and The Orchards £402,369 (2019: Nil).

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:

	De Lucy House	Lavender Fields	<u>The Orchards</u>	<u>2020</u>	<u>2019</u>
Due within one year	494,000	1,084,000	570,000	2,148,000	1,194,000
Due within two to five years	1,980,000	3,735,000	2,284,000	7,999,000	5,749,000
Due after five years	12,564,000	24,782,000	16,727,000	54,073,000	37,581,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15,038,000	29,601,000	19,581,000	64,220,000	44,524,000
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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
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12 FUNDS - Group

	At 1 April <u>2019</u> £	<u>Income</u> £	<u>Expenditure</u> £	Investment <u>(losses)</u> £	Transfer between <u>Funds</u> £	At 31 March <u>2020</u> £
Unrestricted						
General funds	23,028,217	53,650,306	(46,887,227)	(202,828)	34,167	29,622,635
Revaluation reserve	10,250,860	-	(104,933)	-	-	10,145,927
Total unrestricted funds	<u>33,279,077</u>	<u>53,650,306</u>	<u>(46,992,160)</u>	<u>(202,828)</u>	<u>34,167</u>	<u>39,768,562</u>
Restricted						
Amenity funds	142,239	517,436	(44,894)	-	(34,167)	580,614
Total restricted funds	<u>142,239</u>	<u>517,436</u>	<u>(44,894)</u>	<u>-</u>	<u>(34,167)</u>	<u>580,614</u>
Total funds	<u>33,421,316</u>	<u>54,167,742</u>	<u>(47,037,054)</u>	<u>(202,828)</u>	<u>-</u>	<u>40,349,176</u>

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 £104,933 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 £34,167 represents the purchase of motor vehicles and the purchase of some activity equipment. Both are for the residents' use at various homes and were funded by amenity funds.

13 ANALYSIS OF ASSETS BETWEEN FUNDS

	<u>Restricted funds</u> £	<u>Revaluation reserve</u> £	<u>General funds</u> £	<u>Total</u> £
Fixed assets	-	10,145,927	67,774,844	77,920,771
Investments	-	-	1,631,771	1,631,771
Other current assets	580,614	-	15,897,685	16,478,299
Current liabilities	-	-	(6,103,203)	(6,103,203)
Long term liabilities	-	-	(49,578,462)	(49,578,462)
Total net assets	<u>580,614</u>	<u>10,145,927</u>	<u>29,622,635</u>	<u>40,349,176</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14 FINANCIAL INSTRUMENTS - Group

	<u>Notes</u>	<u>2020</u> £	<u>2019</u> £
Financial assets			
Financial assets measured at fair value through income and expenditure		13,609,606	6,834,201
Financial assets measured at amortised cost	8	1,165,501	1,058,617
		<u>14,775,107</u>	<u>7,892,818</u>
Financial liabilities			
Financial liabilities measured at amortised cost	10	55,681,665	40,472,686

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 including one of the home's which is scheduled to be disposed of in the coming year.

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

15 TAXATION

Greensleeves Homes Trust is a registered charity and is exempt from taxation on its income and gains to the extent they are applied in pursuance of its charitable purposes.

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.