

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 2006



GREENSLEEVES HOMES TRUST
ANNUAL REPORT
YEAR ENDED 31 MARCH 2006

CONTENTS

LEGAL AND ADMINISTRATIVE DETAILS	1
REPORT OF THE BOARD	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	10
INDEPENDENT AUDITORS' REPORT	11
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	12
CONSOLIDATED AND CHARITY BALANCE SHEET	13
CONSOLIDATED CASH FLOW STATEMENT	14
NOTES TO THE CONSOLIDATED ACCOUNTS	15

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)
Mr D E Ballard (appointed 28 March 2006)
Mrs E A Boot
Ms C Brown (appointed 22 May 2006)
Mrs A Cleland CBE
Mr R W Douglas (appointed 28 March 2006)
Mrs A C Fleming OBE (resigned 25 October 2005)
Mrs R Friend
Mrs B Mills MBE
Mr K Murali (appointed 28 March 2006)
Mr P Woods (resigned 25 October 2005)
Mr J C Wylie (appointed 28 March 2006)

COMPANY SECRETARY

Ms K James (appointed 1 October 2005)
Mr D V P Frost CA (retired 30 September 2005)

CHIEF EXECUTIVE

Ms Kate James

REGISTERED OFFICE

151 Clapham Road
London
SW9 0PU

AUDITORS

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

BANKERS

Lloyds TSB Bank Plc
2nd 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 OF TRUSTEES FOR THE YEAR ENDING 31 MARCH 2006

The Trustees present the report and financial statements of Greensleeves Homes Trust for the year ended 31 March 2006.

Structure, governance and 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 8th day of October 1996.

The Trustees

As at 31 March 2006 the Board of Trustees comprised 9 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 decided on.

Having had minimal changes in Trustees over the past five years, this year saw the resignation of two of our existing Trustees bringing the number down to five. Following the appointment of our new Chief Executive in October 2005 it was her task to review the situation and actively recruit new Trustees.

Early in 2006 a recruitment agency was instructed to help find four or five new Trustees. This resulted in applications from a number of suitable people, all of whom had an informal discussion with the Chief Executive. Following these discussions a shortlist of seven applicants, all possessing relevant skills from different fields of expertise appropriate to the Trust, met the Chairman and another Trustee for formal interview. Five new Trustees were subsequently appointed.

All new Trustees have been issued with relevant key documentation including the Memorandum and Articles of Association, current annual budgets and business plans, as well as information about regulatory requirements in the care sector. To ensure each new Trustee understands the ethos of Greensleeves Homes Trust, visits to individual homes are arranged and meetings with members of the management team have taken place. In July 2006 an induction day focusing on governance and the Trust's strategy for the future is being held.

As part of her task the Chief Executive was also asked to review Trustee procedures as a whole and prior to the appointment of the new Trustees in March 2006, the terms of office were reviewed and it was decided in future there will be a fixed term of trusteeship of four years with Trustees being eligible for re-election for one further term, meaning a maximum term of eight years is possible. Our Memorandum and Articles of Association are being amended to reflect this. It was also decided that existing Trustees would stand down by the October 2009 Annual General Meeting.

Risk Assessment

The responsibility of identifying possible areas of risk that could affect the Trust has been delegated to appropriate members of the management team and it is their responsibility to conduct frequent risk assessments particularly in business, operational and financial areas. The management team carry out a variety of internal controls on a regular basis to ensure that any potential problems are immediately known.

These internal controls include;

- monthly visits to the homes by a rotation of Head Office staff who carry out Regulation 26 inspections as required by the Commission for Social Care Inspection.
- regular inspections of each home's financial records by the Trust's Financial Controller to ensure that everything is in order and that there is no potential misappropriation of the Trust's funds; and
- continued training of staff to ensure that they have the relevant skills and knowledge to meet the needs of Trust.

GREENSLEEVES HOMES TRUST

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDING 31 MARCH 2006

Risk Assessment – continued

Trustees are kept fully informed at each Trustees meeting and through reports between meetings.

One of the major areas of risk for the Trust obviously lies with our property, in particular our residential care homes. Any problems here could potentially cause loss of income or possible harm to the public. To eliminate this, a Property Manager has been recruited. It will be this person's responsibility to inspect the Trust's property portfolio thus ensuring any risks are minimised.

Management and Staffing

Following the retirement of our Chief Executive, Douglas Frost, at the end of September 2005, Kate James was appointed as his replacement. This was following a rigorous process overseen by a recruitment agency which involved potential candidates visiting one of our Homes, meeting the Chairman and senior staff, giving a presentation to the Trustees and attending a final formal interview.

It is the Chief Executive's responsibility to oversee the day to day operation of the Trust on behalf of the Trustees, to develop and strengthen the services provided within the framework set by the Trustees, to ensure staff are recruited who understand the Trust's values and the regulatory requirements in the care sector, and to optimise the use of the Trust's property assets.

Other key members of staff who assist the Chief Executive with the day to day running of the Trust are:

- Financial Controller – Responsible for all financial reporting and forecasting.
- Care Services and Operations Managers – Responsible for ensuring continuing high standards in the Trust's services, in line with guidelines set by the Commission for Social Care Inspection.
- Home Managers – Responsible for the management and day to day business of each home.
- Personnel Manager – Responsible for the Human Resources function.
- Training Manager – Responsible for training and development of the Trust's employees.
- Chief Executive's PA.

The Senior Management Team is involved in forward planning and the agreement of the prime objectives of the Trust.

Residential care and personnel issues affecting the whole Trust are discussed at national and local training events.

The staff throughout the Trust 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 all for their contribution.

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.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2006

Objectives and Activities

Aims

Greensleeves Homes Trust is a charitable organisation providing care and accommodation for elderly people, primarily through residential care services. The latter are provided in 17 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 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.

Objectives

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 600 staff who are supported by volunteer groups in some homes, and there are approximately 525 residents/beds.

Greensleeves Homes Trust currently manages 24 projects which cover our two main areas of work:-

- 17 Residential care homes for the elderly located in London (2), Bedfordshire, Buckinghamshire, Dorset, Hampshire (2), Hertfordshire, Isle of Wight, Kent, Suffolk (3), East Sussex, Warwickshire, Wiltshire and The West Midlands.
- Independent rented accommodation situated as follows:-
Wirral area: Bebington – 3 flats in a sheltered housing complex; Birkenhead (Petergate) – 6 flats in a large older house. Wallasey (Grosvenor Street) – 2 flats in a smaller house.
Ipswich area: Singleton House – 8 bed-sitters; Woodbridge – 3 cottages.
Other areas: Lancing – 1 flat in a larger older house; Bridport – 1 house.

GREENSLEEVES HOMES TRUST

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDING 31 MARCH 2006

Current Focus - continued

Wherever possible, our accommodation is let to elderly people at economic rents, which fulfils our charitable objectives.

Activities

To achieve our aim of providing the highest standard of care possible, our residential care homes need to be continually maintained and developed. During the year the sale of part of the grounds at our St Cross Grange home was finally completed. This land was identified for disposal sometime ago and, following a detailed tendering process with a number of interested parties, was sold to a property developer for over £1.6million. The proceeds from the sale are to be used to fund the Trust's planned redevelopment programme.

Other non-core activity properties have been identified for disposal, and as they become vacant will be sold to help fund future redevelopment work. This year a cottage in Woodbridge, Suffolk was sold generating proceeds of £140,000.

Achievements and performance

During the year:

- Greensleeves Homes Trust has provided high quality residential care for in excess of 525 increasingly frail elderly people at competitive weekly fees in homely environments that are staffed by caring, well trained staff.
- Our homes were regularly inspected by the Commission for Social Care Inspection and either met or exceeded the required regulatory standards. If they did not, any areas of weakness were immediately addressed.
- We achieved Investors in People status in 4 of our homes, meaning 6 have currently attained the award. A further 2 are working towards it.
- We have invested over £100,000 training our staff so that we can continue to provide quality care at all our homes. This has resulted in our staff achieving 56 NVQs in care at various levels during the year. At the end of the year over 50% of our care staff were qualified to NVQ Level 2 or more.
- We purchased a new home, Borovere in Alton, Hampshire, from the Worshipful Company of Ironmongers at a cost of £2million thus expanding our residential care portfolio by 30 beds.
- We completed the total renovation of our Grosvenor House Home in St Leonards on Sea, East Sussex at a total cost of over £2.5million, over two years.
- We appointed main contractors for the pending development at Pelsall Hall in the West Midlands.
- On the Trustees' instruction, our architects have prepared redevelopment plans for another 11 of our homes which will expand our residential care portfolio by 59 beds. Planning permission has already been granted for 6 of the schemes.
- We raised £1.7million by selling non-core activity property. This money will be reinvested into our care homes over the coming years.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2006

Achievements and performance – continued

- The value of our investment portfolio, after taking into account monies drawn down to purchase our new home, increased by over £500,000 and as at 31 March 2006 was worth £3million.
- We unfortunately had to close our Woodgate home in Malvern in Worcestershire. This was after plans to expand the home to bring standards more into line with those of other homes in the Trust were rejected by the local council. The home will be sold shortly releasing more funds for reinvestment in our other homes.

Financial Review

Review of transactions and financial position

The consolidated balance sheet shows that at 31 March 2006 the total funds of the group were £16.3million (2005: £13.9 million). This was represented by tangible fixed assets of £14.8million (2005: £11.6 million), Investments of £3 million (2005: £2.5 million), Net Current Assets of £1.9million (2005: £1.3 million) and long term liabilities of £3.4million (2005: £1.5 million). Unrestricted funds of £15.9million (2005: £13.6 million) represent 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 shows incoming resources have increased by £2.5 million in the year to £11.5 million;

- £9.5million of this related to income produced by our core activity of providing residential care and this has increased by £1.1million in comparison with last year with the main reason for the increase being the turnover of our new home purchased early in the year;
- £1.7million relates to the net proceeds from the sale of land at St Cross Grange, Winchester and the cottage sold in Woodbridge, Suffolk;
- £151,000 was investment income generated by our investment portfolio and cash reserves.
- £214,000 is for other miscellaneous income including rent generated by non-core activity properties of £139,000 and donations of £41,000.

Total resources expended for the year ended 31 March 2006 was £9.7million;

Overall a surplus from operating activities of £1.8million was produced and this, together with gains made on investments of £0.6million, has been added to reserves bringing the total to £16.3million.

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 of utilities to the residential care homes of Greensleeves Homes Trust. A breakdown of its Statement of Financial Activities and Balance Sheet are given in note 12 to these accounts.

GREENSLEEVES HOMES TRUST

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDING 31 MARCH 2006

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." At the balance sheet date the Trust has free reserves of £4.9million (the balance on net current assets less the carrying value of fixed assets).

The Board of Trustees regularly reviews the reserve levels in the light of its planned activities and is currently in the process of updating the business plan for the next 10 years, with a view to revising the reserves policy in the coming year if appropriate. This business plan includes anticipated capital expenditure at over half of our homes totalling £17million which will be phased over the next ten years in order of priority. Given this, the Trustees aim to hold enough reserves to fund at least one year's capital development costs.

The capital programme for the next ten years will be funded from our current reserves, surpluses earned in future years from operating activities, the sale of non-core activity assets and possible bank funding.

Greensleeves Homes Trust the charity, currently has reserves totalling £16.2million of which £0.4million are restricted. These restricted funds are made up by unspent legacies of £0.3million, amenity funds raised specifically for our homes' residents benefit of £0.1million.

Investments

In accordance with the Trust deed, the Trustees have the power to invest in such stock, shares and investments as they see fit and currently the policy is to adopt an investment strategy based on a balance of income and capital growth.

The Trustees have delegated powers to the Trust's investment managers, Tilney, who submit reports on a quarterly basis and attend one of the Trustees meetings each year to give a detailed update on performance in the year to date. This gives the Trustees the opportunity to discuss current investments and plan for the year ahead.

Over the past year the Trust has seen a total of realised and unrealised profits on investment of £604,361, and despite the need to drawdown from investments to fund the continuing redevelopment programme, the market value of investments has still increased slightly on last year and as at 31 March 2006 stood at £2,973,469. During the year, all investments held by WRVS Trust Supplies Limited have been sold and therefore the revaluation reserve which relates specifically to these investments has been released.

Plans for the future

Our main aim for the coming year is to continue providing the same quality care that we are known for and, if possible, to improve on these standards through the ongoing training of our staff and updating of our homes.

Following the appointment of our new Chief Executive and the expansion of the Board of Trustees, the future should see a number of changes at Greensleeves Homes Trust, with our current focus being prioritising planned capital investment and developing our strategy for the years ahead.

GREENSLEEVES HOMES TRUST

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDING 31 MARCH 2006

Capital Programme

Greensleeves Homes Trust's major asset is the property it owns. As part of this portfolio there are 17 residential care homes throughout England. Each of them varies greatly in character, from purpose built homes to listed buildings. Yet at all of them we strive to offer our residents the best environment possible, one that they can consider their home, and to do this requires constant capital investment. Currently our planned capital investment programme stands at £17million.

In February 2006 the main contractor was appointed to carry out the redevelopment at our home in the West Midlands, Pelsall Hall. This work has a projected cost of over £3million and will increase the size of the home by 12 rooms. The work is expected to take 18 months and involves building a new wing and complete refurbishment of the existing home including enlargement of all rooms, adding full en suite facilities to each one, improving communal areas and updating other facilities such as the kitchen and laundry. This will effectively give the Trust a 'new build' home, one that can be enjoyed by our residents for years to come.

In addition to this, we are working closely with our architects preparing plans for development works at another eleven of our seventeen homes. The works currently under consideration include;

- Arden House, Leamington Spa – Complete new heating system and renovation of the home's exterior including improved disabled access;
- The Briars, Sandown – Creation of new drug and staff rooms;
- Broadlands, Oulton Broad – Construction of new self contained EMI unit;
- Harleston House, Lowestoft – Construction of a new wing and complete refurbishment of the existing home;
- Kingston House, Calne – Construction of a new self contained EMI unit;
- Mount Ephraim House, Tunbridge Wells – Construction of a new wing and complete renovation of the existing home;
- St Cross Grange, Winchester – Installation of a new lift and conversion of the top floor into five new rooms;
- Sharnbrook House, Sharnbrook – Construction of a new wing and complete renovation of the existing home;
- Tickford Abbey, Newport Pagnell – Conversion of an existing wing into a self contained EMI unit;
- Thornbank, Ipswich – Replacement windows throughout the home;
- Torkington House, Acton – New kitchen and laundry facilities.

Having already been granted planning permission for six of these schemes, work is well under way prioritising them to enable us to prepare our revised business plan for the next ten years. It is anticipated that this will be completed in the first half of next year.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDING 31 MARCH 2006

Future Strategy

Residential care is constantly changing and over the past few years we have found that people coming into residential care for the first time are much frailer and have much higher needs particularly with regard to dementia care. Greensleeves Homes Trust currently only provides residential care but may now need to adapt and expand into other areas to provide the care that our residents require.

Initial work has already started, as can be seen from our plans to add Elderly Mentally Infirm (EMI) units to some of our existing homes, thus maintaining our 'home for life' ethos. However a full exploration of possible options is taking place and in the coming year the detail of our future strategy will be determined.

The Board of Trustees during the coming year will be reviewing which Key Performance Indicators they wish to adopt and monitor and which are appropriate to the activities of Greensleeves.

Policy Review

Following the expansion of the Board of Trustees, and as part of the revised ten year business plan, we intend to carry out reviews of the risk assessment, investment and reserves policies in the latter half of the coming year.

By order of the Trustees



Ms K James
Secretary

15 August 2006

GREENSLEEVES HOMES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2006

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.

Each of the Trustees has confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and that they have taken all the steps that they individually ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company are aware of that information.

INDEPENDENT AUDITORS' REPORT TO GREENSLEEVES HOMES TRUST

We have audited the financial statements of Greensleeves Homes Trust for the year ended 31 March 2006 which comprise the Consolidated Statement of Financial Activities, the Consolidated and the Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable 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 auditors' 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 Trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the directors 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 the information and explanations 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's and the group's affairs as at 31 March 2006 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given the Trustee's Report is consistent with the financial statements.

London

PKF (UK) LLP
PKF (UK) LLP
Registered Auditors

15 August 2006

GREENSLEEVES HOMES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2006

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2006</u> £	<u>Total 2005</u> £
INCOMING RESOURCES					
Incoming resources from generated funds					
Donations and fundraising		1,896	38,688	40,584	70,793
Investment income	2	143,228	8,139	151,367	166,874
Incoming resources from charitable activities					
Residents' care fees		9,512,515	-	9,512,515	8,371,977
Other rental income		138,659	-	138,659	130,564
Other incoming resources					
Miscellaneous income		35,742	-	35,742	41,328
Gains on disposal of fixed assets		1,665,813	-	1,665,813	272,766
Total incoming resources		11,497,853	46,827	11,544,680	9,054,302
RESOURCES EXPENDED					
Cost of generating funds					
Donations and fundraising		-	39,211	39,211	43,202
Investment managers fees		15,225	-	15,225	15,100
Charitable activities					
Residents' care costs		9,354,762	2,158	9,356,920	8,247,896
Head office costs		239,301	-	239,301	197,007
Other rental costs		31,006	-	31,006	33,327
Governance costs		71,081	-	71,081	75,090
Total resources expended	3	9,711,375	41,369	9,752,744	8,611,622
Net incoming resources		1,786,478	5,458	1,791,936	442,680
Net gain on investments		553,008	51,353	604,361	416,431
Net movement in funds		2,339,486	56,811	2,396,297	859,111
Funds brought forward 1 April 2005	10	13,593,988	302,688	13,896,676	13,037,565
Funds carried forward 31 March 2006	10	15,933,474	359,499	16,292,973	13,896,676

All of the above results are derived from continuing activities.

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

The surplus for the year for Companies Act purposes was £1,874,918 (2005: £658,630) comprising net incoming resources for the year of £1,812,976 plus realised gains on investments of £61,942.

GREENSLEEVES HOMES TRUST
CONSOLIDATED AND CHARITY BALANCE SHEETS
31 MARCH 2006

	<u>Notes</u>	<u>2006</u> £	<u>Group</u> <u>2005</u> £	<u>2006</u> £	<u>Charity</u> <u>2005</u> £
FIXED ASSETS					
Tangible fixed assets	6	14,765,845	11,560,005	14,765,845	11,560,005
Investments	7	2,973,469	2,507,754	2,973,469	2,507,754
		<u>17,739,314</u>	<u>14,067,759</u>	<u>17,739,314</u>	<u>14,067,759</u>
CURRENT ASSETS					
Fixed interest deposit	7	-	271,754	-	-
Property held for sale		249,786	-	249,786	-
Debtors	8	131,474	360,090	109,013	348,479
Bank and cash balances		2,178,960	1,219,427	2,173,636	1,184,674
		<u>2,560,220</u>	<u>1,851,271</u>	<u>2,532,435</u>	<u>1,533,153</u>
CREDITORS					
Amounts falling due within one year	9	(625,122)	(493,278)	(621,893)	(447,670)
NET CURRENT ASSETS		<u>1,935,098</u>	<u>1,357,993</u>	<u>1,910,542</u>	<u>1,085,483</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,674,412</u>	<u>15,425,752</u>	<u>19,649,856</u>	<u>15,153,242</u>
CREDITORS					
Amounts falling due after more than one year	9	(3,381,439)	(1,529,076)	(3,379,034)	(1,313,055)
NET ASSETS		<u>16,292,973</u>	<u>13,896,676</u>	<u>16,270,822</u>	<u>13,840,187</u>
UNRESTRICTED FUNDS	10	15,933,474	13,593,988	15,911,323	13,537,499
RESTRICTED FUNDS	10	359,499	302,688	359,499	302,688
TOTAL FUNDS		<u>16,292,973</u>	<u>13,896,676</u>	<u>16,270,822</u>	<u>13,840,187</u>

Approved by the Board of Trustees and authorised on 25 July 2006 and signed on their behalf by:

Rachel Friend
J M Macdonald

Trustees of Greensleeves Homes Trust

GREENSLEEVES HOMES TRUST
CONSOLIDATED CASH FLOW STATEMENT
31 MARCH 2006

	£	<u>2006</u>	£	£	<u>2005</u>	£
Net cash inflow from operating activities		2,670,107			399,268	
Returns on investment and servicing of finance						
Dividends received	83,859			110,138		
Interest Received	67,508			56,736		
		<hr/>		<hr/>		
		151,367			166,874	
Capital expenditure and financial investment						
Purchases of fixed assets	(3,962,470)			(3,137,527)		
Sale of fixed assets	1,690,128			272,766		
Purchases of investments	(37,659)			(169,460)		
Sales of investments	163,498			1,108,198		
Withdrawals from fixed interest deposits	284,561			214,000		
		<hr/>		<hr/>		
		(1,861,941)			(1,712,023)	
Increase / (decrease) in cash		959,533			(1,145,881)	
		<hr/>			<hr/>	
Reconciliation of net incoming resources to net cash inflow from operating activities						
Net incoming resources		1,791,936			442,680	
(Increase) / decrease in debtors		228,615			(201,274)	
Increase / (decrease) in creditors		1,984,207			214,070	
Depreciation		482,529			383,432	
Returns on investments and servicing of finance		(151,367)			(166,874)	
Gain on disposal of fixed and current assets		(1,665,813)			(272,766)	
		<hr/>			<hr/>	
Net cash inflow from operating activities		2,670,107			399,268	
		<hr/>			<hr/>	

Analysis of changes in net funds

	Cash at 1 April 2005	<u>Cashflows</u>	Cash at 31 March 2006
Cash at bank	1,219,427	959,533	2,178,960
	<hr/>	<hr/>	<hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

1 ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are prepared under the historical cost convention with the exception of investments which are included at market value. This is in accordance with applicable accounting standards and with the Statement of Recommended Practice (SORP 2005) 'Accounting and Reporting by Charities' issued by the Charity Commission in March 2005. Comparatives have been restated accordingly.

(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.

(c) Income Recognition

Income and residents care 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.

(d) Resources expended

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. Support costs are expenses relating to specific income strands, together with the cost of running the Trust's head office, and as such none have been allocated against our core charitable activity of residential care. Governance costs are those incurred in connection with the management of the Charity's assets, compliance with constitutional and statutory requirements.

(e) 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

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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

1 ACCOUNTING POLICIES (Continued)

(f) 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.

(g) 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.

(h) 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. Designated funds are unrestricted funds set aside by the trustees for a particular purpose.

(i) 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

	<u>2006</u> £	<u>2005</u> £
Investment income	83,859	110,138
Bank deposit accounts	67,508	56,736
	<hr/> 151,367 <hr/>	<hr/> 166,874 <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

3 RESOURCES EXPENDED

a) Analysis of total resources expended

	<u>Staff costs</u> £	<u>Other care costs</u> £	<u>Support costs</u> £	<u>Total 2006</u> £	<u>Total 2005</u> £
Unrestricted funds					
Generating funds					
Investment managers fees	-	-	15,225	15,225	15,100
Charitable activities					
Residents' care costs	6,653,008	2,701,754	-	9,354,762	8,240,652
Head office costs	78,487	-	160,814	239,301	197,007
Other rental costs	-	-	31,006	31,006	33,327
	<u>6,731,495</u>	<u>2,701,754</u>	<u>207,045</u>	<u>9,640,294</u>	<u>8,486,086</u>
Restricted funds					
Generating funds					
Fundraising	-	-	39,211	39,211	43,202
Charitable activities					
Residents' care costs	-	2,158	-	2,158	7,244
	<u>-</u>	<u>2,158</u>	<u>39,211</u>	<u>41,369</u>	<u>50,446</u>
Governance costs	<u>19,621</u>	<u>-</u>	<u>51,460</u>	<u>71,081</u>	<u>75,090</u>
Total resources expended	<u>6,751,116</u>	<u>2,703,912</u>	<u>297,716</u>	<u>9,752,744</u>	<u>8,611,622</u>

b) Analysis of other care costs

	<u>Total 2006</u> £	<u>Total 2005</u> £
Charitable activities		
Residents' care costs	794,550	622,832
Maintenance	830,379	777,448
Insurance	92,038	103,978
Utilities costs	343,426	273,357
Administration costs	118,274	135,329
Loan interest	99,277	-
Depreciation	425,968	327,118
	<u>2,703,912</u>	<u>2,240,062</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

3 RESOURCES EXPENDED (continued)

c) Analysis of support costs

	<u>2006</u> £	<u>2005</u> £
Investment manager's fees	15,225	15,100
Costs of fundraising	39,211	43,202
Head office running costs	56,651	52,294
Trading subsidiary covenant	53,745	-
Rental property costs	24,863	26,632
Depreciation	56,561	56,314
Governance costs	51,460	56,080
	<hr/> 297,716 <hr/>	<hr/> 249,622 <hr/>

d) Analysis of governance costs

	<u>2006</u> £	<u>2005</u> £
Legal and professional fees	8,719	16,467
Audit fees	19,960	19,400
Other auditor services	6,522	12,079
Allocation of staff costs	19,621	19,017
Trustee recruitment and expenses	16,259	8,127
	<hr/> 71,081 <hr/>	<hr/> 75,090 <hr/>

4 WAGES AND SALARIES

	<u>2006</u> £	<u>2005</u> £
Summary of wages and salaries allocation:		
Charitable activity staff costs	6,653,008	6,007,835
Head office	78,487	76,069
Governance costs	19,621	19,017
	<hr/> 6,751,116 <hr/>	<hr/> 6,102,921 <hr/>
Analysis of wages and salaries:		
Salaries	5,544,203	5,083,094
National insurance costs	344,549	313,531
Pension costs	53,027	59,683
Agency staff	543,903	418,764
Training	85,633	77,117
Recruitment	49,521	48,386
Other staff costs	130,280	102,346
	<hr/> 6,751,116 <hr/>	<hr/> 6,102,921 <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

4 WAGES AND SALARIES (Continued)

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

	<u>2006</u> Number	<u>2005</u> Number
Residential care home services including part-time staff	639	616
Head Office and governance	6	6
	<hr/> 645	<hr/> 622

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

	<u>2006</u> Number	<u>2005</u> Number
£60,000 to £70,000	-	1
	<hr/>	<hr/>

5 TRUSTEE AND RELATED PARTY TRANSACTIONS

The Trustees received no remuneration for their services during the current or prior year. Travel expenses of £8,597 were reimbursed to 7 Trustees during the year (2005: £7,803).

At the AGM held on 25 October 2005, Peter Woods resigned as a Trustee. He is a partner in OWL Partnership Architects who provide building design and advice to the Trust. Up until the date of his resignation, the Trust paid £124,224 to OWL Partnership Architects (2005: £272,592 for 12 months). OWL Partnership Architects continue to act on the Trust's behalf in a consultant capacity.

During the year, the outgoing Chief Executive received a payment of £10,000 on retirement in recognition of his contribution to Greensleeves.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

6 TANGIBLE FIXED ASSETS

	<u>Freehold Property</u> £	<u>Long term leasehold property</u> £	<u>Furniture and equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost					
At 1 April 2005	11,959,485	84,243	678,534	28,977	12,751,239
Additions during the year	3,770,927	-	191,542	-	3,962,469
Disposals during the year	(27,593)	-	-	-	(27,593)
Transfer to current assets	(263,893)	-	(7,789)	-	(271,682)
At 31 March 2006	15,438,926	84,243	862,287	28,977	16,414,433
Depreciation					
At 1 April 2005	866,354	10,574	285,330	28,976	1,191,234
Charge for the year	308,808	1,263	172,458	-	482,529
Disposal during the year	(3,279)	-	-	-	(3,279)
Transfer to current assets	(19,654)	-	(2,242)	-	(21,896)
At 31 March 2006	1,152,229	11,837	455,546	28,976	1,648,588
Net book value at 31 March 2006	14,286,697	72,406	406,741	1	14,765,845
Net book value at 31 March 2005	11,093,131	73,669	393,204	1	11,560,005

Further capital expenditure contracted for at 31 March 2006 but not provided for in the these accounts amounted to £2,439,792 (2005: £2,852,207).

During the year, part of the grounds at one of the Trust's homes, St Cross Grange in Winchester, was sold for £1,650,000. Despite this, there are no disposal figures shown above. The reason being that it is not possible to attribute a value to the asset sold as it formed only a small part of the home and the home itself only has a net book value of £205,000.

Subsequent to the year end, the sale of the Woodgate home has been formally agreed, with an expected profit on sale arising of approximately £700,000. The net book value of this property has therefore been transferred to current assets.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

7 INVESTMENTS

a) Fixed asset investments

			<u>2006</u> £	<u>2005</u> £
Market value at 1 April 2005			2,507,754	3,116,724
Acquisitions at cost			37,659	169,460
Disposal proceeds			(163,498)	(1,108,198)
Net investment gains			591,554	329,768
			<hr/>	<hr/>
Market value at 31 March 2006			2,973,469	2,507,754
			<hr/>	<hr/>
Cost at 31 March 2006			2,273,170	2,380,219
			<hr/>	<hr/>
	<u>UK</u> £	<u>Overseas</u> £	<u>2006</u> £	<u>2005</u> £
Investments are represented by:				
Government bonds	62,828	-	62,828	108,578
Corporate bonds	50,290	-	50,290	-
Equities	887,637	186,270	1,073,907	2,020,421
Unit Trusts	617,234	468,911	1,086,145	378,755
	<hr/>	<hr/>	<hr/>	<hr/>
	1,617,989	655,181	2,273,170	2,507,754
	<hr/>	<hr/>	<hr/>	<hr/>

No single investment represented greater than 5% of the Trust's portfolio.

b) Current asset investments

	<u>2006</u> £	<u>2005</u> £
Market value at 1 April 2005	271,754	399,091
Cash withdrawn during the year	(284,561)	(214,000)
Net investment gains	12,807	86,663
	<hr/>	<hr/>
Market value at 31 March 2006	-	271,754
	<hr/>	<hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

8 DEBTORS

	<u>Group</u>		<u>Charity</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	£	£	£	£
Amounts due within one year:				
Residential care home debtors and advance payments	56,239	111,736	56,239	111,736
Other debtors	41,270	32,873	19,052	27,348
Prepayments and accrued income	33,722	206,372	33,722	206,372
Due from WRVS Trust	243	9,109	-	-
Due from WRVS Trust Supplies Ltd	-	-	-	3,023
	<u>131,474</u>	<u>360,090</u>	<u>109,013</u>	<u>348,479</u>

9 CREDITORS

	<u>Group</u>		<u>Charity</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	£	£	£	£
Amounts due within one year:				
Social security and other taxes	98,761	98,253	98,761	98,253
Other creditors and accruals	449,361	392,739	446,132	349,417
Bank loans	77,000	-	77,000	-
Due to WRVS Trust	-	2,286	-	-
	<u>625,122</u>	<u>493,278</u>	<u>621,893</u>	<u>447,670</u>
Amounts due after more than one year:				
Bank loans	1,854,259	-	1,854,259	-
Due to The WRVS Trust	1,524,775	1,313,055	1,524,775	1,313,055
Payment received on account from WRVS Trust	2,405	216,021	-	-
	<u>3,381,439</u>	<u>1,529,076</u>	<u>3,379,034</u>	<u>1,313,055</u>

During the year a £2million loan was taken out to purchase our new home, Borovere in Alton, Hampshire. This loan is secured on Borovere itself and another of the Trust's homes, Mount Ephraim House in Tunbridge Wells, Kent. The loan was arranged through our bankers, Lloyds TSB plc, who we felt, after going out to tender, offered us the best terms. The loan consists of two tranches of £1million each and both are to be repaid over a period of 20 years. One tranche is at a fixed interest rate of 6.45% and the other is at a variable rate of the base rate plus 1.25%.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

10 FUNDS

	At 1 April 2005 £	Net incoming resources £	Transfer between funds £	Net gain on investment £	At 31 March 2006 £
Unrestricted					
General	13,348,368	1,787,728	186,575	583,353	15,906,024
Designated Funds					
Revaluation reserve	216,920	-	(186,575)	(30,345)	-
Self insurance reserve	28,700	(1,250)	-	-	27,450
Total unrestricted funds	13,593,988	1,786,478	-	553,008	15,933,474
Restricted					
Legacies fund	250,609	7,518	-	51,353	309,480
Amenity funds	52,079	(2,060)	-	-	50,019
Total restricted funds	302,688	5,458	-	51,353	359,499
Total funds	13,896,676	1,791,936	-	604,361	16,292,973

The revaluation reserve represents the unrealised element of investments held in the Trust's subsidiary, WRVS Trust Supplies Limited. All the investments held in this subsidiary were sold during the year and the surplus on revaluation reserve was released.

The self insurance reserve represents an amount set aside to cover minor repairs at the homes which would otherwise be provided for out of claims on insurance. This moves on an annual basis.

The legacies fund represents monies and assets held in trust for specific homes and purposes.

The amenities fund represents funds raised by each home to be spent on specific projects and activities in that home.

11 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	1	14,765,844	14,765,845
Investments	309,481	2,663,988	2,973,469
Current assets	50,017	2,510,203	2,560,220
Current liabilities	-	(625,122)	(625,122)
Long term liabilities	-	(3,381,439)	(3,381,439)
Total net assets	359,499	15,933,474	16,292,973

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

12 SUBSIDIARY RESULTS

WRVS Trust Supplies Ltd 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>2006</u> £	<u>2005</u> £
Profit and loss account		
Turnover	213,616	195,507
Cost of supplies	(205,642)	(193,537)
Administrative expenses	(3,966)	(3,820)
	<hr/>	<hr/>
Operating profit / (loss)	4008	(1,850)
Bank deposit interest receivable	2,588	1,249
	<hr/>	<hr/>
Profit / (loss) for the year	6,596	(601)
Covenant payment to WRVS Trust	(32,705)	(21,040)
Realised profit on current asset investment	43,152	68,410
Unrealised (loss)/gain on current asset investments	(30,345)	18,253
	<hr/>	<hr/>
Retained (loss) / profit	(13,302)	65,022
	<hr/>	<hr/>
	<u>2006</u> £	<u>2005</u> £
Balance sheet		
Fixed interest deposits	-	271,754
Debtors	22,462	5,525
Cash at bank	5,325	34,753
	<hr/>	<hr/>
	27,787	312,032
Creditors	(5,635)	(276,578)
	<hr/>	<hr/>
Net assets	22,152	35,454
	<hr/>	<hr/>

13 TAXATION

The Trustees consider that all 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 2006.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED ACCOUNTS
31 MARCH 2006

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 Greensleeves Homes Trust and the Women's Royal Voluntary Service. Creditor balances at 31 March 2006 are fully disclosed in the notes to these accounts.

WRVS Trustees Limited – A dormant company and the custodian Trustee of WRVS Trust.

15 WRVS TRUST

The status of WRVS Trust remains the subject of discussion and correspondence with the Charity Commission, Greensleeves Homes Trust and WRVS and therefore the WRVS Trust continues to remain on the Central Register of Charities pending the outcome of such discussion and correspondence.

The assets and liabilities as at 31 March 2006 of The WRVS Trust were as follows:

	<u>2006</u> £	<u>2005</u> £
Current Assets		
Debtors	-	14,217
Bank balances	102,331	53,270
	<hr/> 102,331	<hr/> 67,487
Current liabilities		
Creditors	(243)	-
	<hr/> 102,088	<hr/> 67,487
Net current assets	102,088	67,487
Long term debtors		
Due from WRVS Trust Supplies Limited	2,405	216,021
Due from Greensleeves Homes Trust	1,524,775	1,313,055
	<hr/> 1,629,268	<hr/> 1,596,563
Total assets less current liabilities	1,629,268	1,596,563
Long term liabilities		
Amounts falling to WRVS	(1,575,523)	(1,575,523)
	<hr/> 53,745	<hr/> 21,040
Net assets	53,745	21,040
	<hr/> 53,745	<hr/> 21,040
Net funds	53,745	21,040
	<hr/> 53,745	<hr/> 21,040