

GREENSLEEVES HOMES TRUST

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

GREENSLEEVES HOMES TRUST

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

(Charity Registration Number 1060478)

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CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2021

GREENSLEEVES HOMES TRUST
ANNUAL REPORT
YEAR ENDED 31 MARCH 2021

CONTENTS

LEGAL AND ADMINISTRATIVE DETAILS	1
REPORT OF THE BOARD OF TRUSTEES INCLUDING THE STRATEGIC REPORT	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	20
INDEPENDENT AUDITOR'S REPORT	21
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	25
CONSOLIDATED BALANCE SHEET	26
CONSOLIDATED CASH FLOW STATEMENT	27
NOTES TO THE FINANCIAL STATEMENTS	28

GREENSLEEVES HOMES TRUST

LEGAL AND ADMINISTRATIVE DETAILS

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

Mr R Costella
Ms K Davies
Mr M Foster (Appointed 13 May 2021)
Ms K Gray (Resigned 18 February 2021)
Mr D Kelly OBE
Ms E Marsh
Ms D Pounds

Mr M Shaha (Appointed 13 May 2021)
Mr C Shaw (Chairman)
Mr C Spence
Mr R Strange OBE (Vice Chairman)
Ms J Tombs (Appointed 13 May 2021)
Ms M Townson

COMPANY SECRETARY

Mr G Almond (Resigned 1 July 2021)
Ms T Omoma (Appointed 1 July 2021)

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

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GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2021

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 2021. 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 Reporting Standard applicable in the UK and Republic or Ireland (FRS 102) (effective 1 January 2020).

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.

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 2021

Strategic Report - Covid-19

Covid-19 impacted the charity from March 2020 and throughout the subsequent year. Across both waves of the pandemic, 118 residents and 2 staff members are confirmed to have died from Covid-19. The Trust extends its deepest condolences to the family and friends of those we have lost. May they rest in peace.

The Trustees would like to take this opportunity to thank every member of staff who has worked tirelessly and selflessly throughout the pandemic. Everyone has gone above and beyond what should be expected of any employee to ensure our residents continued to receive the same high quality care as they would have done in normal circumstances. They truly are the Trust's greatest asset.

The government placed all care homes in lockdown from March 2020. Visitors, volunteers and contractors were not permitted to enter the homes unless essential work was required. The senior management team and Head of HR formed a Covid-19 Steering Group to oversee and coordinate the charity's response. The Steering Group met daily and provided seven days per week cover until lockdown eased in the summer. The Chief Executive kept the Chair and Board of Trustees apprised of developments.

The original 2020/21 budget was re-forecast and approved at the May 2020 board meeting, taking into account lower occupancy and increased staffing and personal protective equipment (PPE) expenditure. The board approved additional spend of over £1m on PPE to ensure staff and residents had the necessary protection. Throughout the pandemic, all homes had sufficient PPE and complied with government advice.

Greensleeves mitigated the challenges of Covid-19 through:

- Mandatory regular testing of staff and residents
- Controlled visits in Covid-secure settings
- Excellent supply of PPE
- Hand hygiene and social distancing where possible (hands-face-space)
- Enhanced cleaning; regular contact points and using disinfectants as part of routine cleaning
- Self-isolation for new admissions and those showing symptoms
- Cohorting staff and allocating staff to care for specific residents (unitisation)

Despite these measures, similarly to the whole care sector, occupancy was impacted; our phased occupancy dropped from normal levels of approximately 93% to a low of 83.3% at the end of May 2020. After steadily recovering to 85.9% in December 2020, occupancy again dropped to 76.5% at the end of January 2021 as the impact of the second wave of the pandemic was felt.

Some improvement in occupancy levels were seen by year end and this has continued to 85.8% at the end of June 2022. A return to more normal levels of occupancy is expected by March 2022.

The occupancy reductions caused a reduction in turnover during the year to 31 March 2021 in excess of £4 million. In addition to the income reduction, higher costs were incurred on staffing, PPE and enhanced infection control and covid-19 testing measures. The income reduction and higher costs were partially offset by government support including over £2.7 million from the various infection control support funds and some limited use of the employee furlough scheme, together with reductions in non-essential expenditure.

While operations were disrupted, the Strategic Plan continued broadly according to plan. The new home in Ipswich, Henley House (replacing Thornbank), was completed and residents moved in before Christmas. The new home in Croxley Green, Clarendon Lodge (replacing Croxley House), was completed and residents transferred across in February 2021. The extension at Borovere in Alton, Hampshire also completed during the year and excellent progress has been made at our new home in Crowthorne, Berkshire. The redevelopment of Mount Ephraim House continued at a slower pace and is now scheduled for completion by the end of this financial year. The development of a 60-bed nursing home in Rye has been deferred until operating conditions have returned to normal.

Additionally, £15m of additional funding was drawn in December 2020 from a new RCB facility to finance the continued strategy of sustainable development of the organisation, thereby enhancing the charitable impact of the Trust. £10m of bonds were retained for potential future release.

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 2021

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 2021, we were able to care for up to 1,081 residents across 25 homes, an increase of 44 residents compared to last year. During the year, two homes were reprovisioned and the respective old homes were closed.
- Inspections by the Care Quality Commission continued through the coronavirus pandemic. At the time of writing, of the 24 currently operating homes (two are closed for redevelopment and one is closed pending sale), two new homes have not yet been inspected, 21 have a CQC rating of Good or above leaving one rated as Requires Improvement. This is positive change to last year's position when four homes had been classified as requiring improvement. Two of our Suffolk homes, Broadlands in Oulton Broad and Harleston House in Lowestoft continue to be rated as Outstanding.
- In February 2020, a new divisional structure was introduced as part of the Trust's Strategic Plan. This has proven to be a great success and perfectly timed despite the immediate advent of the coronavirus pandemic. Thanks to the new structure and increased number of Head Office staff, we were able to further improve the support the homes received throughout the crisis. It also meant Head Office staff were ready to step in when the staff at those homes more severely impacted were unable to work due to contracting Covid-19.
- We continued to be highly rated on the leading online care directory www.carehome.co.uk, having achieved an overall group score of 9.5 out of ten on 31 March 2021. In addition, Greensleeves Care has been rated as a Top 20 Recommended Care Home Group in the United Kingdom in 2021 and the majority of our care homes are currently rated 9.5 or higher, based on reviews from our residents and their families and friends.
- 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.
- We achieved annual staff turnover of considerably lower than the average published by the National Care Forum and Skills for Care.
- A number of mental health wellbeing initiatives have been launched to support our staff through the additional pressures caused by the pandemic
- Greensleeves is participating in the national apprentice programme/Step Into Care/City & Guilds initiatives to support our ongoing recruitment initiatives
- Two new homes were added to the Trust's portfolio;
 - Henley House in Ipswich, Suffolk - this is a home specifically built for the Trust which will provide residential and dementia care for up to 66 residents. It replaced Thornbank, our previous home in Ipswich with residents and staff transferring across to the new home in December 2020, just in time for Christmas. Everyone is now fully settled and we are welcoming new residents to our state of the art home.
 - Clarendon Lodge in Croxley, Hertfordshire - this is a newly built home with a unique construction; a single story building surrounding a central courtyard located behind the perimeter wall bordering the grounds of our existing home, Croxley House. It will provide residential and dementia care for up to 40 residents. Residents and staff in the existing home moved to Clarendon Lodge in February 2021. Options for the future use of Croxley House are under review.

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 2021

Strategic Report - Achievements and Performance - continued

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

- **To deliver the occupancy improvements required to normalise operating performance following the impact of Covid-19** - following the first wave of the pandemic in early 2020, good progress was made on occupancy recovery peaking at 85.9% in mid-December 2020. Sadly, the second wave had a more significant impact than the first and occupancy fell in 76.5% in February 2021. On 31 March 2021, it had recovered to 79.5% and continues to show improvement thereafter.
- **To work towards the Trust's homes having a rating of at least Good from the Care Quality Commission** - As at time of writing, of the 24 operating homes, 21 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 £222,000 in mandatory and non-mandatory training. This represents a slight reduction compared to 2020 as access to the homes was restricted during the pandemic. 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** - As at 31 March 2021, the same 19 homes as last year had achieved Eden accreditation. Due to the pandemic and changes within the Eden Alternative team external to the Trust, further homes have not been accredited in the year. In addition to following the Eden Alternative, we continue to explore other philosophies of care.
- **To further integrate our recently added home, The Orchards into the Trust** - progress was hindered by the pandemic but despite its impact at the home, we achieved a CQC rating of Good in January 2021 which is testament to the home's Manager, who, in the same month, sadly died from Covid-19 complications. The whole of the Trust passes on their condolences to her family and friends.
- **To mobilise our new-build property, Henley House in Ipswich, Suffolk and integrate it into the Trust** - 28 residents and the staff team from Thornbank, our previous home in Ipswich moved across to Henley House in December 2020. After giving everyone time to settle into their new home and allowing for restrictions in the second wave of the pandemic, further resident admissions started and, on 31 March 2021, the home had 33 residents.
- **To dispose of our existing home in Ipswich following transfer of operations to Henley House** - the process was extended by restricted access to the home during the pandemic. Despite this, following an extended marketing exercise, proposals were received during early 2021. After due consideration of the qualified surveyor's report, Trustees accepted one of the offers in May 2021. The sale is expected to be completed in July 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** - works on all three projects were unfortunately delayed during the pandemic. Despite this:
 - The new rooms at Borovere were registered with CQC in early 2021
 - At Croxley House, construction of the new building in the home's grounds was completed in late 2020. It was registered as a new home with CQC and named Clarendon Lodge
 - At Mount Ephraim House, works are continuing with completion now anticipated by March 2022.

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 2021

Strategic Report - Achievements and Performance - continued

- **To progress pre-construction activity of our new home adjacent to Rye Hospital in Sussex** - preliminary works have been completed during the year but further works have been delayed during the pandemic.
- **To further review funding arrangements to ensure sufficient funds are available to fulfil the Trust's development programme** - funding options were explored during 2020 before a decision was made to raise further funding through a new Retail Charity Bond structure. This was successfully completed on 17 December 2020. As a result, £15m was raised at a fixed interest rate of 5% over a ten-year period. The facility is for a total sum of £25m so a further £10m is retained for potential release in the future.
- **To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally** - despite the year's main priority being ensuring residents and staff remained safe during the pandemic, we have strived to maintain the Trust's visibility through representation and membership of appropriate organisations such as the National Care Forum. We continue to be highly rated on external websites such as www.carehome.co.uk and maintain our presence on social media platforms such as Facebook and Twitter. This is seen as a useful tool to promote the homes and the care sector in general. Despite the immense toll the pandemic has had, there are still many positive stories which will help both the Trust and the care sector recover as everyone learns to live with Covid-19.

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 2021

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 <u>2021</u>	Outcome <u>2020</u>
Number of homes with Eden Alternative validation	19	19
Percentage of residents funded by the local authority	26.5%	25.6%
Staff turnover	14.5%	18.5%
Occupancy	84.1%	92.6%
Average fee per week	£1,077	£1,019

- The number of Eden Alternative accredited homes has remained the same through the year as dealing with the ongoing pandemic took priority.
- Percentage of publicly funded residents - in line with public benefit and our sustainable operating model, we aim to have approximately 25% of the total number of our residents funded by public bodies. At the year end, we had exceeded this target and the percentage had increased compared to 2020. This is a result of Covid-19's impact on occupancy and due to some existing privately funded residents falling below the funding threshold. The percentage tends to fluctuate on a monthly basis in line with resident admissions and departures and our overall target remains at 25%.
- We are encouraged by our staff turnover which has again fallen from previous year. We have maintained good staff retention during a challenging year for the sector by ensuring our staff members are recognised for the excellent work they do in caring and supporting some of the most vulnerable people in society. A key focus for the Trust is recruitment to include our career changing apprenticeship programme which is designed to attract individuals new to the care industry and provide them with the skills and knowledge to excel in their career.
- Occupancy levels (based on anticipated resident build up at new homes) have fallen due to the impact of Covid-19. Our homes were affected by both the first wave of the pandemic and, more significantly, by the second wave. On 31 March 2020, occupancy stood at 90.2%. In the first wave, at the end of May 2020, it dropped to a low point of 83.3% before slowly recovering to 85.9% in Mid-December 2020. In the second wave, at the end of January 2021, it fell to a low point of 76.5% before recovering again reaching 79.5% on 31 March 2021. On 23 July 2021, occupancy was 87.3%.
- 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.

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 2021

Strategic Report - Financial Review

Review of Transactions and Financial Position

These financial statements for the year ended 31 March 2021 comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'.

Overall results

The year's financial performance was impacted by the coronavirus pandemic; reduced occupancy led to a reduction in income in excess of £4.0m and costs were also adversely affected. Both were partly offset by government funding received during the year of over £2.7m.

Overall, a net loss of £3.3million (2020: income of £6.9million - positively impacted by the sale of two parcels of land which generated gains of £9.7million) was produced which has reduced reserves to a total of £37.0million (2020: £40.3million).

The table on page 10 shows the results for the year compared with 2020. Please note that those homes considered new homes last year are included under existing homes this year. The results of two homes that were reprovisioned in the year have been included under new homes in 2021.

Existing operations

Income

- Residents' care fees, relating to our core activity of providing residential, dementia and nursing care, have decreased by £1.1million to £41.9m. Much of the reduction is due the pandemic's impact on occupancy.
- Residents' sundries relate to the recharge of incidental expenses incurred on behalf of residents. This is lower than 2020, again due to the pandemic.
- Covid-19 funding of £2.7m includes £276,000 claimed under the Coronavirus Job Retention Scheme where a small number of staff were furloughed due to the pandemic either as a result of them shielding or, in the case of some Head Office based staff, because restrictions caused by Covid-19 meant there was insufficient work within all departments to maintain usual staffing levels. It also includes £2.4m of funding received from the local authorities serving the homes under the various funding initiatives announced by the government to support the care sector during the pandemic.
- Other income includes £51,000 (2020: £174,000) generated by our investment portfolio and cash reserves. The amount is lower this year following the disposal of investments and reduction in interest rates. The remaining amount is rent from various accommodations, donations and fundraising.
- The £154,000 surplus from sale of fixed assets relates to the disposal of a rental property in Suffolk.

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 £935,000 to £44.7m.
- 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 £137,000 relate to the amortisation of arrangement fees in respect of the loans from Retail Charity Bonds Plc
- Other costs relate to investment manager fees and costs relating to various rental properties owned by the Trust.

Investment gains and losses

- In the year, the Trust's investments were sold in full. This produced realised gains of £329,000 (2020: £800). Offset against this are unrealised gains declared in previous years of £96,000 (2020: unrealised losses of £203,600) leading to net gains of £233,000 (2020: net losses of £202,800).

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 2021

Strategic Report - Financial Review - continued

New homes

During the year ended 31 March 2021, two homes were reprovioned as follows. The results of the existing homes and of the replacement homes have been categorised as being new homes for the purposes of the table on page 10:

- In February 2021, Croxley House in Croxley Green, Hertfordshire was replaced by Clarendon Lodge which is situated in the grounds of the old home. The combined income of the two homes was £1.1m and the costs including depreciation, loan interest and an allocation of head office staff costs were £1.7m resulting in a loss of £631,000. Occupancy at Croxley House had fallen significantly prior to the move to Clarendon Lodge in part due to the pandemic but also the difficulty in attracting new residents to the older home as the relocation date approached.
- In December 2021, Thornbank in Ipswich, Suffolk was replaced by Henley House which is within one mile of the old home. The combined income of the two homes was £1.4m and the costs including depreciation, loan interest and an allocation of head office staff costs were £1.7m resulting in a loss of £370,000. The results were impacted by the pandemic in particular due to restricted access to the new home during the second wave.

Across the two homes, funding of £180,000 was received from the various Covid-19 initiatives given to the care sector during the pandemic including the Coronavirus Job Retention Scheme.

In total, the two homes generated losses of £1.0m. Development drag losses such as this are expected for new homes due to the opening start-up costs and initially lower income during the phased build-up of residents.

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 2021

Strategic Report - Financial Review - continued

	<u>Existing Homes 2021</u> £	<u>Head Office 2021</u> £	<u>Existing Operations 2021</u> £	<u>New Homes 2021</u> £	<u>Total 2021</u> £	<u>Existing Homes 2020</u> £	<u>Head Office 2020</u> £	<u>Existing Operations 2020</u> £	<u>New Homes 2020</u> £	<u>Total 2020</u> £
INCOME										
Residents' care fees	41,911,916	-	41,911,916	2,267,552	44,179,468	43,008,747	-	43,008,747	-	43,008,747
Residents' sundries	241,813	-	241,813	6,187	248,000	322,125	-	322,125	-	322,125
Covid-19 Funding	2,449,834	81,648	2,531,482	179,501	2,710,983	-	-	-	-	-
Other income	516,817	54,940	571,757	291	572,048	928,776	186,661	1,115,437	-	1,115,437
Surplus from sale of fixed assets	-	154,295	154,295	-	154,295	-	9,721,433	9,721,433	-	9,721,433
TOTAL	45,120,380	290,883	45,411,263	2,453,531	47,864,794	44,259,648	9,908,094	54,167,742	-	54,167,742
EXPENDITURE										
Residents' care costs	44,725,057	-	44,725,057	3,454,500	48,179,557	43,789,949	-	43,789,949	-	43,789,949
Head Office costs	-	2,914,712	2,914,712	-	2,914,712	-	2,917,987	2,917,987	-	2,917,987
Cost of raising finance	-	137,159	137,159	-	137,159	-	130,902	130,902	-	130,902
Other costs	-	179,018	179,018	-	179,018	-	198,216	198,216	-	198,216
TOTAL	44,725,057	3,230,889	47,955,946	3,454,500	51,410,446	43,789,949	3,247,105	47,037,054	-	47,037,054
Net investments (losses) / gains	-	233,039	233,039	-	233,039	-	(202,828)	(202,828)	-	(202,828)
NET INCOME / (LOSSES)	395,323	(2,706,967)	(2,311,644)	(1,000,969)	(3,312,613)	469,699	6,458,161	6,927,860	-	6,927,860

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 2021

Strategic Report - Financial Review - continued

Balance Sheet

The balance sheet shows that at 31 March 2021 the total funds were £37.0million (2020: £40.3million). This was represented by fixed assets of £88.6million (2020: £79.5million including investments of £1.6million), net current assets of £12.7million (2020: £10.4million) and long term liabilities of £64.3million (2020: £49.6million).

Unrestricted funds of £36.4million (2020: £39.8million) represent the reserves available to the Trust to fulfil its current operations and existing financial commitments over the long term and 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.

The 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 £12.0million which represents an excess of £5.6million over the £6.4million needed to fulfil the above requirement. Of the £6.4million, £4.9million relates to capital commitments in respect of development works that are already in progress and the other £1.5m is a provision for budgeted operating costs.

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 2021 was £10.0million (2020: £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 £37.0million of which £686,020 are restricted (2020: £40.3million and £580,614 respectively). These restricted funds are made up by amenity funds raised specifically for our homes’ residents’ benefit (£601,798 - 2020: £580,614) and unused Covid-19 funding received during the year (£84,222 - 2020: Nil).

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 2021

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 although this did not happen during the current year due to the pandemic. 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. In October 2020, Trustees decided that the investments would be more efficiently utilized in furthering the Trust's development activities. This generated proceeds of £1.9m and realised gains of almost £329,000. Offset against this are unrealised gains declared in previous years of £96,000 resulting in total gains declared in the year and as shown in the Statement of Financial Activities of £233,000.

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, in line with similar falls experienced across the sector, occupancy was affected in both the first wave of the pandemic in spring 2020 and more significantly in the second wave in winter 2020/21. Costs also increased following the need for significantly greater usage of 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. The additional costs were offset in part by funding received as part of the various Covid-19 grants implemented by the government across the year and through contributions towards the pay of furloughed staff from the Coronavirus Job Retention Scheme.

In light of the above, the year's budget plus medium and long term forecasts were reviewed and revised funding requirements identified. During the year, additional funding was secured following the issuing of a new Greensleeves Homes Trust Retail Charity Bond by Retail Charity Bonds Plc. This raised £15m and will enable the Trust to fund its current development commitments. The facility is for a total £25m so additional funds are available if needed. The need for additional funding was always anticipated but the timing was accelerated by the pandemic.

Following the first wave, occupancy levels improved and by mid-December, phased occupancy had reached 85.9% so we were on target to reach the 90% year-end target assumed in our forecasts. However, following the second wave of the pandemic, by the end of January, occupancy had fallen to 76.5%. Since then, with the advent of the successful vaccine rollout, outbreaks at the homes have remained under control and occupancy has again started to improve. By mid-May, phased occupancy had recovered to 80.9%. We anticipate it will recover further before reaching near pre-Covid-19 levels by March 2022. This is dependent on there being no further waves of the pandemic and associated lockdowns which would restrict our ability to admit residents.

Having reviewed current short, medium and long term forecasts and given that cash reserves are in place to fund current and future development projects, the Trustees believe that Greensleeves Homes Trust does not have any going concern issues.

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 2021

Strategic Report - Plans for the Future

Currently the Trust's key strategic goals are:

- **Quality First** - an individual and collective commitment to quality improvement across all that we do will ultimately result in continuous enhancement in the quality of care provided to residents;
- **Sustainable Development** - this approach will ensure the charitable impact of Greensleeves expands in an enduring, viable 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 reduce the use of agency staff through the introduction of the Quality First Initiative Scheme.
- To continue to work toward all 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 can provide appropriate care for both current and future older generations.
- To review the ongoing provision of the Eden Alternative philosophy and potentially explore other care initiatives.
- To fully review the Trust's Risk Register and ensure it reflects the changing landscape the Trust and the care sector as a whole is presented with.
- To further integrate our recently added homes, Clarendon Lodge and Henley House, 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 finalise the sale of Thornbank, our home in Ipswich Suffolk which was reprovisioned during the year.
- To complete the major extension and development works at Mount Ephraim House in Tunbridge Wells.
- To mobilise our new build property, Bucklers Lodge in Crowthorne, Berkshire and integrate it into the Trust.
- To progress pre-construction activity of our new home adjacent to Rye Hospital in Sussex
- To further review development options for Croxley House, our home in Croxley, Hertfordshire.
- To explore further development opportunities including two new homes whose acquisition is currently in the advanced stages.
- To review further funding arrangements to support our ongoing development programme.
- To finalise the review of the Trust's existing software systems and commence implementation of a fully integrated solution.
- To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally.

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 2021

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 continued impact of Covid-19 on the operational performance of the organisation. Whilst the future impact of the pandemic cannot be predicted, as we have done so far, we will adapt to the changing risks it presents modifying operations in line with government guidance and best practice.
- 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. To prevent this, we undertake regular reviews at all homes to ensure standards are being maintained ensuring we are prepared for the formal Care Quality Commission inspection.
- 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. To avoid this, we are members of the National Care Forum which ensures we are kept informed of all important changes which can then be implemented as required.
- 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. To mitigate this, we aim to be an employer of choice which is reflected by our Investors in People status. We also continually train our staff to ensure the care provision is of high quality.
- Our ability to continue to raise funds to further our sustainable development and, by 2026, to accrue the necessary funds to repay the first loan from Retail Charity Bonds plc. To monitor this, we prepare an annual Long Term Financial Plan which is regularly reviewed and updated to reflect ongoing developments.

Strategic Report - Specific risk in respect of financial instruments

The Trust uses various financial instruments including loans, 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.
- Liquidity risk / cashflow - Whilst the Trust's bank balance on 31 March 2021 provides more than sufficient liquidity for day-to-day operations and current capital commitments, further waves of the coronavirus pandemic could again impact occupancy and adversely affect cashflow. Whilst a further £10m of funds are available through the new Retail Charity Bond facility issued in December 2020, the public's appetite for investing in the care sector could be affected by continued uncertainty caused by the pandemic. If so, mitigating actions would need to be taken to reduce short term cash outflows.

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 2021 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.

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 2021

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 2021			Year ended 31 March 2020		
	Consumption kWh	Emissions tCO ₂ e	Intensity Metric *	Consumption kWh	Emissions tCO ₂ e	Intensity Metric *
Gas and other fuels (Scope 1 - direct emissions)	11,657,628	2,145.22	2.08	11,542,979	2,149.88	2.15
Electricity (Scope 2 - indirect emissions)	3,846,426	896.76	0.87	3,696,415	944.80	0.95
Transport (Scope 1 - direct emissions)	411,784	96.62	0.09	569,036	135.39	0.14
Overall	15,915,838	3,138.60	3.04	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:

Due to the Covid-19 pandemic, it has not been possible to complete the various energy projects planned for the year.

Where possible, throughout the year, we have ensured that lighting replacements undertaken during routine maintenance have been with high efficiency LED lighting. These replacements are helping us achieve the aim of removing inefficient fluorescent lighting throughout our portfolio of homes.

We are pleased to note the reduction in the Intensity Metrics shown above.

Measures for the future:

- In the coming year, we will be setting up a Sustainability Working Group to review current policies and procedures to ensure energy efficiency and sustainability is prioritised in the future.
- As part of the review, a focus is being placed on the implementation of ongoing staff training as a low cost, high impact measure to improve energy efficiency at the Trust.

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 2021

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

Remuneration Committee

The Remuneration Committee comprises 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 2021

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 2020/2021 we also had to manage the impact Covid-19 had on our services, residents and staff and focused on both the physical safety and wellbeing of every one at Greensleeves as well as mental health and wellbeing. New processes of monitoring, reporting and recording and support were all put in place across all sites within the Trust and additional training and support has been offered via the Health and Safety Team, Quality Team, Training team and Human Resources.

During the year, we submitted seven RIDDOR reports to the Health and Safety Executive in respect of minor issues. The incidents occurred across six different homes with incidents involving both staff and 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.

While the internal reviews continue a full review of the structure and content of the risk register is being completed with a view to updating it to represent a growing Trust.

In the meantime 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.

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 2021

Structure, Governance and Management - Continued

- 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.

In addition, we employ external providers who complete care, health and safety and financial audits thus giving additional reassurance although this has not always been possible during the pandemic.

Management and Staffing

In the year ended 31 March 2020, 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 normally 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. Due to the coronavirus pandemic, this year, these seminars were not possible and instead frequent updates particularly around Covid-19 protocols were disseminated electronically.

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. As a result, this year, some changes were made to the pay and benefits of a small number of posts. 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.

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.

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 2021

Structure, Governance and Management - Continued

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.

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 final 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.

Reports to the Charity Commission

During the year, we notified the Charity Commission of an incident that might have affected the Trust's public reputation. This was following an event between two residents at one of the homes. Following a full investigation and a lessons learned exercise, all formal proceedings with Health & Safety, the local authority and the Care Quality Commission have been now closed.

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
29 July 2021

GREENSLEEVES HOMES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2021

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 Homes Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021, 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 2021 and of the group's incoming resources and application of resources, including the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board of Trustees and Statement of Trustees' Responsibilities, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:


- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group through our general not for profit and charity sector experience and discussions with management. We determined that the following laws and regulations were most significant: Charities SORP 2019, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Charities Act 2011, Companies Act 2006, Data Protection Act 2018 and Care Standards Act 2000.
- We enquired of management concerning the group's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and the audit committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
 - potential management bias in determining accounting estimates
- Our audit procedures involved:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries;

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

- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition, improper use of charitable funds and serious incident reports submitted to the Charity Commission in the period; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the charity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the charity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

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



William Devitt BSc FCA DChA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date: 17/8/2021

GREENSLEEVES HOMES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2021

	<u>Notes</u>	<u>Unrestricted Funds 2021 £</u>	<u>Restricted Funds 2021 £</u>	<u>Total 2021 £</u>	<u>Unrestricted Funds 2020 £</u>	<u>Restricted Funds 2020 £</u>	<u>Total 2020 £</u>
INCOME FROM							
Charitable activities							
Residents' care fees		44,179,468	-	44,179,468	43,008,747	-	43,008,747
Residents' sundries		248,000	-	248,000	322,125	-	322,125
Covid-19 funding		318,054	2,392,929	2,710,983	-	-	-
Rental income		408,303	-	408,303	404,228	-	404,228
Raising funds							
Donations and fundraising		9,716	94,518	104,234	2,299	517,436	519,735
Investments	2	50,611	-	50,611	174,438	-	174,438
Other							
Miscellaneous income		8,900	-	8,900	17,036	-	17,036
Surplus from sale of fixed assets		154,295	-	154,295	9,721,433	-	9,721,433
TOTAL		45,377,347	2,487,447	47,864,794	53,650,306	517,436	54,167,742
EXPENDITURE ON							
Charitable activities							
Residents' care costs	3	45,899,753	2,279,804	48,179,557	43,745,055	44,894	43,789,949
Head Office costs	3	2,894,300	20,412	2,914,712	2,917,987	-	2,917,987
Rental costs	3	175,747	-	175,747	193,883	-	193,883
Raising funds							
Investment manager fees	3	3,271	-	3,271	4,333	-	4,333
Cost of raising finance	3	137,159	-	137,159	130,902	-	130,902
TOTAL	3	49,110,230	2,300,216	51,410,446	46,992,160	44,894	47,037,054
INVESTMENT GAINS / (LOSSES)	9	233,039	-	233,039	(202,828)	-	(202,828)
NET (LOSS) / INCOME		(3,499,844)	187,231	(3,312,613)	6,455,318	472,542	6,927,860
Transfer between funds	12	81,825	(81,825)	-	34,167	(34,167)	-
NET MOVEMENT IN FUNDS		(3,418,019)	105,406	(3,312,613)	6,489,485	438,375	6,927,860
FUNDS AT 1 APRIL 2020	12	39,768,562	580,614	40,349,176	33,279,077	142,239	33,421,316
FUNDS AT 31 MARCH 2021	12	36,350,543	686,020	37,036,563	39,768,562	580,614	40,349,176

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 28 to 43 form part of these financial statements.

GREENSLEEVES HOMES TRUST
CONDOLIDATED AND CHARITY BALANCE SHEETS
31 MARCH 2021

	<u>Notes</u>	<u>Group</u>		<u>Charity</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		£	£	£	£
FIXED ASSETS					
Tangible assets	7	88,685,637	77,920,771	88,685,637	77,920,771
Investments	9	-	1,631,771	-	1,631,771
Investment in Subsidiaries	5	-	-	104	104
		<u>88,685,637</u>	<u>79,552,542</u>	<u>88,685,741</u>	<u>79,552,646</u>
CURRENT ASSETS					
Debtors	8	3,069,631	2,868,693	3,069,527	2,868,589
Bank and cash balances		14,257,684	13,609,606	14,257,632	13,609,554
		<u>17,327,315</u>	<u>16,478,299</u>	<u>17,327,159</u>	<u>16,478,143</u>
CURRENT LIABILITIES					
Amounts falling due within one year	10	(4,642,387)	(6,103,203)	(4,642,391)	(6,103,207)
		<u>12,684,928</u>	<u>10,375,096</u>	<u>12,684,768</u>	<u>10,374,936</u>
NET CURRENT ASSETS					
		<u>101,370,565</u>	<u>89,927,638</u>	<u>101,370,509</u>	<u>89,927,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS					
Amounts falling due after more than one year	10	(64,334,002)	(49,578,462)	(64,334,002)	(49,578,462)
		<u>37,036,563</u>	<u>40,349,176</u>	<u>37,036,507</u>	<u>40,349,120</u>
NET ASSETS					
UNRESTRICTED FUNDS					
General funds	12	26,309,549	29,622,635	26,309,493	29,622,579
Revaluation reserve	12	10,040,994	10,145,927	10,040,994	10,145,927
	12	36,350,543	39,768,562	36,350,487	39,768,506
RESTRICTED FUNDS					
	12	686,020	580,614	686,020	580,614
TOTAL FUNDS					
	13	<u>37,036,563</u>	<u>40,349,176</u>	<u>37,036,507</u>	<u>40,349,120</u>

The Charity's Net Loss for the year was £3,312,613.

Approved by the Board of Trustees and authorised for issue on 29 July 2021 and signed on their behalf by:

Chris Shaw

 Mr C Shaw - Trustee of Greensleeves Homes Trust

The notes on pages 28 to 43 form part of these financial statements.

Company Registered Number 03260168

GREENSLEEVES HOMES TRUST
CONSOLIDATED CASH FLOW STATEMENT
31 MARCH 2021

	<u>Notes</u>	<u>2021</u>	£	<u>2020</u>	£
		£		£	
Cash flows from operating activities			(2,422,111)		214,099
Cash flows from investing activities					
Dividends received	2	37,354		72,938	
Interest received	2	13,257		101,500	
			50,611		174,438
Purchases of tangible assets	7	(13,763,474)		(17,284,474)	
Sale of tangible assets	7	162,702		9,721,433	
Purchases of investments	9	(37,344)		(73,232)	
Sales of investments	9	1,902,154		4,333	
			(11,735,962)		(7,631,940)
Net cash used in investing activities			(11,685,351)		(7,457,502)
Cash flows from financing activities					
New loan facilities	10	15,000,000		14,000,000	
Capitalisation of costs	10	(324,066)		(50,105)	
Amortisation of capitalised costs	10	79,606		68,913	
Net cash provided by financing activities			14,755,540		14,018,808
Change in cash and cash equivalents in the reporting period			648,078		6,775,405
Cash and cash equivalents at beginning of reporting period			13,609,606		6,834,201
Cash and cash equivalents at end of reporting period			14,257,684		13,609,606
Reconciliation of net income to net cash flow from operating activities					
Net (loss) / income for the reporting period			(3,312,613)		6,927,860
(Increase) in debtors			(200,938)		(586,399)
(Decrease) / Increase in creditors			(1,460,816)		1,190,175
Depreciation	7		2,990,184		2,375,464
Dividends & interest from investments	2		(50,611)		(174,438)
Net (gains) / losses on investments	9		(233,039)		202,828
Gains on fixed asset disposals	7		(154,295)		(9,721,433)
Write off of tangible assets	7		17		42
Net cash provided by operating activities			(2,422,111)		214,099
Analysis of cash and cash equivalents					
			Cash at		Cash at
			31 March		31 March
			2021		2020
Cash at bank			14,257,684		13,609,606

The notes on pages 28 to 43 form part of these financial statements.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

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 2019) - (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.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. Grant income is included gross within the Statement of Financial Activities and not netted against the associated expenditure.

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 and the amortisation of initial costs incurred in respect of the loans from Retail Charity Bonds Plc.

Rental costs are in respect of a small number of rental properties owned by the Trust.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

1 ACCOUNTING POLICIES - continued

(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.

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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

1 ACCOUNTING POLICIES - continued

(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.

(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) 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 2021

1 ACCOUNTING POLICIES - continued

(m) Going concern

As a result of the impact of Covid-19, in line with similar falls experienced across the sector, occupancy was affected in both the first wave of the pandemic in spring 2020 and more significantly in the second wave in winter 2020/21. Costs also increased following the need for significantly greater usage of 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. The additional costs were offset in part by funding received as part of the various Covid-19 grants implemented by the government across the year and through contributions towards the pay of furloughed staff from the Coronavirus Job Retention Scheme.

In light of the above, the year's budget plus medium and long term forecasts were reviewed and revised funding requirements identified. During the year, additional funding was secured following the issuing of a new Greensleeves Homes Trust Retail Charity Bond by Retail Charity Bonds Plc. This raised £15m and will enable the Trust to fund its current development commitments. The facility is for a total £25m so additional funds are available if needed. The need for additional funding was always anticipated but the timing was accelerated by the pandemic.

Following the first wave, occupancy levels improved and by mid-December, phased occupancy had reached 85.9% so we were on target to reach the 90% year-end target assumed in our forecasts. However, following the second wave of the pandemic, by the end of January, occupancy had fallen to 76.5%. Since then, with the advent of the successful vaccine rollout, outbreaks at the homes have remained under control and occupancy has again started to improve. By mid-May, phased occupancy had recovered to 80.9%. We anticipate it will recover further before reaching near pre-Covid-19 levels by March 2022. This is dependent on there being no further waves of the pandemic and associated lockdowns which would restrict our ability to admit residents.

Having reviewed current short, medium and long term forecasts and given that cash reserves are in place to fund current and future development projects, the Trustees believe that Greensleeves Homes Trust does not have any going concern issues.

(n) 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.

(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>2021</u> £	<u>2020</u> £
Dividends	37,354	72,938
Bank interest	13,257	101,500
	<hr/>	<hr/>
	50,611	174,438
	<hr/>	<hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

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 2021 £	Total 2020 £
Unrestricted funds						
Charitable activities						
Residents' care costs	30,730,202	15,169,551	-	-	45,899,753	43,745,055
Head Office costs	875,073	-	1,868,636	150,591	2,894,300	2,917,987
Rental costs	23,958	-	151,789	-	175,747	193,883
Raising funds						
Investment manager fees	-	-	3,271	-	3,271	4,333
Cost of raising finance	-	-	137,159	-	137,159	130,902
	<u>31,629,233</u>	<u>15,169,551</u>	<u>2,160,855</u>	<u>150,591</u>	<u>49,110,230</u>	<u>46,992,160</u>
Restricted funds						
Charitable activities						
Residents' care costs	1,634,972	644,832	-	-	2,279,804	44,894
Head Office costs	20,412	-	-	-	20,412	-
	<u>1,655,384</u>	<u>644,832</u>	<u>-</u>	<u>-</u>	<u>2,300,216</u>	<u>44,894</u>
Total expenditure	<u>33,284,617</u>	<u>15,814,383</u>	<u>2,160,855</u>	<u>150,591</u>	<u>51,410,446</u>	<u>47,037,054</u>

(b) Analysis of other care costs

	<u>2021</u> £	<u>2020</u> £
Charitable activities		
Food	1,883,646	1,994,202
Medical costs	1,577,003	162,958
Activities	386,493	551,875
Care Quality Commission fees	162,416	152,444
Maintenance	1,905,085	1,963,212
Cleaning and housekeeping	956,110	872,781
Insurance	239,354	230,627
Utilities costs	961,056	1,140,762
Administration costs	326,242	364,530
Loan interest and charges	2,340,818	1,996,901
Leasehold rents	2,165,185	1,623,040
Depreciation	2,910,975	2,295,992
	<u>15,814,383</u>	<u>13,349,324</u>

Medical costs plus cleaning and housekeeping costs have increased during the year as a result of the pandemic. This is due to the routine use of personal protective equipment (PPE) and more intensive cleaning protocols including full home sanitisation after Covid-19 outbreaks.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

3 EXPENDITURE - continued

(c) Analysis of head office support costs

	<u>2021</u> £	<u>2020</u> £
Professional fees in respect of development plans	109,148	101,337
HR, health & safety, energy consultancy plus other professional fees	311,040	498,088
Trust-wide computer services	602,442	600,075
Head office running costs	768,044	619,270
Depreciation	77,962	77,962
	<hr/>	<hr/>
	1,868,636	1,896,732
	<hr/> <hr/>	<hr/> <hr/>

(d) Analysis of governance costs

	<u>2021</u> £	<u>2020</u> £
Legal and professional fees	73,156	67,788
Audit fees for current year	53,760	41,100
Audit fees in respect of previous year	7,391	1,369
Auditor's charges re Corporation Tax Returns	6,559	3,120
Auditor's charges re Service Charge Accounts	7,500	-
Internal auditor fees	780	22,622
Trustees' expenses	40	3,218
Trustee recruitment	1,405	-
	<hr/>	<hr/>
	150,591	139,217
	<hr/> <hr/>	<hr/> <hr/>

The amounts shown above for Auditor's charges re Corporation Tax Returns and Service Charge Accounts in 2021 are in fact for two years covering both 2020 and 2021 as the 2020 charge was not reflected in the 2020 accounts.

In addition to the costs shown above, our auditor, Grant Thornton completed ICMA comfort letter works in respect of a new loan from Retail Charity Bonds Plc which was issued during the year. These works cost £46,968 including VAT and are to be amortised over the life of the loan.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

4 WAGES AND SALARIES

	<u>2021</u> £	<u>2020</u> £
Summary of wages and salaries allocation in respect of:		
Residents' care costs	32,365,174	30,440,625
Head Office costs	895,485	882,038
Rental costs	23,958	25,628
	<hr/>	<hr/>
	33,284,617	31,348,291
	<hr/> <hr/>	<hr/> <hr/>
Analysis of wages and salaries:		
Salaries	27,104,370	25,492,807
National insurance costs	1,994,287	1,651,062
Pension costs	942,984	842,338
Apprenticeship Levy	122,536	105,505
Agency staff	2,408,662	2,186,917
Training	221,537	281,932
Recruitment	109,556	213,357
Other staff costs	380,685	574,373
	<hr/>	<hr/>
	33,284,617	31,348,291
	<hr/> <hr/>	<hr/> <hr/>

During the year, a small number of staff were furloughed due to the pandemic either as a result of them shielding or, in the case of some Head Office based staff, because restrictions caused by Covid-19 meant there was insufficient work within all departments to maintain usual staffing levels. As a result, £275,843 was claimed under the Coronavirus Job Retention Scheme and this has been included as income under Covid-19 funding.

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 2021, total pension contributions still to be paid over to employees' policies amounted to £141,374 (2020: £132,444).

The average number of persons employed during the year was:

	<u>2021</u> FTE	<u>2021</u> Number	<u>2020</u> FTE	<u>2020</u> Number
Residents' care	1,096	1,360	1,042	1,375
Head office - Homes' support	33	35	29	33
Head office - Central administration	11	12	10	11
	<hr/>	<hr/>	<hr/>	<hr/>
	1,140	1,407	1,081	1,419
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

4 WAGES AND SALARIES - Continued

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

	<u>2021</u> Number	<u>2020</u> Number
£60,001 to £70,000	2	3
£70,001 to £80,000	6	3
£80,001 to £90,000	3	2
£90,001 to £100,000	1	-
£100,001 to £110,000	-	1
£120,001 to £130,000	1	-
£140,001 to £150,000	-	1
£180,001 to £190,000	1	-
	<hr/>	<hr/>
	14	10
	<hr/> <hr/>	<hr/> <hr/>

Pension contributions paid on behalf of the 14 employees above for the year amounted to £58,169 (2020: £45,092 for ten 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 £844,686 (2020: £549,104 although figures are not directly comparable due to staff structure changes in February 2020).

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

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 26.

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 2020.

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. The process appears to have been delayed due to Covid-19 as the liquidator is still waiting on HMRC.

For the year ended 31 March 2021, 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 2020	104
Additions during the year	-
	104
As at 31 March 2021	104

6 TRUSTEE AND RELATED PARTY TRANSACTIONS

The Trustees received no remuneration for their services during the current or prior year. Trustees were reimbursed a total of £40 for travel expenses incurred during the year which is substantially lower than the £2,324 reimbursed in 2020. The reduction is a result of the Covid-19 travel restrictions seen throughout the year.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

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 2020	79,823,167	1,972,358	1,108,662	5,093,584	189,206	88,186,977
Disposals in year	(14,459)	-	-	-	-	(14,459)
Additions during the year	12,722,964	119,546	191,411	701,353	28,200	13,763,474
Written off during year	-	-	(2,233)	(301,705)	-	(303,938)
At 31 March 2021	92,531,672	2,091,904	1,297,840	5,493,232	217,406	101,632,054
Depreciation						
At 1 April 2020	5,900,000	187,808	845,487	3,188,116	144,795	10,266,206
Disposals in year	(6,052)	-	-	-	-	(6,052)
Charge for the year	1,785,884	57,863	245,489	879,604	21,344	2,990,184
Written off during year	-	-	(2,232)	(301,689)	-	(303,921)
At 31 March 2021	7,679,832	245,671	1,088,744	3,766,031	166,139	12,916,417
Net book value at 31 March 2021	84,851,840	1,846,233	209,096	1,727,201	51,267	88,685,637
Net book value at 31 March 2020	73,923,167	1,784,550	263,175	1,905,468	44,411	77,920,771

Freehold property includes £29.7million of land (2020: £29.7 million) which is not depreciated.

Included under freehold property are assets with a net book value as at 31 March 2021 of £30.4million (2020: £32.3million) 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 2021 but not provided for in these accounts amounted to £4.9million (2020: £15.3million).

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

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

8 DEBTORS - Group and Charity

	<u>Group</u> <u>2021</u> £	<u>2020</u> £	<u>Charity</u> <u>2021</u> £	<u>2020</u> £
Amounts due within one year:				
Residential care home debtors	1,383,701	1,142,598	1,383,701	1,142,598
Other debtors	54,604	22,903	54,500	22,799
Prepayments and accrued income	1,631,326	1,703,192	1,631,326	1,703,192
	<u>3,069,631</u>	<u>2,868,693</u>	<u>3,069,527</u>	<u>2,868,589</u>

9 INVESTMENTS - All Charity

	<u>2021</u> £	<u>2020</u> £
Market value at 1 April 2020	1,631,771	1,765,700
Add: additions to investments at cost	37,344	73,232
Book value of disposals in year		
Proceeds from sales	(1,902,154)	(4,333)
Realised gain	233,039	812
	<u>(1,669,115)</u>	<u>(3,521)</u>
Net unrealised (loss) / gain in the year	-	(203,640)
Market value at 31 March 2021	<u>-</u>	<u>1,631,771</u>
Cost at 31 March 2021	<u>-</u>	<u>1,535,955</u>
	<u>2021</u> £	<u>2020</u> £
Investments are represented by:		
Schroder Charity Multi-Asset Fund	<u>-</u>	<u>1,631,771</u>

All investments were sold in October 2020 generating net gains of £233,039. This represented 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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

10 CREDITORS - Group and Charity

	<u>Group</u>		<u>Charity</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	£	£	£	£
Amounts due within one year:				
Trade creditors	1,523,289	1,937,324	1,523,289	1,937,324
Other creditors and accruals	892,557	1,426,523	892,561	1,426,527
Payments in advance	907,333	518,156	907,333	518,156
Residents' deposits	1,319,208	2,221,200	1,319,208	2,221,200
	<u>4,642,387</u>	<u>6,103,203</u>	<u>4,642,391</u>	<u>6,103,207</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 £518,156 at the end of 2020 was released in full in the year ended 31 March 2021.

The residents' deposits amount is decreasing as, in February 2020, we elected to no longer collect deposits from new residents. Current deposits will be repaid as residents leave the relevant home.

	<u>Group</u>	<u>Charity</u>	<u>2021</u>	<u>2020</u>
	2021	2020	£	£
	£	£		
Loans from Retail Charity Bonds Plc:				
Due 30 March 2026	49,648,751	49,578,462	49,648,751	49,578,462
Due 17 December 2030	14,685,251	-	14,685,251	-
	<u>64,334,002</u>	<u>49,578,462</u>	<u>64,334,002</u>	<u>49,578,462</u>

Loan from Retail Charity Bonds Plc - Due 30 March 2026

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 under stock code GSHT.

RCB Plc raised £33million from the issue of bond. It was issued for a period of nine years with a maturity date of 30 March 2026 and the option to extend the term by a further two years. It has a fixed rate of interest of 4.25%. 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. The effective interest rate of the two retained bonds tranches is lower than the 4.25% as both were issued at the price the bond was trading at when they were issued.

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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

10 CREDITORS - Group and Charity - continued

Loan from Retail Charity Bonds Plc - Due 17 December 2030

On 17 December 2020, RCB Plc launched a second Greensleeves Homes Trust Retail Charity Bond. Similarly to the first bond above, this was issued through their Retail Charity Bonds platform and is listed on the London Stock Exchange under stock code GHT2.

This bond is for a total of £25m with £15m being issued initially. The retained portion of £10m is available for potential drawdown in the future. The bond was issued with a term of ten years with an expected maturity date of 17 December 2030. There is the option to extend the term for a further two years. It was issued at a fixed rate of interest of 5%. The entire £15m of the initial issue was loaned to the Trust on the same terms as the actual bond. Interest is to be paid six monthly in arrears. There is an annual arrangement fee of 0.1% payable six monthly in advance which is subject to an annual increase in line with the Retail Price Index.

Set up costs of £324,066 are to be amortised over the term of the loan.

The year-end position of the loans was as follows:

	<u>2021</u> <u>Due</u> <u>30 March</u> <u>2026</u> £	<u>2021</u> <u>Due 17</u> <u>December</u> <u>2030</u> £	<u>2021</u> <u>Total</u> £	<u>2020</u> <u>Due</u> <u>30 March</u> <u>2026 Only</u> £
Loan value				
As at 1 April 2020	50,000,000	-	50,000,000	36,000,000
Borrowed during the year	-	15,000,000	15,000,000	14,000,000
As at 31 March 2021	50,000,000	15,000,000	65,000,000	50,000,000
Capitalised costs				
As at 1 April 2020	(421,538)	-	(421,538)	(440,346)
Costs incurred during the year	-	(324,066)	(324,066)	(50,105)
Amortisation of capitalised costs	70,289	9,317	79,606	68,913
As at 31 March 2021	(351,249)	(314,749)	(665,998)	(421,538)
Balance shown in the balance sheet	49,648,751	14,685,251	64,334,002	49,578,462

Both loans are unsecured and have two main covenants.

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

	<u>Group</u> <u>2021</u> £	<u>2020</u> £	<u>Charity</u> <u>2021</u> £	<u>2020</u> £
Due within one year	-	-	-	-
Due between two and five years	49,648,751	-	49,648,751	-
Due after more than five years	14,685,251	49,578,462	14,685,251	49,578,462
	64,334,002	49,578,462	64,334,002	49,578,462

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

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.

Rents paid in the year and recognised as an expense in these financial statements amounted to £2,165,185 (2020: £1,623,040) split De Lucy House £499,600 (2020: £489,767), Lavender Fields £1,090,511 (2020: £730,904) and The Orchards £575,074 (2020: 402,369).

On 20 July 2019, an additional agreement to enter into an operating lease was signed in respect of a new home, Buckler's Lodge in Crowthorne, Berkshire. This is an 80 bed home which is currently under construction. Completion is anticipated for December 2021. The lease is for a term of 35 years.

On 19 March 2021, contracts were signed for a 64 bed leasehold home to be located on the site of the Springfield Hospital in Tooting, London. Construction is scheduled to commence in spring / summer 2021. Completion is anticipated for autumn / winter 2022. The lease is for a term of 35 years.

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

	<u>Due within one year</u> £	<u>Due within two to five years</u> £	<u>Due after five years</u> £	<u>Total</u> £
De Lucy House	504,000	2,015,000	12,284,000	14,803,000
Lavender Fields	1,117,000	3,542,000	24,154,000	28,813,000
The Orchards	578,000	2,314,000	16,369,000	19,261,000
Buckler's Lodge	309,000	4,680,000	27,768,000	32,757,000
Springfield Hospital	-	3,126,000	25,438,000	28,564,000
Total as at 31 March 2021	2,508,000	15,677,000	106,013,000	124,198,000
Total as at 31 March 2020	2,148,000	7,999,000	54,073,000	64,220,000

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 or the initial annual rent in respect of the two future homes.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

12 FUNDS - Group

	At 1 April <u>2020</u> £	<u>Income</u> £	<u>Expenditure</u> £	Investment <u>(losses)</u> £	Transfer between <u>Funds</u> £	At 31 March <u>2021</u> £
Unrestricted						
General funds	29,622,635	45,377,347	(49,005,297)	233,039	81,825	26,309,549
Revaluation reserve	10,145,927	-	(104,933)	-	-	10,040,994
Total unrestricted funds	39,768,562	45,377,347	(49,110,230)	233,039	81,825	36,350,543
Restricted						
Amenity funds	580,614	94,518	(18,584)	-	(54,750)	601,798
Covid-19 funding	-	2,392,929	(2,281,632)	-	(27,075)	84,222
Total restricted funds	580,614	2,487,447	(2,300,216)	-	(81,825)	686,020
Total funds	40,349,176	47,864,794	(51,410,446)	233,039	-	37,036,563

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.

The Covid-19 funding represents the receipt and use of specific Covid-19 funding received in the year. It includes monies claimed under the Coronavirus Job Retention Scheme and monies received from the Infection Control Fund, Rapid Testing Fund and Workforce Capacity Fund. The balance of £84,222 represents funds that had not yet been used on 31 March 2021.

Transfer between funds - £54,750 represents the purchase of motor vehicles and activity equipment for the residents' use at various homes which were funded by amenity funds and £27,075 represents capital equipment that was purchased using Covid-19 funding received during the year.

13 ANALYSIS OF ASSETS BETWEEN FUNDS

	<u>Restricted funds</u> £	<u>Revaluation reserve</u> £	<u>General funds</u> £	<u>Total</u> £
Fixed assets	-	10,040,994	78,644,643	88,685,637
Other current assets	686,020	-	16,641,295	17,327,315
Current liabilities	-	-	(4,642,387)	(4,642,387)
Long term liabilities	-	-	(64,334,002)	(64,334,002)
Total net assets	686,020	10,040,994	26,309,549	37,036,563

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2021

14 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.

15 CONNECTED ENTITIES

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

WRVS Trust - A charitable Trust supporting the activities of Greensleeves Homes Trust and the Women's Royal Voluntary Service whose responsibility is to distribute legacies on receipt to the appropriate legatee. There were no transactions during the year.