

**GREENSLEEVES HOMES TRUST**  
(A Company limited by Guarantee not having a share capital –  
Company Registered Number 03260168)

(Charity Registration Number 1060478)

**ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2003**



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**GREENSLEEVES HOMES TRUST  
ANNUAL REPORT  
YEAR ENDED 31 MARCH 2003**

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**GREENSLEEVES HOMES TRUST**  
**LEGAL AND ADMINISTRATIVE DETAILS**  
(A Company limited by Guarantee not having a share capital –  
Company Registered Number 03260168)  
(Charity Registration Number 1060478)

**DIRECTORS**

Mrs J A Macdonald (Chairman)  
Mrs E A Boot  
Mrs A Cleland CBE  
Mrs A C Fleming OBE  
Mr P Woods  
Mrs R Friend  
Mrs B Mills MBE

**COMPANY SECRETARY**

Mr D V P Frost CA

**REGISTERED OFFICE**

151 Clapham Road  
London  
SW9 0PU

**AUDITORS**

PKF  
New Garden House  
78 Hatton Garden  
London EC1N 8JA

**BANKERS**

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

**SOLICITORS**

Moonbeever  
24-26 Bloomsbury Square  
London  
WC1A 2PL

**INVESTMENT ADVISORS**

Tilney  
Donaldson House  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

**GREENSLEEVES HOMES TRUST  
REPORT OF THE BOARD  
YEAR ENDED 31 MARCH 2003**

The Trustees submit their report and accounts for the year ended 31 March 2003.

**Basis and values**

Greensleeves Homes Trust is a charitable organisation providing care and accommodation for elderly people, primarily but not exclusively through residential care services. The latter are provided in 16 residential care homes situated throughout England. Greensleeves Homes Trust's mission is to provide the highest and most appropriate standards of care, in comfortable accommodation, at affordable prices, thus enabling service users to enjoy the best possible quality of life.

The core values which underpin and inform our work are those set out in "Homes are for living in", namely :-

- Privacy
- Dignity
- Independence
- Choice
- Individual Rights
- Fulfilment

To enable the above, we promote and develop anti-discrimination practice, equal opportunity, Health & Safety and Staff training.

**Objects**

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

- The relief of poverty, distress, suffering or need among all sections of the community in the United Kingdom by all charitable means and particularly by providing residential accommodation and assistance in kind for individuals in the community on terms appropriate to their means.
- Such other purposes for the benefit of the community as shall be exclusively charitable.

**Current focus**

The current focus of Greensleeves Homes Trust's work is to provide residential care, comfort and security to elderly men and women, at an economic price that reflects our charitable status. Greensleeves Homes Trust currently employs approximately 570 staff who are supported by volunteer groups in most homes, and there are approximately 470 residents/beds.

Greensleeves Homes Trust currently manages 23 projects which cover our two main areas of work:-

- 16 Residential care homes for the elderly located in London (2), Bedfordshire, Buckinghamshire, Dorset, Hampshire, Hertfordshire, Isle of Wight, Kent, Suffolk (2), East Sussex, Warwickshire, Wiltshire, Worcestershire and The West Midlands.
- Independent rented accommodation situated as follows:-  
  
Wirral area: Bebington – 4 flats in a sheltered housing complex; Birkenhead (Petersgate) – 6 flats in a large older house; Wallasey (Grosvenor Street) – 2 flats in a smaller house.  
Ipswich area: Singleton House – 8 bed-sitters; Woodbridge – 4 bungalows.  
Other areas: Lancing – 2 flats in a larger older house; Bridport – 1 house.

Wherever possible, our accommodation is let to elderly people at economic rents, which fulfils our charitable objectives. Older people who wish to retain their independence do not now generally favour bed-sitter accommodation, so we are now letting this type of accommodation to younger professionals.

**GREENSLEEVES HOMES TRUST  
REPORT OF THE BOARD  
YEAR ENDED 31 MARCH 2003**

**Agenda for action**

The Trustees continued to work towards their long-term strategic plan, which is regularly reviewed.

During the year, the work to refurbish the Briars was completed. In addition, a major development at Broadlands has since been completed, involving work to create additional en-suite bedrooms, together with enlarged public areas and improved facilities. The work promised for Torkington house commenced in July 2003 with anticipated completion in early 2004, and works to completely refurbish Grosvenor House will begin shortly. Other plans include refurbishment and enlargement of Arden House and new bathroom facilities and windows at Pelsall Hall.

Unfortunately, it was also necessary to close our home in Devon, as it was felt the cost of the redevelopment at over £1 million, was not economically viable. The home has since been sold, and the proceeds from the sale are to be used to purchase a replacement home in Suffolk, with the remainder used for future capital development. In addition, three other sites, incorporating non-core activities have been identified for disposal, and have either been sold or marketed for sale.

The National Care Standards Commission has been in operation for one complete year, and has not been entirely as straightforward as had been hoped. However, we are constantly updating our operational procedures and improving the physical fabric of our homes to meet any new requirements. We have also established quality control systems and produced our own manual. One home has achieved the "Investors in People" award, and we intend to seek recognition in our other homes.

**Corporate governance and risk management**

Greensleeves Homes Trust is a company limited by guarantee and a registered charity. Its governing instrument is the Memorandum and Articles of Association incorporated on the 8<sup>th</sup> day of October 1996. Its governing body is the Trustees, who are responsible for the overall policy, direction and strategy of the Trust, and for the oversight of its financial affairs. As at 31 March 2003 the Board of Trustees comprised 7 members who met 9 times during the year.

During the course of the year, two of the three Area Managers resigned, providing the Trustees with the opportunity to review these posts. It was decided that this role should be abolished and replaced by more direct involvement from an increased Head Office Management Team. Currently, recruitment is underway to find a Property Manager and Training Coordinator. Both of these new employees will be included on the Head Office rota for visiting homes.

All Trustees have access to the advice and services of the Company Secretary/Chief Executive. The salaries of Head Office staff are determined by the Trustees upon their appointment, and, by periodic review, they receive cost of living increases.

In March 2002, the Trustees requested that the Chief Executive prepare a document reviewing key operational and business risks that might affect the Trust. This risk assessment has subsequently been reviewed, and the revised document was presented to the Trustees at their meeting in September 2003. At the meeting the paper was adopted, with the understanding that it will always be subject to ongoing revisions to reflect any change in circumstances.

**Organisation**

Responsibility or operational activities is allocated into three categories:-

- Accounting and IT Services
- Personnel and Training
- Residential Care

**Connected Entities**

On 8 May 1997 the residential care homes operated by the WRVS Trust were transferred to Greensleeves Homes Trust, under a Charity Commission Scheme set up specifically to run such operations. The WRVS Trust continues in existence to receive future legacies and similar income, which is passed on to either Greensleeves Homes Trust or the WRVS, however the current status of WRVS Trust is under review as detailed in note 15. The WRVS Trust and its corporate trustee, WRVS Trustees Limited, are considered to be connected entities. The activities of connected entities are detailed in note 14 and their results are not incorporated into these accounts.

**GREENSLEEVES HOMES TRUST  
REPORT OF THE BOARD  
YEAR ENDED 31 MARCH 2003**

**Review of transactions and financial position**

The consolidated balance sheet indicated that at 31 March 2003 the total funds of the group were £11.2 million. This was represented by tangible fixed assets of £7.0 million, Investments of £2.5 million, Net Current Assets of £3.2 million and long term liabilities of £1.5 million. Unrestricted funds of £10.8 million represents the reserves available to the organisation to fulfil its many existing commitments over the long term and also to finance the growth in activity envisaged in future plans.

The Statement of Financial Activities indicates that total incoming resources have increased by £0.9 million in the year to £8.0 million. This increase is partly attributable to a 9% increase in fee income, a trend that is expected to continue as we bring our rents into line with market rates. Total resources expended for the year ended 31 March 2003 was £7.1 million, and an overall surplus of £0.9 million was produced

Consolidated accounts have been prepared which include the accounts of the charity and WRVS Trust Supplies Limited. WRVS Trust Supplies Limited has an issued share capital of £4, which is held beneficially by the directors of that company on behalf of Greensleeves Homes Trust. Its principal activity is to provide supplies to the residential care homes of Greensleeves Homes Trust. A breakdown of its Profit and Loss account and Balance Sheet are given in note 12 to these accounts.

**Trading activities**

Greensleeves Homes Trust has no other trading activities apart from its core business of providing residential care and accommodation.

**Reserves Policy**

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." At the balance sheet date the Trust has free reserves of £3.8 million (the balance on unrestricted funds less the carrying value of fixed assets).

The Board of Trustees regularly reviews the reserve levels in the light of its planned activities. Currently, the Trustees have approved capital expenditure of over £8.0 million for the future development and improvement of the residential care homes. This will be funded from the existing reserves, surpluses earned during those years and the possible sale of non core activity assets.

**Investment Policy**

In accordance with the Trust deed, the Trustees have the power to invest in such stock, shares and investments as they see fit. The Trustees have delegated powers to the investment managers who report to the trustees on a regular basis. The policy is to adopt an investment strategy based on a balance of income and capital growth.

The past year has proven to be a very bad one for equity investment and this is reflected in the level of unrealised losses, which are in excess of £825,000, as stated in the Statement of Financial Activities. Since 31 March 2003, there has been a significant recovery in the equity market, and as at 31 August 2003 the value of investments had recovered by £450,000.

**Valuation of land and buildings**

Although some properties would individually realise sums considerably in excess of their book value, others have been purpose-built or specially adapted for a particular use and might not realise their cost. It is, therefore, not practical to estimate the difference between market value and book value and in view of the fact that the properties are occupied for charitable purposes, the Trustees do not consider the expense of an independent valuation justified.

**GREENSLEEVES HOMES TRUST  
REPORT OF THE BOARD  
YEAR ENDED 31 MARCH 2003**

**Members of the Board of Trustees**

The Trustees who have served during the year are listed on page 1. In accordance with Article 28.2 all Trustees retire at the Annual General meeting, and offer themselves for re-election. Of these seven members, all indicated that they were prepared to be re-appointed.

**Equal opportunities**

Greensleeves Homes Trust is committed to ensuring equality of opportunity for its staff and residents. Greensleeves Homes Trust believes that selection and promotion should be based solely on ability to meet the requirements of the post. The aim is to remove discrimination, to provide equal access to jobs and training and to ensure that all staff enjoy fully the benefits of working for the organisation. In particular Greensleeves Homes Trust will not discriminate on the grounds of sex, marital status, ethnic origin, colour, nationality, disability or other grounds of discrimination not prohibited by legislation such as sexual orientation, age etc.

The policy applies to the advertisement of jobs, recruitment and appointment to them, training, conditions of work, pay and to every other aspect of employment. The policy also applies equally to the treatment of all parties to whom paid employees and volunteers come into contact with.

**Planning, consultation and communication**

Head Office Staff in conjunction with each Home's Manager are responsible for the management and day to day business of each home, in accordance with:-

- The requirements of the law and the Registration Authority;
- Any general or particular instructions given by Greensleeves Homes Trust.

The Manager of each home is responsible, in consultation with Head Office Staff, for deciding priorities.

Senior Management Teams are involved in forward planning and the agreement of prime objectives. Professional residential care and personnel issues are discussed at national and local training events. All homes hold regular meetings for residents and staff.

Each Home is visited on a monthly basis in compliance with Regulation 26 of the Care Standards Act 2000. In addition, extra visits are made to any particular Home as the need arises.

**Special acknowledgements**

Greensleeves Home Trust wishes to record its appreciation to the many volunteers who have given so generously of their time and skills to enhance the quality of life for our residents. Although their role has changed, many of the members of the former management committees have willingly agreed to become members of the support groups, and the Trustees are very appreciative of this.

The staff throughout our Homes have continued to show a high level of professionalism and commitment to the interests of our residents, and the Trustees would like to thank them for their contribution.

As indicated in the report, the year has again been a challenging one for Head Office Staff, who have had to carry forward changes brought about by the strategic plan and the introduction of the National Care Standards. We operate in a constantly changing environment, but the performances of our staff and homes have continued to meet these fresh challenges. The Trustees would like to thank the Head Office team for their major contribution to the success of the charity during the past year.

**GREENSLEEVES HOMES TRUST  
REPORT OF THE BOARD  
YEAR ENDED 31 MARCH 2003**

**Auditors**

In accordance with Section 384 of the Companies Act 1985 resolutions proposing the re-appointment of PKF as auditors of the Company and to authorise the Trustees to fix their remuneration, will be put to the members at the Annual General Meeting.

By Order of the Trustees  
Douglas V P Frost  
Company Secretary  
28 October 2003

A handwritten signature in dark ink, appearing to read 'DVP Frost', is written over the typed name of the Company Secretary.



**GREENSLEEVES HOMES TRUST  
STATEMENT OF TRUSTEES' RESPONSIBILITIES  
YEAR ENDED 31 MARCH 2003**

The Companies Act 1985 requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping accounting records, which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the accounts comply with applicable law. 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 are also responsible for ensuring that the Trustees Report and other information included in the annual report is prepared in accordance with Company Law in the United Kingdom.

## **INDEPENDENT AUDITORS' REPORT TO GREENSLEEVES HOMES TRUST**

We have audited the financial statements of Greensleeves Homes Trust for the year ended 31 March 2003 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The responsibilities of the trustees, who are also the directors for the purposes of company law, for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.


### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the charitable company's and the group's affairs as at 31 March 2003 and of the group's incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PKF**  
London  
Registered Auditors  
28 October 2003

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 MARCH 2003**

|  | <u>Notes</u> | <u>Unrestricted funds</u><br>£ | <u>Restricted funds</u><br>£ | <u>Total 2003</u><br>£ | <u>Total 2002</u><br>£ |
|--|--------------|--------------------------------|------------------------------|------------------------|------------------------|
| <b>INCOMING RESOURCES</b>                                    |              |                                |                              |                        |                        |
| Donations, legacies and similar incoming resources           |              | 375                            | 43,408                       | 43,783                 | 47,005                 |
| Activities in furtherance of the charity's objects:          |              |                                |                              |                        |                        |
| Resident's fees  |              | 7,257,260                      | -                            | 7,257,260              | 6,669,685              |
| Investment income  | 2            | 188,437                        | 14,628                       | 203,065                | 220,871                |
| Other incoming resources                                     |              | 165,775                        | -                            | 165,775                | 194,840                |
| Gain on disposal of current asset                            |              | 422,593                        | -                            | 422,593                | 60,531                 |
| <b>Total incoming resources</b>                              |              | <b>8,034,440</b>               | <b>58,036</b>                | <b>8,092,476</b>       | <b>7,192,932</b>       |
| <b>RESOURCES EXPENDED</b>                                    |              |                                |                              |                        |                        |
| Cost of generating funds                                     |              | 15,350                         | -                            | 15,350                 | 14,713                 |
| Charitable expenditure:                                      |              |                                |                              |                        |                        |
| Costs of activities in furtherance of the charity's objects: |              |                                |                              |                        |                        |
| Home costs   |              | 6,777,845                      | 44,373                       | 6,822,218              | 6,343,924              |
| Management and administration                                |              | 312,229                        | 2,350                        | 314,579                | 240,940                |
| <b>Total resources expended</b>                              | 3            | <b>7,105,424</b>               | <b>46,723</b>                | <b>7,152,147</b>       | <b>6,599,577</b>       |
| <b>Net incoming resources</b>                                |              | <b>929,016</b>                 | <b>11,313</b>                | <b>940,329</b>         | <b>593,355</b>         |
| <b>Other recognised gains and losses</b>                     |              |                                |                              |                        |                        |
| Losses on investments:                                       |              |                                |                              |                        |                        |
| Realised   |              | (32,310)                       | (5,965)                      | (38,275)               | (49,168)               |
| Unrealised   | 6            | (720,701)                      | (104,941)                    | (825,642)              | (221,309)              |
| <b>Net movement in funds</b>                                 |              | <b>176,005</b>                 | <b>(99,593)</b>              | <b>76,412</b>          | <b>322,878</b>         |
| <b>Funds brought forward 1 April 2002</b>                    | 9            | <b>10,613,431</b>              | <b>548,678</b>               | <b>11,162,109</b>      | <b>10,839,231</b>      |
| <b>Funds carried forward 31 March 2003</b>                   | 9            | <b>10,789,436</b>              | <b>449,085</b>               | <b>11,238,521</b>      | <b>11,162,109</b>      |

All the above results are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**31 MARCH 2003**

|  | <u>Notes</u> | <u>2003</u><br>£  | <u>Group</u><br><u>2002</u><br>£ | <u>2003</u><br>£  | <u>Charity</u><br><u>2002</u><br>£ |
|--|--------------|-------------------|----------------------------------|-------------------|------------------------------------|
| <b>FIXED ASSETS</b>                          |              |                   |                                  |                   |                                    |
| Tangible assets                              | 5            | 7,002,282         | 6,351,431                        | 7,002,282         | 6,351,431                          |
| Investments                                  | 6            | 2,483,130         | 3,394,139                        | 2,483,130         | 3,394,139                          |
|  |              | <u>9,485,412</u>  | <u>9,745,570</u>                 | <u>9,485,412</u>  | <u>9,745,570</u>                   |
| <b>CURRENT ASSETS</b>                        |              |                   |                                  |                   |                                    |
| Fixed interest deposits                      | 6            | 326,275           | 633,515                          | -                 | -                                  |
| Property held for resale                     | 13           | 587,594           | 55,393                           | 587,594           | 55,393                             |
| Debtors                                      | 7            | 89,511            | 30,703                           | 77,637            | 26,874                             |
| Bank balances                                |              |                   |                                  |                   |                                    |
| - current and deposit accounts               |              | 2,470,079         | 2,352,187                        | 2,437,405         | 2,316,309                          |
|  |              | <u>3,473,459</u>  | <u>3,071,798</u>                 | <u>3,102,636</u>  | <u>2,398,576</u>                   |
| <b>CREDITORS</b>                             |              |                   |                                  |                   |                                    |
| Amounts falling due within one year          | 8            | (185,344)         | (150,504)                        | (161,815)         | (125,943)                          |
| <b>NET CURRENT ASSETS</b>                    |              | <u>3,288,115</u>  | <u>2,921,294</u>                 | <u>2,940,821</u>  | <u>2,272,633</u>                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |              | <u>12,773,527</u> | <u>12,666,864</u>                | <u>12,426,233</u> | <u>12,018,203</u>                  |
| <b>CREDITORS</b>                             |              |                   |                                  |                   |                                    |
| Amounts falling due after more than one year | 8            | (1,535,006)       | (1,504,755)                      | (966,867)         | (789,609)                          |
| <b>NET ASSETS</b>                            |              | <u>11,238,521</u> | <u>11,162,109</u>                | <u>11,459,366</u> | <u>11,228,594</u>                  |
| <b>UNRESTRICTED FUNDS</b>                    | 9            | 10,789,436        | 10,613,431                       | 11,010,281        | 10,679,916                         |
| <b>RESTRICTED FUNDS</b>                      | 9            | 449,085           | 548,678                          | 449,085           | 548,678                            |
|  |              | <u>11,238,521</u> | <u>11,162,109</u>                | <u>11,459,366</u> | <u>11,228,594</u>                  |

Approved by the Board of Trustees on 28.10 2003 and signed on their behalf by:

*Evelyn A. Boot*

Trustees of Greensleeves Homes Trust

*JM Macdonald*

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2003**

|  | £           | <u>2003</u>      | £                | £                 | <u>2002</u> | £                  |
|--|-------------|------------------|------------------|-------------------|-------------|--------------------|
| <b>Net cash inflow from operating activities</b>                                       |             |                  | 486,097          |                   |             | 881,570            |
| <b>Returns on investment and servicing of finance</b>                                  |             |                  |                  |                   |             |                    |
| Dividends received   | 135,000     |                  |                  | 124,494           |             |                    |
| Interest received  | 68,065      |                  |                  | 96,377            |             |                    |
|  |             |                  | <u>203,065</u>   |                   |             | <u>220,871</u>     |
| <b>Capital expenditure and financial investment</b>                                    |             |                  |                  |                   |             |                    |
| Purchases of fixed assets  | (1,441,863) |                  |                  | (1,107,425)       |             |                    |
| Sale of fixed assets   | 477,986     |                  |                  | -                 |             |                    |
| Purchases of investments   | (203,638)   |                  |                  | (208,302)         |             |                    |
| Sales of investments   | 441,245     |                  |                  | 301,579           |             |                    |
| Purchase of fixed interest deposits  | -           |                  |                  | (700,000)         |             |                    |
| Withdrawn from fixed interest deposits   | 155,000     |                  |                  | -                 |             |                    |
|  |             |                  | <u>(571,270)</u> |                   |             | <u>(1,714,148)</u> |
| <b>Increase/ (decrease) in cash</b>  |             |                  | <u>117,892</u>   |                   |             | <u>(611,707)</u>   |
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |             |                  |                  |                   |             |                    |
| Net incoming resources   |             | 940,329          |                  |                   | 593,355     |                    |
| (Increase)/ decrease in debtors  |             | (58,808)         |                  |                   | 206,071     |                    |
| Increase/(decrease) in creditors   |             | 65,091           |                  |                   | (6,026)     |                    |
| Depreciation   |             | 203,418          |                  |                   | 158,209     |                    |
| Loss on disposal of investment   |             | (38,275)         |                  |                   | (49,168)    |                    |
| Returns on investments and servicing of finance  |             | (203,065)        |                  |                   | (220,871)   |                    |
| Decrease in property held for resale   |             | -                |                  |                   | 200,000     |                    |
| Gain on disposal of current asset  |             | (422,593)        |                  |                   | -           |                    |
|  |             |                  | <u>486,097</u>   |                   |             | <u>881,570</u>     |
| <b>Analysis of changes in Net Funds</b>  |             |                  |                  |                   |             |                    |
|  |             | <u>Cash at</u>   |                  | <u>Cash flows</u> |             | <u>Cash at</u>     |
|  |             | <u>1/4/2002</u>  |                  |                   |             | <u>31/3/2003</u>   |
| <b>Cash at bank</b>  |             | <u>2,352,187</u> |                  | <u>117,892</u>    |             | <u>2,470,079</u>   |

During the year, properties with a net book value of £587,594 were transferred from fixed assets to properties held for resale in current assets.

**GREENSLEEVEES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2003**

**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The accounts are prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2000) issued by the Charity Commission in October 2000.

**(b) Basis of consolidation**

Consolidated accounts have been prepared which include the accounts of the charity and WRVS Trust Supplies Limited, a company incorporated in England and Wales. The consolidation has been carried out on a line by line basis.

No Statement of Financial Activities has been presented for the charity as permitted by Section 230 of the Companies Act 1985 as the figures are not materially different to those of the group.

**(b) Income Recognition**

Income and resident fees are accounted for when receivable except for dividend income, which is recognised when received. Investment income, including bank interest, is stated gross. Legacies and funds represented by specific investments are credited with the gross income from such investments.

**(c) Expenditure**

Resources expended are accounted for on an accruals basis.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources. Management and administration costs are those incurred in connection with the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

**(d) Fixed assets**

Depreciation and amortisation of fixed assets have been provided on a straight line basis at rates calculated to write off the cost over the estimated useful lives of the assets. The rates are:

|                              |                        |
|------------------------------|------------------------|
| Freehold property            | - 2% per annum         |
| Long-term leasehold property | - over period of lease |
| Furniture and equipment      | - 20% per annum        |
| Motor vehicles               | - 25% per annum        |

**(e) Fixed asset investments**

Investments are stated at market value. Realised gains or losses on disposals and unrealised gains or losses when the investments are revalued at the year end are reflected in the Statement of Financial Activities.

**(f) Current asset investments**

Investments are stated at market value. Realised gains or losses on disposals and unrealised gains or losses when the investments are revalued at the year end are reflected in the Statement of Financial Activities.

**(g) 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 criteria is identified to the specific fund. Designated funds are unrestricted funds set aside by the trustees for a particular purpose.

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2003**

**1 ACCOUNTING POLICIES continued**

**(h) 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.

**2 INVESTMENT INCOME AND INTEREST RECEIVED**

|  | <u>2003</u><br>£ | <u>2002</u><br>£ |
|--|------------------|------------------|
| Investment income                          | 135,000          | 129,494          |
| Interest received:<br>Bank deposit account | 68,065           | 91,377           |
|  | <u>203,065</u>   | <u>220,871</u>   |

**3 ANALYSIS OF RESOURCES EXPENDED**

|  | <u>Staff costs</u><br>£ | <u>Depreciation</u><br>£ | <u>Other costs</u><br>£ | <u>2003 Total</u><br>£ | <u>2002 Total</u><br>£ |
|--|-------------------------|--------------------------|-------------------------|------------------------|------------------------|
| Cost of generating funds   | -                       | -                        | 15,350                  | 15,350                 | 14,713                 |
| Charitable expenditure:<br>Cost of activities in the furtherance<br>of the charity's objects | 5,088,147               | 138,746                  | 1,595,325               | 6,822,218              | 6,343,924              |
| Management and administration  | 75,888                  | 64,672                   | 174,019                 | 314,579                | 240,940                |
|  | <u>5,164,035</u>        | <u>203,418</u>           | <u>1,784,694</u>        | <u>7,152,147</u>       | <u>6,599,577</u>       |

Resources expended include:-

|  | <u>2003</u><br>£ | <u>2002</u><br>£ |
|--|------------------|------------------|
| Auditors remuneration - audit services group   | 17,000           | 16,200           |
| - under accrual of prior year accounting costs | 16,506           | 13,050           |
| Trustees indemnity insurance                   | 1,292            | 3,512            |
|  | <u>34,798</u>    | <u>32,762</u>    |

**4 WAGES AND SALARIES**

|                       | <u>2003</u><br>£ | <u>2002</u><br>£ |
|-----------------------|------------------|------------------|
| Wages and Salaries    | 4,858,980        | 4,510,002        |
| Social security costs | 248,057          | 215,216          |
| Pension costs         | 56,998           | 59,939           |
|                       | <u>5,164,035</u> | <u>4,785,157</u> |

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2003**

**4 WAGES AND SALARIES (continued)**

|  | <u>2003</u><br><u>Number</u> | <u>2002</u><br><u>Number</u> |
|--|------------------------------|------------------------------|
| The average number of persons employed during the period was:- |                              |                              |
| Residential care home services, including part-time staff      | 555                          | 619                          |
| Management and administration                                  | 7                            | 6                            |
|  | <hr/> 562                    | <hr/> 625                    |

The number of employees whose emoluments as defined for taxation purposes amounted to over £50,000 in the year was as follows:

|                   | <u>2003</u> | <u>2002</u> |
|-------------------|-------------|-------------|
| £50,001 - £60,000 | 1           | -           |

All employees whose emoluments were over £50,000 contributed to the Trust's pension scheme during the year.

The Trustees received no remuneration for their services during the current or prior year. Travel expenses of £7,253 were reimbursed to 7 Trustees during the year (2002 : £6,210).

During the year the Trust paid £85,083 (2002: £55,424) to OWL Partnership Architects. Peter Woods, a partner of OWL Partnership Architects, was appointed a Trustee of Greensleeves Homes Trust in July 2001. The Trust has a long standing relationship with OWL Partnership Architects, which has assisted the Trust for the last 12 years, and Peter Woods abstains from voting on the awarding of architects contracts.

**5 TANGIBLE FIXED ASSETS**  
**Group and charity**

|                            | <u>Property<br/>freehold</u><br>£ | <u>Long term<br/>leasehold<br/>property</u><br>£ | <u>Furniture<br/>and<br/>equipment</u><br>£ | <u>Motor<br/>vehicles</u><br>£ | <u>Total</u><br>£ |
|----------------------------|-----------------------------------|--|---|--------------------------------|-------------------|
| <b>Cost</b>                |                                   |  |   |                                |                   |
| At 1 April 2002            | 6,461,109                         | 112,324  | 120,299                                     | 28,977                         | 6,722,709         |
| Additions                  | 1,308,223                         | -  | 133,640                                     | -                              | 1,441,863         |
| Transfer to current assets | (617,105)                         | -  | -   | -                              | (617,105)         |
| <b>At 31 March 2003</b>    | <hr/> 7,152,227                   | <hr/> 112,324                                    | <hr/> 253,939                               | <hr/> 28,977                   | <hr/> 7,547,467   |
| <b>Depreciation</b>        |                                   |  |   |                                |                   |
| At 1 April 2002            | 331,364                           | 7,920  | 24,750                                      | 7,244                          | 371,278           |
| Charge for year            | 143,140                           | 2,246  | 50,788                                      | 7,244                          | 203,418           |
| Transfer to current assets | (29,511)                          | -  | -   | -                              | (29,511)          |
| <b>At 31 March 2003</b>    | <hr/> 444,993                     | <hr/> 10,166                                     | <hr/> 75,538                                | <hr/> 14,488                   | <hr/> 545,185     |
| <b>Net book value</b>      |                                   |  |   |                                |                   |
| At 31 March 2003           | <hr/> 6,707,234                   | <hr/> 102,158                                    | <hr/> 178,401                               | <hr/> 14,489                   | <hr/> 7,002,282   |
| <b>At 31 March 2002</b>    | <hr/> 6,103,643                   | <hr/> 130,506                                    | <hr/> 95,549                                | <hr/> 21,733                   | <hr/> 6,351,431   |

Further capital expenditure, contracted for at 31 March 2003 but not provided for in these accounts, amounted to £343,428 (2002: £343,719)



**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2003**

|          |  |        |                     |                       |
|----------|--|--------|---------------------|-----------------------|
| <b>6</b> | <b>INVESTMENTS</b>                                 |        | <u><b>2003</b></u>  | <u><b>2002</b></u>    |
|          |  |        | <u>£</u>            | <u>£</u>              |
|          | Market value at 1 April 2002                       |        | 3,394,139           | 3,642,240             |
|          | Acquisitions at cost                               |        | 203,638             | 208,302               |
|          | Disposals at book value                            |        | (441,245)           | (301,579)             |
|          | Net (loss) on revaluation at 31 March 2003         |        | (673,402)           | (154,824)             |
|          |  |        | <hr/>               | <hr/>                 |
|          | Market value at 31 March 2003                      |        | 2,483,130           | 3,394,139             |
|          |  |        | <hr/>               | <hr/>                 |
|          | Cost at 31 March 2003                              |        | 2,902,525           | 3,306,923             |
|          |  |        | <hr/>               | <hr/>                 |
|          | Investments are represented by:                    |        | <u><b>2003</b></u>  | <u><b>2002</b></u>    |
|          |  |        | <u>£</u>            | <u>£</u>              |
|          | Government bonds                                   |        | 656,565             | 857,727               |
|          | Corporate bonds                                    |        | 261,424             | 151,979               |
|          | UK equities  |        | 1,332,564           | 2,136,093             |
|          | Foreign equities                                   |        | 161,084             | 26,320                |
|          | Unit trusts  |        | 71,493              | 222,020               |
|          |  |        | <hr/>               | <hr/>                 |
|          |  |        | 2,483,130           | 3,394,139             |
|          |  |        | <hr/>               | <hr/>                 |
|          | <b>INVESTMENT</b>                                  |        | <u><b>2003</b></u>  | <u><b>2002</b></u>    |
|          |  |        | <u>£</u>            | <u>£</u>              |
|          | Market Value at 1 April 2002                       |        | 633,515             | 700,000               |
|          | Cash withdrawn during year                         |        | (155,000)           | -                     |
|          | Net (Loss) on revaluation at 31 March 2003         |        | (152,240)           | (66,485)              |
|          |  |        | <hr/>               | <hr/>                 |
|          | Market Value at 31 March 2003                      |        | 326,275             | 633,515               |
|          |  |        | <hr/>               | <hr/>                 |
| <b>7</b> | <b>DEBTORS</b>                                     |        | <u><b>Group</b></u> | <u><b>Charity</b></u> |
|          |  |        | <u><b>2003</b></u>  | <u><b>2002</b></u>    |
|          |  |        | <u>£</u>            | <u>£</u>              |
|          | Amount due within one year:                        |        |                     |                       |
|          | Residential care home debtors and advance payments | 62,731 | 17,012              | 62,731                |
|          | Income tax recoverable                             | -      | 1,015               | 1,015                 |
|          | Other debtors                                      | 8,708  | 3,829               | 5,943                 |
|          | Prepayments and accrued income                     | 8,963  | 8,847               | 8,963                 |
|          | Due from WRVS Trust                                | 9,109  | -                   | -                     |
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|          |  | 89,511 | 30,703              | 77,637                |
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|          |  | 89,511 | 30,                 |                       |

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2003**

**8 CREDITORS**

|   | <u>Group</u>     |                  | <u>Charity</u> |                |
|---|------------------|------------------|----------------|----------------|
|   | <u>2003</u>      | <u>2002</u>      | <u>2003</u>    | <u>2002</u>    |
|   | <u>£</u>         | <u>£</u>         | <u>£</u>       | <u>£</u>       |
| <b>Due within one year:</b>                 |                  |                  |                |                |
| Social security and other taxes             | 67,146           | 32,770           | 67,146         | 32,770         |
| Other creditors and accruals                | 118,198          | 115,172          | 94,669         | 93,173         |
| Due to WRVS Trust                           | -                | 2,562            | -              | -              |
|   | <u>185,344</u>   | <u>150,504</u>   | <u>161,815</u> | <u>125,943</u> |
| <b>Due after more than one year:</b>        |                  |                  |                |                |
| Due to WRVS Trust                           | 966,867          | 789,609          | 966,867        | 789,609        |
| Payment received on account from WRVS Trust | 568,139          | 715,146          | -              | -              |
|   | <u>1,535,006</u> | <u>1,504,755</u> | <u>161,815</u> | <u>125,943</u> |

The payment received on account from WRVS Trust represents the remaining balance of a £2,000,000 prepayment for gas and electric made in 1995 before the transfer of the residential care homes from WRVS Trust to Greensleeves Homes Trust.

**9 FUNDS (group)**

|                        | <u>At</u>         | <u>Net incoming/</u> | <u>Other</u>      | <u>At</u>         |
|------------------------|-------------------|----------------------|-------------------|-------------------|
|                        | <u>1 April</u>    | <u>(outgoing)</u>    | <u>recognised</u> | <u>31 March</u>   |
|                        | <u>2002</u>       | <u>resources</u>     | <u>gains and</u>  | <u>2003</u>       |
|                        | <u>£</u>          | <u>£</u>             | <u>losses</u>     | <u>£</u>          |
| <b>Unrestricted</b>    |                   |                      |                   |                   |
| General                | 10,592,475        | 933,520              | (753,011)         | 10,772,984        |
| <b>Designated Fund</b> |                   |                      |                   |                   |
| Maintenance reserve    | 20,956            | (4,504)              | -                 | 16,452            |
|                        | <u>10,613,431</u> | <u>929,016</u>       | <u>(753,011)</u>  | <u>10,789,436</u> |
| <b>Restricted</b>      |                   |                      |                   |                   |
| Legacies fund          | 474,753           | 23,117               | (110,906)         | 386,964           |
| Amenities funds        | 73,925            | (11,804)             | -                 | 62,121            |
|                        | <u>548,678</u>    | <u>11,313</u>        | <u>(110,906)</u>  | <u>449,085</u>    |
|                        | <u>11,162,109</u> | <u>940,329</u>       | <u>(863,917)</u>  | <u>11,238,521</u> |

The Maintenance reserve represents an amount set aside to cover minor repairs at the Homes, which would otherwise be provided for out of claims on insurance.

The Legacies fund represents monies and assets held in trust for specific Homes and purposes.

The Amenities fund represents funds raised by individual Homes to be spent on specific projects and activities at those Homes.

WRVS Trust Supplies Limited has no retained earnings at the beginning or end of the year. All taxable profits in the year are paid by way of Gift Aid to the WRVS Trust.

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2003**

**10 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

|  | <u>Restricted<br/>funds</u><br>£ | <u>Unrestricted<br/>funds</u><br>£ | <u>Total</u><br>£ |
|--|----------------------------------|------------------------------------|-------------------|
| Fund balances at 31 March 2003 are represented by: |                                  |                                    |                   |
| Tangible fixed assets                              | 20,964                           | 6,981,318                          | 7,002,282         |
| Investments  | 386,964                          | 2,096,166                          | 2,483,130         |
| Current assets                                     | 41,157                           | 3,432,302                          | 3,473,459         |
| Current liabilities                                | -                                | (185,344)                          | (185,344)         |
| Long term liabilities                              | -                                | (1,535,006)                        | (1,535,006)       |
|  | <hr/>                            | <hr/>                              | <hr/>             |
| Total net assets                                   | 449,085                          | 10,789,436                         | 11,238,521        |
|  | <hr/>                            | <hr/>                              | <hr/>             |

**11 TAXATION**

The trustees consider that all of the activities of Greensleeves Homes Trust fall within the exemption from Corporation Tax granted by Section 505 ICTA 1988. There is therefore no provision for taxation for the year ended 31 March 2003.

**12 SUBSIDIARY RESULTS**

WRVS Trust Supplies Limited has an issued share capital of £4, which is held beneficially by the directors of that company on behalf of Greensleeves Homes Trust. Its principal activity is to provide supplies to the residential care homes of Greensleeves Homes Trust.

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

|   | <u>2003</u><br>£ | <u>2002</u><br>£ |
|---|------------------|------------------|
| <b>Profit and loss account</b>              |                  |                  |
| Turnover                                    | 147,006          | 170,207          |
| Cost of supplies                            | (145,418)        | (166,735)        |
| Administrative expenses                     | (4,616)          | (5,919)          |
|   | <hr/>            | <hr/>            |
| Operating loss                              | (3,028)          | (2,447)          |
| Bank deposit interest receivable            | 908              | 14,118           |
|   | <hr/>            | <hr/>            |
| (Loss)/ profit for the year                 | (2,120)          | 11,671           |
| Covenant payment to WRVS Trust              | -                | (11,761)         |
| Unrealised loss on current asset investment | (152,240)        | (66,485)         |
|   | <hr/>            | <hr/>            |
| Retained loss                               | (154,360)        | (66,485)         |
|   | <hr/>            | <hr/>            |
| <b>Balance sheet</b>                        |                  |                  |
| Fixed interest deposits                     | 326,275          | 633,515          |
| Debtors                                     | 11,874           | 3,829            |
| Cash at bank                                | 32,674           | 35,878           |
|   | <hr/>            | <hr/>            |
|   | 370,823          | 673,222          |
| Creditors due within one year               | (23,525)         | (24,557)         |
|   | <hr/>            | <hr/>            |
| Net Current Assets                          | 347,298          | 648,665          |
| Creditors due after more than one year      | (568,139)        | (715,146)        |
|   | <hr/>            | <hr/>            |
| Net Liabilities                             | (220,841)        | (66,481)         |
|   | <hr/>            | <hr/>            |

**GREENSLEEVES HOMES TRUST  
NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 MARCH 2003**

**13 REVALUATION OF CURRENT ASSET PROPERTY**

During the year the Trustees agreed to close Cedar Shade in Sidmouth, Devonshire. The staff and residents were notified that the home was to be closed on 31 December 2002. The Home has been sold since then, so the property has been transferred to current assets in the Balance Sheet at 31 March 2003 to reflect this.

Prior to the transfer Cedar Shade had a cost of £617,105 and net book value of £587,594.

**14 CONNECTED ENTITIES**

The following entities are 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 the Trust and the Women's Royal Voluntary Service. Creditor balances at 31 March 2003 are fully disclosed in the notes to these accounts. |
| WRVS Trustees Limited | A dormant company and the custodian trustee of WRVS Trust.  |

**GREENSLEEVES HOMES TRUST  
NOTES TO THE CONSOLIDATED ACCOUNTS  
YEAR ENDED 31 MARCH 2003**

**15 POST BALANCE SHEET EVENTS**

**WRVS TRUST**

Since 29 July 2002 the trustees have been in discussion with the Charity Commission regarding the status of WRVS Trust (charity number 214020). The Commission has advised the trustees that its current view is that The WRVS Trust was part of the Greensleeves Homes Trust Scheme dated 8 May 1997 and should have been amalgamated with Greensleeves Homes Trust. Accordingly it is the Charity Commission's intention in due course to remove the WRVS Trust from the Register of Charities.

The trustees of Greensleeves Homes Trust are currently liaising with the Charity Commission and their professional advisors to clarify and complete the accounting and legal formalities, and since the year end the Charity Commission have confirmed that The WRVS Trust will this year remain on the Central Register of Charities until these formalities have been completed, and as such, the assets and liabilities of The WRVS Trust have not yet been transferred to Greensleeves Homes Trust but it is intention of the trustees that this will be effected in due course.

The assets and liabilities as at 31 March 2003 of The WRVS Trust were as follows: -

|  | <u>2003</u><br>£ | <u>2002</u><br>£ |
|--|------------------|------------------|
| <b>CURRENT ASSETS</b>                            |                  |                  |
| Debtors  | 9,929            | 12,491           |
| Bank balances                                    | 39,697           | 59,282           |
|  | <hr/>            | <hr/>            |
|  | 49,626           | 71,773           |
| <b>CURRENT LIABILITIES</b>                       |                  |                  |
| Creditors  | (9,109)          | (1,005)          |
|  | <hr/>            | <hr/>            |
| <b>NET CURRENT ASSETS</b>                        | 40,517           | 70,768           |
| <b>LONG TERM DEBTORS</b>                         |                  |                  |
| Due from Greensleeves Homes Trust                | 568,139          | 789,609          |
| Due from WRVS Trust Supplies Limited             | 966,867          | 715,146          |
|  | <hr/>            | <hr/>            |
| <b>TOTAL ASSETS LESS<br/>CURRENT LIABILITIES</b> | 1,575,523        | 1,575,523        |
| <b>LONG TERM LIABILITY</b>                       |                  |                  |
| Amounts falling to WRVS                          | (1,575,523)      | (1,575,523)      |
|  | <hr/>            | <hr/>            |
| <b>NET ASSETS</b>                                | -                | -                |
|  | <hr/>            | <hr/>            |
| <b>FUNDS</b>                                     | -                | -                |
|  | <hr/>            | <hr/>            |

Amounts due after more than one year represent the loan by the WRVS Trust to WRVS Trust Supplies Limited which may ultimately be repayable to WRVS.