

Greensleeves Care - Trading Statement

15 November 2023

Greensleeves Care trading update for the six months ending 30 September 2023.

- Greensleeves Care is today issuing its consolidated trading update for the six months ended 30 September 2023.
- The 30 September 2023 figures are unaudited.

Highlights

- As the recovery from the impact of the pandemic, difficult operating conditions and a number of one-off events continues, Greensleeves Care has delivered profits in excess of both budget and prior year levels. EBITDA for the first half of 2023/24 was £2.9m (2022/23 half year: £0.7m). The improved operating performance is expected to continue for the remainder of the year.
- Longer term, Greensleeves will benefit from further improvements in operating margins arising from its historic development activity and the declining impact of development drag on overall performance from the opening of new build homes.
- Greensleeves Care continues to enjoy occupancy levels in excess of the sector average with mature homes now operating at pre-pandemic levels and most growing homes also progressing well. Overall occupancy at September 2023 is now at 89%. The occupancy recovery is forecast to continue for the remainder of the year resulting in a return to pre-Covid operating levels in excess of 90% by March 2024.
- During 2022/23, agency usage and fees increased, with costs doubling compared to the prior year. Much of this arose through operational issues at a few key homes. Continuing focus on reducing agency staff usage, together with other cost reduction measures and improved procurement practices, are now favourably impacting trading performance and cash generation.
- St Cross Grange, a service in Winchester was closed in September following the planned transfer of residents and employees to a new home operated by a local not for profit care provider.
- Greensleeves Care is now registered to care for 1,247 residents across 27 homes.
- Our services continue to be highly rated by residents, family and friends, with a Carehome.co.uk group score of 9.6 out of 10 and 17 of our homes achieving this score or greater.
- Overall, colleague turnover levels continue to significantly outperform the sector with a rate of 14.9% at the end of September 2023, against a sector average of 29%.
- Operational difficulties at Viera Gray House resulted in a temporary curtailment of the admission of new residents. The issues within the home have now been resolved and occupancy levels there are starting to recover.

- Our CQC ratings continue to outperform the sector as can be seen from the table below:

CQC Ratings Analysis	Greensleeves		Sector
	Homes	%	%
Outstanding	2	7.7%	4.2%
Good	20	76.9%	77.5%
Requires Improvement	4	15.4%	17.0%
Inadequate	0	0.0%	1.4%
Total inspected	26	100.0%	100.0%

One Greensleeves Care home is awaiting inspection
Sector data is CQC published at August 2023

Digital Transformation

- The Digital Transformation programme is progressing well with a new electronic care planning module expected to be fully installed across the Trust by March 2024. Further integrated modules are also in varying stages of development.

Property

- Following extensive renovation and extension, Mount Ephraim House in Tunbridge Wells successfully reopened in June 2023 and is currently providing care to 29 residents. The renovated and extended home now has capacity to provide care to 57 residents.

Development and disposals

- The Trust continues to experience delay with the sale of Croxley House. The property was replaced by a new-build home, Clarendon Lodge, and terms were agreed during 2022 to sell the home. Unfortunately, a protracted right of way documentation issue with the local council continues to delay the sale. Some progress has been made in resolving the issue and it is expected that the sale will complete during the final quarter of 2023.
- Planning applications were submitted at two sites for replacement of our homes in Newport Pagnell and Westfield. Planning approval has been received for the new home in Newport Pagnell and a decision is expected soon for the Westfield development. Funding options are being considered prior to the commencement of construction. The operations of Tickford Abbey and Whitegates will transfer to the new homes when completed and the existing homes subsequently marketed for sale.

Environment and Sustainability

- Greensleeves Homes Trust is committed to year-on-year improvements in operational energy efficiency and is pleased to report a reduction in our Intensity Metric.
- Ongoing energy efficiency measures include:
 - Replacing lighting with high efficiency LED units.
 - Installation of smart meters and water meters.
 - 100% renewal electricity across the Trust.

- Replacement of non-fossil fuel heating system installed at The Manor.
 - New central waste management company used, resulting in greatly improved recycling rates and significant cost savings.
 - Introduction of a cycle to work scheme for staff, reducing car usage.
 - 10% minimum social value weighting applied in procurement contracts.
 - Annual reduction in quantity of single use plastics purchased.
- Measures being considered for the future include:
 - 100% of new build capital projects will achieve BREEAM Excellent and 100% of refurbishment projects will achieve BREEAM Very Good and will include EV charge points.
 - Replacement of single use products with reusable alternatives, where this can be achieved without compromising on infection control.
 - Creation of food waste action plans to reduce food waste in our homes.
 - Installation of non-fossil fuel heating system at all existing homes.
 - Installation of PV (solar panels) to as many existing homes as possible.
 - ESG analysis and potential use of carbon off-setting to reduce the Trust's carbon footprint.

Financial Results

Unaudited Statement of comprehensive income	30 Sept 2023 6 months	30 Sept 2022 6 months	31 Mar 2023 12 months
	£000s	£000s	£000s
Turnover	39,526	31,490	65,155
EBITDA	3,237	654	(1,567)
EBITDAR	5,601	2,316	2,074
Net loss	(1,315)	(2,725)	(15,9323)

Unaudited Balance Sheet	As at 30 Sept 2023	As at 30 Sept 2022	As at 31 Mar 2023
	£000s	£000s	£000s
Fixed assets	108,789	95,594	113,765
Bank & cash balances	4,510	8,473	2,281
Short term liabilities	(85)	(118)	(1,438)
Long term liabilities	(74,790)	(74,720)	(74,790)
Total funds	38,424	29,229	39,818

Surplus/(Deficit) by Home Development Cycle

	30 Sept 2023 6 months	30 Sept 2022 6 months	31 Mar 2023 12 months
	£000s	£000's	£000s
Developing Homes	30	(53)	(328)
Mature Homes	9,451	6,240	11,331

Commenting on the results, Chris Doherty, CFO, said:

“Following extremely difficult operating conditions during recent times, Greensleeves Care has returned to more normal operating performance and remains financially strong with good growth in income, driven largely by the quality of our care provision, acquisition and development activity and low levels of gearing. Our development pipeline is healthy with a number of new homes in various stages of development.

The Trust has a sustainable business model based on approximately 75% of our residents being privately funded, coupled with a commercial approach to cost control.

Greensleeves Care continues to exceed our own financial performance targets and to outperform the market in most key indicators of performance.”