

GREENSLEEVES HOMES TRUST

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2018



GREENSLEEVES HOMES TRUST

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

(Charity Registration Number 1060478)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2018

GREENSLEEVES HOMES TRUST
ANNUAL REPORT
YEAR ENDED 31 MARCH 2018

CONTENTS

LEGAL AND ADMINISTRATIVE DETAILS	1
REPORT OF THE BOARD OF TRUSTEES INCLUDING THE STRATEGIC REPORT	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	15
INDEPENDENT AUDITOR'S REPORT	16
STATEMENT OF FINANCIAL ACTIVITIES	18
BALANCE SHEET	19
CASH FLOW STATEMENT	20
NOTES TO THE FINANCIAL STATEMENTS	21

GREENSLEEVES HOMES TRUST

LEGAL AND ADMINISTRATIVE DETAILS

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

Mr R Costella
Ms K Davies (Appointed 1 April 2017)
Mr M Girling (Retired 18 May 2017)
Ms K Gray
Ms L Harris-Ryberg
Mr D Kelly OBE (Appointed 1 April 2017)
Ms E Marsh
Ms D Pounds (Appointed 1 April 2017)
Ms L Ramakrishnan
Mr P Rees (Retired 23 November 2017)
Mr C Shaw (Chairman)
Mr C Spence (Appointed 17 May 2018)
Mr R Strange OBE (Vice Chairman)
Mr P Varney (Retired 18 May 2017)

COMPANY SECRETARY

Mr G Almond

CHIEF EXECUTIVE

Mr P Newman

KEY MANAGEMENT PERSONNEL

Mr C Doherty - Chief Financial Officer
Mr A Mangion - Chief Operating Officer
Mr G Williams - Director of Business Development

REGISTERED OFFICE

54 Fenchurch Street
London
EC3M 3JY

STATUTORY AUDITOR

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

INTERNAL AUDITOR

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

BANKERS

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

SOLICITOR

Wilsons
4 Lincoln's Inn Fields
London
WC2A 3AA

SOLICITOR

Moon Beaver
Bedford House
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WC1N 2BF

INVESTMENT ADVISORS

Schroder & Co. Limited
12 Moorgate
London
EC2R 6DA

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

The Trustees, who are the directors for the purposes of the Companies Act 2006, present the report and financial statements of Greensleeves Homes Trust ("the Trust"/"the Charity") for the year ended 31 March 2018. The Trustees confirm that the annual report and financial statements comply with the Charities Act 2011; the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Strategic Report - Objectives and Activities

Aims

Greensleeves Homes Trust is a charitable organisation providing care and accommodation for older people, primarily through residential, dementia and nursing care services.

Our mission is to encourage residents to thrive as individuals and employees to practise as caring professionals. We achieve this through a set of core values which underpin and inform our work, namely; Respect; Openness; Responsibility.

Greensleeves Homes Trust aims to continue to increase the number of beneficiaries it supports beyond the previous target of supporting one thousand residents across our homes by March 2023.

Objectives

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

- The relief of persons who are in need by reason of age, ill-health or disability by the provision, or assistance in the provision, of accommodation and associated facilities, services and amenities or by such other means as may be charitable;
- such other purposes for the benefit of the community as shall be exclusively charitable;

in each case for the public benefit.

Current Focus

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The focus of Greensleeves Homes Trust's work is to provide residential, dementia and nursing care, comfort, safety and security to older people, at an economic price that reflects our charitable status. The same standards are offered to all residents without regard to their background. Those unable to fund their care and who are subsidised by the local authority are afforded the same service as those that can.

Our aim through practising The Eden Alternative philosophy is to improve the lives of our residents and our staff. Based around the core belief that ageing should be a continued stage of development and growth, rather than a period of decline, we are dedicated to eliminating the plagues of Loneliness, Helplessness and Boredom and to go beyond person-centred care. The philosophy encourages our staff to be creative when giving care, creating vibrant communities where contact with children, the outdoors and animals is central to the home. Our residents are given the opportunity to fulfil their wishes such as going to a football match, driving a racing car or simply having fish and chips at the seaside.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
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FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Achievements and Performance

Major achievements during the year -

- Greensleeves Homes Trust has provided high quality residential, dementia and nursing care at competitive weekly fees in homely environments that are staffed by caring and well trained staff. As at 31 March 2018, we were able to care for up to 872 residents across 22 homes, an increase of 82 residents and two homes compared to last year.
- The Briars, our home in Sandown on the Isle of Wight, achieved a rating of Outstanding from our regulator the Care Quality Commission (CQC). This is the second of the Trust's homes to receive an Outstanding rating with the other one being Broadlands in Oulton Broad, Suffolk.
- In addition to the Outstanding ratings at The Briars and Broadlands, as at 31 March 2018 the Trust had achieved a CQC rating of Good at 15 of our homes with outstanding traits at one of these. Two homes have been classified as requiring improvement and action plans have already been implemented to rectify any areas of concern identified by the CQC inspectors. Three homes including two which were acquired during the year had not been inspected at the year end. Therefore, based on the 19 homes that had been inspected, 90% have been rated as good or above by the CQC.
- Following an independent review of the care sector, in the February 2018 edition of their publication, the country's official Consumer Association, Which? named the Trust as the country's number one third sector care provider. In addition, we were named Best Care Provider in two specific regions; the East of England and the South East. The findings were based on the independent inspection ratings of the CQC.
- We continued to be highly rated on the leading online care directory www.carehome.co.uk, having achieved an overall group score of nine out of ten on 31 March 2018 and been rated as a Top 20 Recommended Care Home Group in the United Kingdom in 2018.
- We achieved a higher than average score in the Your Care Rating Residents Survey conducted by Ipsos MORI which measured the quality of care across over 800 care homes and almost 17,000 residents. Our Overall Performance Score was 896 out of 1,000 which compares favourably with the average of 878. Specifically in the Quality of Life category, we achieved 937 out of 1,000 which is the highest of all providers included in the survey. Individual homes also scored particularly highly with Broadlands in Oulton Broad, Suffolk, Harleston House in Lowestoft, Suffolk, Mount Ephraim House in Tunbridge Wells, Kent and The Briars in Sandown in the Isle of Wight all scoring over 900.
- We achieved staff turnover of lower than the average published by the National Care Forum.
- Two new homes were added to the Trust's portfolio. These were the Glebelands Estate in Wokingham, Berkshire and Rose Cottage in Broughton, near Huntingdon, Cambridgeshire:
 - The Glebelands Estate was acquired on 15 June 2017. The nine acre Estate was purchased from The Film and Television Charity (formerly The Cinema and Television Benevolent Fund) and includes an operating home providing residential and nursing care for up to 41 residents. In addition, there are a variety of other buildings including a 27 unit apartment block, a three unit stable block and a three bedroom cottage which are largely let on shorthold tenancies.
 - Rose Cottage was acquired on 16 February 2018. It is an operating home providing residential and dementia care for up to 38 residents.
- We achieved occupancy in our homes (calculated based on phased resident build up at new homes) of 93.5% (2017: 93.2%) which compares favourably with the sector average which was approximately 90% in 2017-2018. This will help ensure continued income to fund our future development plans and expansion. The year was not without its challenges and some homes did face a variety of occupancy pressures but overall good occupancy was achieved through careful occupancy monitoring, effective marketing of vacancies but mainly the quality of care provided and resulting good reputation of our homes.
- We published our first Social Impact Report which provided the public with a comprehensive update both pictorially and narratively on our achievements. The format will continued to be developed in the coming years.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
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FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Achievements and Performance - continued

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

- **To review the Trust's long-term strategy and plans** - this is an ongoing process with opportunities being discussed as they arise. Currently, it is our intention to continue to expand the number of residents we are able to care for in a sustainable and controlled way.
- **To develop a long-term Care and Quality Improvement Strategy and Plan** - the Plan was developed over the summer and was finalised in October 2017. It is guided by two clear goals; quality improvement and sustainable development. Quality improvement is key and will ensure continuous enhancement in the quality of care provided to our residents.
- **To continue to invest in the training and development of our staff** - we invested £286,000 in mandatory and non-mandatory training for our staff during the year to ensure that they are able to provide appropriate care for our residents. We also recruited a further Training Officer so that each of the Trust's three geographical areas of homes has its own dedicated training resource.
- **To formalise our resourcing strategy to develop our approach to how we respond to the challenges and opportunities to attract, recruit and retain frontline staff** - the resourcing strategy was formally approved by our Board of trustees in July 2017. The strategy includes many innovative components designed to improve the attraction and retention of staff and to continuously strive to improve the impact of care they provide to our residents.
- **To continue to improve the standards of care and the overall service by developing the Eden Alternative philosophy** - the Eden Alternative philosophy is a continually evolving journey for our homes which changes to reflect the needs and wants of our residents. As at 31 March 2018, 18 of the Trust's 22 homes had achieved Eden Accreditation.
- **To complete the acquisition of Glebelands, our new home in Wokingham** - this was completed in June 2017 and the home's integration into the Trust is progressing well with regular support being provided to the home by head office staff. The home is yet to be inspected by the CQC but we are working towards the aim of achieving at least a rating of Good once the inspection takes place.
- **To continue the upgrading process of our recently acquired homes - Gloucester House in Kent and Viera Gray House in London** - during the year, over £600,000 has been invested across the two homes; at Gloucester House works included improving the en suite facilities in residents' bedrooms and upgrading communal bathrooms; at Viera Gray House, new rooms were added, the reception area and offices were reconfigured and modernised, kitchen facilities in the care units were updated and the heating was upgraded. Further works are planned at both homes in the coming year.
- **To prepare for and mobilise our new build property, Lavender Fields, in Kent** - the completion of the home was delayed slightly due to minor issues encountered by the builders during the build and was formally handed over to us at the beginning of July 2018 when the lease was signed. Lavender Fields gives us a new state of the art, modern, purpose built home providing residential and dementia care for up to 75 residents.
- **To transfer residents and staff from Mount Ephraim House to Lavender Fields in order to facilitate the redevelopment and refurbishment of the home** - the transfer was affected by the slightly delayed completion of Lavender Fields and so did not happen until later in July 2018. However, both residents and staff are settling well into their new home and we will shortly appoint contractors to redevelop Mount Ephraim House with the intention that works commence in late summer 2018.
- **To obtain planning permission to build a new home in Sussex** - planning permission was granted in April 2018 and the purchase of the land will be completed once certain planning conditions have been satisfied. We anticipate construction of the new home to commence early in 2019.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Achievements and Performance - continued

- To commence major extension and development works at Croxley House in Croxley Green, Rickmansworth - initial works have been completed and the tendering process for the major build work will be completed in summer 2018 with a view to the construction commencing in autumn 2018.
- To continue to research potential development sites or new homes - we have had much success in this area during the year; as detailed above, we added Rose Cottage, our twenty second home. In addition, the purchase of Whitegates in Westfield, near Hastings, Sussex was approved and its acquisition completed shortly after the year end. The home currently provides residential care for up to 22 residents but planning approval is in place to extend by adding a further 30 bedrooms. There are further opportunities which have also been identified, approved and are being actively pursued.
- To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally - we have continued to improve the Trust's visibility through membership of appropriate organisations such as the National Care Forum. We have actively participated in national care sector initiatives and won numerous local, regional and national industry awards. As detailed above, the number of positive reviews on external websites continues to grow with some homes now rated as the best in their area and we also continue to benchmark ourselves against other care providers by taking part in surveys such as Your Care Rating.

Strategic Report - Key Performance Indicators

We monitor performance against a variety of Key Performance Indicators including the principal ones summarised in the table below.

	Outcome 2018	Outcome 2017
Number of homes with Eden Alternative validation	18	17
Percentage of residents funded by the local authority	25.9%	23.3%
Staff turnover	23.9%	18.0%
Occupancy	93.5%	93.2%
Average fee per week	£871	£805

- One further home achieved Eden Alternative validation during the year bringing the total to 18. We continue towards the ultimate aim of having all our homes validated.
- Percentage of publicly funded residents - in line with public benefit and our sustainable operating model, we aim to have approximately 25% of the total number of our residents funded by public bodies. At the year end, we had exceeded this target and the percentage had increased compared with 2017. The percentage tends to fluctuate on a monthly basis in line with resident admissions and departures and our overall target remains at 25%.
- Staff turnover has risen this year but remains comfortably below the average of 27.9% published by the National Care Forum (which itself has also increased from last year's 21.7%). Recruitment remains a challenge for the sector and while our staff turnover is lower than the national average, we continue to investigate innovative ways to attract the best people to join us.
- Occupancy levels are broadly in line with last year (based on anticipated resident build up at new homes) and compare favourably with the sector average of around 90%.
- Average fee per week - the fee reflects the cost of running each individual home and will vary based on location, type of care being offered and the funding status of the residents. The average fee has increased this year reflecting inflationary pressures, the higher care needs of residents and also the addition of Glebelands which has higher fees due to the provision of nursing care.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Financial Review

Review of Transactions and Financial Position

These financial statements for the year ended 31 March 2018 comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland'.

Overall results

Overall, net income of £721,728 (2017: £474,673) was produced which has increased reserves to a total of £33.6million (2017: £32.9million).

The table on page 7 shows the results for the year compared with 2017. Please note that those homes which were considered new homes last year are included under existing homes this year.

Existing operations

Income

- Residents' care fees, relating to our core activity of providing residential, dementia and nursing care, have increased by £3.5million. Of this amount, £1.7million relates to two homes which were not at full resident capacity at the beginning of the year and so income has increased in line with the phased build-up of residents. The remainder is due to the annual fee increase (which was impacted by the National Living Wage and increased inflation as a result of the decision to leave the European Union), a slight improvement in occupancy and the generally rising care needs of our residents.
- Residents' sundries relate to the recharge of incidental expenses incurred on behalf of residents.
- Other income includes £125,000 (2017: £63,000) generated by our investment portfolio and cash reserves plus rent from various accommodations, donations and fundraising.
- The surplus from the sale of fixed assets represents the gains made following the disposal of a rental property on the Wirral.

Expenditure

- Resident care costs, relating to the running costs of our homes including depreciation, loan interest and an allocation of head office staff costs, have increased by £3.4million. Of this amount, £845,000 is in respect of increased loan interest related to the £33million loan from Retail Charity Bonds Plc drawn down in March 2017. The remainder is a result of the phased increase in residents, inflationary cost pressures, the annual increase in the National Living Wage, increased investment in the upkeep of the homes and the rising care needs of our residents.
- Head office costs comprise expenditure from day to day head office operations plus professional fees in respect of expansion plans; HR, energy and health & safety consultancy; and Trust-wide computer services. They have increased this year due to the recruitment of further head office staff needed to support the increasing number of homes.
- Costs of raising finance of £91,000 relate to the amortisation of arrangement fees in respect of the loan from Retail Charity Bonds Plc. Last year's figure also included charges incurred in repaying existing bank loans early with the proceeds of the new loan.
- Other costs relate to investment manager fees and costs relating to various rental properties owned by the Trust.

Investment gains and losses

- In the year, our investment portfolio produced realised gains of £1,000 (2017: £1,000) and unrealised losses of £46,000 (2017: unrealised gains of £190,000) leading to net losses of £45,000 (2017: net gains of £191,000).

New homes

During the year ended 31 March 2018, two new homes were added, both were acquisitions of existing operating homes - Glebelands in Wokingham, Berkshire was added in June 2017 and Rose Cottage in Broughton, Cambridgeshire was added in February 2018. At Glebelands, the home forms part of the Glebelands Estate which also includes various other properties that are producing rental income.

In 2018, the new homes generated total income of £2.1million and expenditure was £2.3million resulting in a deficit of £192,000; The Glebelands Estate produced a deficit of £181,000 and Rose Cottage a deficit of £11,000. Both deficits were as expected and the homes are expected to generate surpluses in the future following the resolution of temporary operational and occupancy issues.

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REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Financial Review - continued

	Existing Homes 2018 £	Head Office 2018 £	Existing Operations 2018 £	New Homes 2018 £	Total 2018 £	Existing Homes 2017 £	Head Office 2017 £	Existing Operations 2017 £	New Homes 2017 £	Total 2017 £
INCOME										
Residents' care fees	31,753,381	-	31,753,381	1,816,608	33,569,989	28,304,919	-	28,304,919	-	28,304,919
Residents' sundries	265,409	-	265,409	3,985	269,394	246,379	-	246,379	-	246,379
Other income	164,401	143,211	307,612	273,003	580,615	99,009	155,452	254,461	-	254,461
Surplus from sale of fixed assets	-	225,579	225,579	-	225,579	-	-	-	-	-
TOTAL	32,183,191	368,790	32,551,981	2,093,596	34,645,577	28,650,307	155,452	28,805,759	-	28,805,759
EXPENDITURE										
Residents' care costs	29,651,665	-	29,651,665	2,161,555	31,813,220	26,220,626	-	26,220,626	-	26,220,626
Head Office costs	-	1,831,201	1,831,201	-	1,831,201	-	1,366,613	1,366,613	-	1,366,613
Cost of raising finance	-	90,692	90,692	-	90,692	-	893,472	893,472	-	893,472
Other costs	-	18,776	18,776	124,526	143,302	-	41,018	41,018	-	41,018
TOTAL	29,651,665	1,940,669	31,592,334	2,286,081	33,878,415	26,220,626	2,301,103	28,521,729	-	28,521,729
Net investments gains / (losses)	-	(45,434)	(45,434)	-	(45,434)	-	190,643	190,643	-	190,643
NET INCOME	2,531,526	(1,617,313)	914,213	(192,485)	721,728	2,429,681	(1,955,008)	474,673	-	474,673

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Financial Review - continued

Balance Sheet

The balance sheet shows that at 31 March 2018 the total funds were £33.6million (2017: £32.9million). This was represented by fixed assets of £54.8million (2017: £43.3million), net current assets of £12.9million including investments of £1.7million (2017: net current assets of £23.4million including investments of £1.7million) and long term liabilities of £34.1million (2017: £33.8million). Unrestricted funds of £33.5million (2017: £32.8million) represent the reserves available to the Trust to fulfil its current operations and existing financial commitments over the long term and also to finance the growth in activity envisaged in future plans.

Reserves

The Charity Commission defines free reserves as “income which becomes available to the Charity and is to be expended at the Trustees’ discretion in furtherance of the Charity’s objectives, but which is not yet spent, committed or expended”.

The Reserves Policy is considered annually and the Board of Trustees reviews the Trust’s reserve levels throughout the year in the light of its planned activities, budget and cashflow forecasts. The Board currently believe it necessary to hold reserves so that the future standards of service and accommodation offered to residents can be maintained and, hopefully, improved. It is also important that funds are available to fulfil any committed acquisition and development activity.

With this in mind, the Trust should have sufficient reserves available to fund revenue costs in the event of any unexpected problems. As the Trust’s operational sites are widespread, it is expected that such problems would be isolated to a particular site and would not affect the Trust as a whole. Therefore the reserves provision for revenue costs has been set at 10% of the Trust’s ordinary costs for a period of three months. In addition to this requirement, and with reference to our active development programme, there should be further reserves available that are equivalent to actual capital commitments less any associated finance arrangements that are already in place.

At the balance sheet date, the Trust’s free unrestricted reserves before long term liabilities were £12.8million which represents an excess of £11.5million over the £1.3million needed to fulfil the above requirement. The excess is a result of holding the surplus funds from the loan from Retail Charity Bonds Plc drawn down in March 2017. Post the year end, £3.3million was used to fund the purchase of our new home Whitegates and £1.2million will be used to purchase the land on which our new home will be built in Rye. The intention is that the remainder will contribute towards the redevelopment of our current homes and also to enable further expansion of the Trust. At the date of signing the Trustees’ report, firm plans are in place to redevelop two of our existing homes and works at both are expected to start within the next twelve months. Both will be funded by the excess reserves.

On transition to FRS 102, the decision was taken to adopt a ‘deemed cost’ value at the date of transition for the freehold homes using their value as at 1 April 2014 thus creating a revaluation reserve equivalent to the increased value only of those homes that had risen in value. The balance of this reserve at 31 March 2018 was £10.4million.

The Trust’s Senior Management Team actively monitor reserves on behalf of the Board of Trustees and they are responsible for providing quarterly updates on the current situation and highlighting any potential problems that are envisaged.

Greensleeves Homes Trust currently has total reserves of £33.6million of which £122,000 are restricted (2017 £32.9million and £115,000 respectively). These restricted funds are made up by amenity funds raised specifically for our homes’ residents’ benefit.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Financial Review - continued

Investments

The Trustees of Greensleeves Homes Trust wish to ensure the sound and competent management of the Trust's financial assets in order to maximise the monies available to fulfil the charity's core purpose of meeting the needs of current and of future older people. In the light of this, investment of funds is weighted towards capital growth rather than immediate income with the aim of maintaining capital in the long term and making a sustainable and reliable return in line with RPI plus 4% (net of costs).

The Trustees have decided to place investments in a Common Investment Fund (CIF) established and approved by the Charity Commission and regulated by the Financial Services Authority. Day to day investment decisions are delegated to the Investment Manager, who follows the requirements set out below:

- Equity like returns at less than three quarters volatility of the equity markets;
- The Trust does not apply any restrictions on where investments are placed, other than that the CIF cannot be leveraged;
- Liquidity: all funds should be capable of being available in one week.

The Investment Manager produces a report at quarterly intervals, measuring performance over the last five years, using the above benchmark.

The Trustees review this policy and the appropriateness of the CIF and meet the Investment Manager at least every twelve months. The policy is also reviewed at any stage if there are any significant changes to the Trust's situation.

The Trust's investments are overseen by Schroder & Co. Limited with the majority of monies now being held in their Charity Multi-Asset Fund. During the year, income of £64,700 was generated of which £64,500 was used to purchase additional units. Investment manager fees of £4,100 were funded through the disposal of units which generated realised gains of £600. At the year end, we recorded unrealised losses of £46,000 which is a result of the investments decreasing in value since they were purchased. Taking gains and fees into consideration, the portfolio's market value as at 31 March 2018 stood at £1.70million (2017: £1.68million plus cash balances of £1,102).

Temporary surplus funds derived from the proceeds of the loan from Retail Charity Bonds Plc are being held on short term deposit pending utilisation on planned development activity.

Going concern

The Trustees believe the Charity is a going concern as it has adequate resources to continue in operational existence for the foreseeable future. There are sufficient cash reserves and whilst the loan from Retail Charity Bonds Plc amounts to £33million and is unsecured, future cash flows will meet the six monthly interest payments as they fall due and monies will be accrued in readiness for its repayment in 2026.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Strategic Report - Plans for the Future

The Board have identified two key strategic goals:

- Quality Improvement - Ensure continuous enhancement in the quality of care provided to residents and service users.
- Sustainable Development - Expand the charitable impact of Greensleeves in an enduring and affordable manner.

To this aim, we will continue to implement the Care and Quality Improvement Strategy and Resourcing Strategy that were formalised during this year.

Key Plans

In the coming year, our key plans are:

- To work toward all of the Trust's homes having a rating of at least Good from the Care Quality Commission.
- To continue to invest in the training and development of our staff to ensure that they are able to provide appropriate care for both current and future older generations.
- To continue to improve the standards of care and the overall service by developing the Eden Alternative philosophy with the ultimate aim of all of the Trust's current 22 homes being validated.
- To complete the acquisition of Whitegates, our new home in Westfield, near Hastings, Sussex.
- To further integrate our recently acquired homes, Glebelands and Rose Cottage into the Trust by ensuring the care provision is comparable to the Trust's homes and the financial results are in line with expectations.
- To mobilise our new build property, Lavender Fields, in Kent and integrate it into the Trust.
- To work towards commencing construction of our new home adjacent to Rye Hospital in Sussex.
- To commence major extension and development works at Croxley House in Croxley Green, Rickmansworth and at Mount Ephraim House in Tunbridge Wells.
- To continue to research potential development sites or new homes to expand the Trust's current portfolio of homes and the types of care it provides without jeopardising the financial strength of the Trust. This is in line with the medium to long term aim for the Trust to continue our sustainable growth.
- To increase the Trust's influence and visibility in the care sector by positively promoting our homes both locally and nationally.

Strategic Report - Risks and Uncertainties

Our Risk Register is reviewed on a quarterly basis by Trustees and by the Senior Management team. Mitigating actions are taken to minimise the likelihood and impact of all risks. The following are the key risks and uncertainties currently facing the Trust:

- Poor operational / care performance results in either Care Quality Commission enforcement action or the Trust fails to open new services effectively, leading to damage to the Trust's reputation and finances.
- Failure to meet the current regulatory requirements of the Care Quality Commission and the Charity Commission or to identify and comply with any changes in legislation.
- High staff turnover and our ability to recruit staff with sufficient knowledge, skills, expertise or experience to provide good care which could lead to higher use of agency staff and inconsistent care standards.
- The need to ensure sufficient funds are accrued in readiness for repaying the loan from Retail Charity Bonds Plc on maturity.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Structure, Governance and Management

Greensleeves Homes Trust is a company limited by guarantee and a registered charity. Its governing instrument is its Memorandum and Articles of Association.

The Trustees

At the time of signing these accounts, the Board of Trustees comprised eleven members who are responsible for the overall policy, direction and strategy of the Trust and for the oversight of its financial affairs. All attend Trustees' meetings, held throughout the year, at which the important matters affecting the Trust are discussed and decisions made.

Trustees are usually recruited with the support of an external agency specialising in non-executive recruitment. In recruiting new Trustees, the aim is to attract appropriate people who will complement the skill set of the existing Board and fill any identified skills gaps. Potential new Trustees are interviewed by the Nominations Committee or a panel of board members. Any suitable candidates are then recommended to the Board for appointment.

As part of their induction, all Trustees are issued with relevant key documentation including the Memorandum and Articles of Association, current annual budget and business plans, as well as information about regulatory requirements in the care and charity sectors. They also meet with the Chief Executive to discuss current strategy and future aims and objectives, as well as identifying any specific, additional training or induction needs. Going forward, Trustees are kept informed of any developments within the Trust and in legislation affecting the Trust by the Chief Executive and in board papers.

The current Trustees come from a wide range of backgrounds and provide the Trust with a high calibre of expertise and advice that complements support from our external advisers.

Finance & Audit Committee

The Finance & Audit Committee comprises five Trustees and has responsibility for providing the Board with assurance on the adequacy of all systems, controls and processes that may have an impact on the Trust's ability to meet its objectives and to ensure that its financial resources are being deployed appropriately in furtherance of its objectives.

Property Committee

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

Remuneration Committee

The Remuneration Committee comprises three Trustees and is responsible for advising the Board and Chief Executive on pay and reward throughout the Trust, with a particular focus on the pay of senior staff, on any reward and incentive scheme and on pension issues.

Care & Quality Improvement Committee

The Care & Quality Improvement Committee comprises five Trustees and is responsible for the clinical governance and risk management of resident safety and experience, quality standards and compliance, and service development / innovation.

Nominations Committee

The Nominations Committee meets as required and is responsible for effective succession planning for senior roles in the Trust such as the Chairman, Vice Chairman, Chairman of any standing committee, Trustees and the Chief Executive.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Structure, Governance and Management - Continued

Health and Safety

At Greensleeves Homes Trust we believe a safe environment for staff, residents and guests is an essential right and so we work hard to ensure that no one should come to any harm within any of our care homes. The responsibility for ensuring the safety and wellbeing of all is shared by everyone within the Trust and as such all staff are provided with relevant training, equipment and resources to achieve this goal.

To manage the provision of the training, equipment and resources, as well as the management of any accidents, incidents or near misses, a comprehensive Health and Safety Compliance process has been implemented that is ultimately overseen by the Board of Trustees with support from the Health and Safety Consultative Committee, Senior Management Team and Care Home Managers. We continue to strengthen our governance structure around Health and Safety; for example a Trustee is now a member of the Health and Safety Committee and the Health and Safety Policy is currently being extensively reviewed and updated.

During the year, we have had to submit two RIDDOR reports to the Health and Safety Executive in respect of minor issues which affected two separate members of staff at two different homes. As a result, actions were made to ensure that both incidents are not repeated.

Risk Assessment

Identifying possible areas of risk that could affect the Trust is taken very seriously. We have an active Risk Register, covering the business, operational and financial areas of the Trust, and it is regularly reviewed in detail by appropriate members of the Senior Management Team. The Team, which comprises senior members of Head Office staff, meet on a quarterly basis to discuss all existing risks and to identify any new ones. The Register is updated accordingly before it is subsequently considered by the Finance & Audit Committee. Its review also forms part of the agenda of the Trust's other committees as appropriate. A summary is then presented to the full Board of Trustees at their quarterly meeting. The Senior Management Team carries out a variety of internal controls on a regular basis to ensure that any potential problems are identified and tackled as soon as possible.

These internal reviews include:

- monthly visits to the homes by a rotation of Head Office staff that cover all aspects of the day to day running of each home including reviewing the areas of care, HR and health & safety.
- informal visits from the Senior Management Team who meet with the Home Manager and speak to staff, residents and relatives at the home.
- periodic inspections of each home's financial records by the Trust's Finance Team to ensure that everything is in order and that there is no potential misappropriation of the Trust's funds;
- continued training of staff to ensure that they have the relevant skills and knowledge to meet the needs of the Trust.
- regular visits to the homes by a rotation of Trustees.

In addition, we employ external providers who complete care, health and safety and financial audits thus giving additional reassurance.

During the year, our Internal Auditors, RSM completed the first round of financial audits visiting 16 homes and head office to ensure compliance with procedures and that there were no financial irregularities. Some minor control issues were identified and measures will be taken to address these in the coming year.

Management and Staffing

Trustees delegate the day-to-day running of the Charity to a full-time Chief Executive, who is supported by a Senior Management Team including the Chief Financial Officer, Chief Operating Officer and Director of Business Development. Among their many responsibilities are the development and strengthening of the services provided within the framework set by the Trustees, ensuring staff are recruited who understand the Trust's values and the regulatory requirements in the care sector, and optimising the use of the Trust's assets. In addition they provide strategic and operational leadership ensuring that regulatory requirements are met, agreed standards of service are maintained within budget and new sustainable income streams and development opportunities are identified.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Structure, Governance and Management - Continued

Other key members of Head Office staff also assist with day to day operations and are involved in forward planning and the focus of the Trust. In anticipation of the Trust's increasing development plans, during the year, additional staff were added at Head Office and further people will be recruited in the coming year. This has impacted costs for the year.

Throughout the year, the home managers attend a variety of seminars and Trust wide training events to ensure that they are kept informed of any care, HR, financial, property and health and safety issues. External speakers are invited to attend the events to share their knowledge and experience.

The Trust has a formal Remuneration Policy which is regularly reviewed. The Policy helps ensure we reward, motivate and retain staff with a particular focus on ensuring our staff members maintain high standards of care for our residents. We are committed to ensuring a proper balance between paying our staff fairly so we attract and retain the best people for the job whilst carefully managing our financial net income. The Board of Trustees make the final decision on any staff-wide pay increases as part of the annual budget-setting process.

The pay of senior staff is reviewed and benchmarked against other similar care providers annually. In addition, a biennial, independent remuneration review is conducted by an external consultancy to provide benchmarking support on both pay and benefits provision. The Remuneration Committee determine the level of increase giving specific consideration to Executive pay namely, the Chief Executive, the Chief Financial Officer, the Chief Operating Officer and the Director of Business Development posts. In setting the salary for these four roles the Trust will take into consideration market data and the future growth plans for Greensleeves Homes Trust.

The Trustees would like to take this opportunity to thank all staff for their contribution during the year.

Employee involvement

The Trust has established work practices in place that enable effective communication and engagement with staff, for example the quarterly staff newsletter and the staff engagement survey. Staff meetings are held at all homes on a regular basis which give employees the opportunity to discuss any issues and make suggestions on how their home operates.

Disabled Persons

We are committed to encouraging diversity amongst our workforce and seek to make reasonable adjustments to ensure our premises and working conditions meet the needs of staff members and job applicants that are disabled. All staff are afforded the same opportunities.

Volunteers

Greensleeves Homes Trust and its residents are fortunate to benefit from a multitude of volunteers who support our homes. These volunteers give their time freely to help us in a number of ways including assisting with activities, facilitating fundraising events or simply providing friendly conversation and companionship to residents. The Trustees are extremely grateful to all those volunteers who support us in delivering a valued and important service and making such a positive contribution to the lives of not only our residents but our staff as well.

Subsidiary undertaking

The Trust has a subsidiary, Greensleeves Developments Limited. It is currently dormant but is being kept in existence in case a trading subsidiary is required for any future activities. Details can be found in note 5 of the notes to these financial statements.

GREENSLEEVES HOMES TRUST
REPORT OF THE BOARD OF TRUSTEES
(INCORPORATING THE REPORT OF THE DIRECTORS AND THE STRATEGIC REPORT)
FOR THE YEAR ENDING 31 MARCH 2018

Structure, Governance and Management - Continued

Fundraising

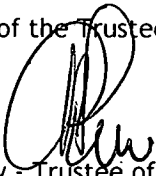
Part of the Trust's income is from donations and fundraising. The donations are generally unsolicited and are received from the families of residents after they have left the home. Fundraising income is generated by events held at homes, for example, raffles, summer fayres, firework displays or Christmas parties. These can be ticketed events at which donated goods might be sold to raise funds. Any monies raised are used for general amenity purposes or for larger purchases such as a new minibus and, in both cases, for the residents' use. These events are organised in house by our own staff, sometimes with the assistance of local volunteers. We have strict controls around fundraising and ensure that any cash is handled by two or more people. Participation in any fundraising is voluntary and we do not unduly pressure people into giving money or other donations.

Reports to the Charity Commission

During the year, we notified the Charity Commission of a safeguarding issue involving one of our residents. It was discovered that a member of the resident's family, who held power of attorney, had misappropriated the resident's funds. As a result, the local Safeguarding Team and the Police were involved and ultimately the family member received a prison sentence. The resident continues to be cared for at the home and the Police were able to recover some of their funds.

The Report of the Board of Trustees and the Strategic Report are formally approved by the Trustees. They also approve the Strategic Report in their capacity as company directors.

By Order of the Trustees



Mr C Shaw - Trustee of Greensleeves Homes Trust
2 August 2018

GREENSLEEVES HOMES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2018

The trustees (who are also directors of Greensleeves Homes Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Opinion

We have audited the financial statements of Greensleeves Homes Trust (the 'charitable company') for the year ended 31 March 2018 which comprise of the primary statements such as the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Who we are reporting to

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 2 to 14 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Annual Report.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

William Devitt

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Milton Keynes

Date: 16 August 2018

GREENSLEEVES HOMES TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2018

	<u>Notes</u>	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £
INCOME FROM							
Charitable activities							
Residents' care fees		33,569,989	-	33,569,989	28,304,919	-	28,304,919
Residents' sundries		269,394	-	269,394	246,379	-	246,379
Rental income		345,741	-	345,741	91,030	-	91,030
Raising funds							
Donations and fundraising		1,356	80,492	81,848	5,279	75,561	80,840
Investments	2	124,758	-	124,758	62,658	-	62,658
Other							
Miscellaneous income		28,268	-	28,268	19,933	-	19,933
Surplus from sale of fixed assets		225,579	-	225,579	14,949	-	-
TOTAL		34,565,085	80,492	34,645,577	28,730,198	75,561	28,805,759
EXPENDITURE ON							
Charitable activities							
Residents' care costs	3	31,761,279	51,941	31,813,220	26,174,202	46,424	26,220,626
Head Office costs	3	1,831,201	-	1,831,201	1,366,613	-	1,366,613
Rental costs	3	139,218	-	139,218	37,422	-	37,422
Raising funds							
Investment manager fees	3	4,084	-	4,084	3,596	-	3,596
Cost of raising finance	3	90,692	-	90,692	893,472	-	893,472
TOTAL	3	33,826,474	51,941	33,878,415	28,475,305	46,424	28,521,729
INVESTMENT GAINS / (LOSSES)	9	(45,434)	-	(45,434)	190,643	-	190,643
NET INCOME		693,177	28,551	721,728	445,536	29,137	474,673
Transfer between funds	12	21,045	(21,045)	-	55,295	(55,295)	-
NET MOVEMENT IN FUNDS		714,222	7,506	721,728	500,831	(26,158)	474,673
FUNDS AT 1 APRIL 2017	12	32,769,082	114,745	32,883,827	32,268,251	140,903	32,409,154
FUNDS AT 31 MARCH 2018	12	33,483,304	122,251	33,605,555	32,769,082	114,745	32,883,827

All of the above results are derived from continuing activities.

The notes on pages 21 to 32 form part of these financial statements.

GREENSLEEVES HOMES TRUST

BALANCE SHEET
31 MARCH 2018

	<u>Notes</u>	<u>2018</u> £	<u>2017</u> £
FIXED ASSETS			
Tangible assets	7	54,809,170	43,289,568
Investment in Subsidiary	5	4	4
		<hr/> 54,809,174	<hr/> 43,289,572
CURRENT ASSETS			
Debtors	8	2,209,294	1,218,731
Investments	9	1,699,912	1,683,636
Bank and cash balances		10,853,500	22,299,861
		<hr/> 14,762,706	<hr/> 25,202,228
CURRENT LIABILITIES			
Amounts falling due within one year	10	(1,851,497)	(1,850,166)
		<hr/>	<hr/>
NET CURRENT ASSETS		<hr/> 12,911,209	<hr/> 23,352,062
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 67,720,383	<hr/> 66,641,634
CREDITORS			
Amounts falling due after more than one year	10	(34,114,828)	(33,757,807)
		<hr/>	<hr/>
NET ASSETS		<hr/> 33,605,555	<hr/> 32,883,827
UNRESTRICTED FUNDS			
General funds		23,124,813	22,302,960
Revaluation reserve		10,358,491	10,466,122
	12	<hr/> 33,483,304	<hr/> 32,769,082
RESTRICTED FUNDS	12	<hr/> 122,251	<hr/> 114,745
TOTAL FUNDS	13	<hr/> 33,605,555	<hr/> 32,883,827

Approved by the Board of Trustees and authorised for issue on 2 August 2018 and signed on their behalf by:

.....
Mr C Shaw - Trustee of Greensleeves Homes Trust

The notes on pages 21 to 32 form part of these financial statements.

Company Registered Number 03260168

GREENSLEEVES HOMES TRUST

CASH FLOW STATEMENT

31 MARCH 2018

	<u>2018</u> £	£	<u>2017</u> £	£
Cash flows from operating activities		1,503,145		2,033,323
Cash flows from investing activities				
Dividends received	64,692		61,428	
Interest received	60,066		1,230	
	<hr/>	124,758	<hr/>	62,658
Purchases of tangible assets	(13,297,952)		(2,082,500)	
Sale of tangible assets	233,400		-	
Purchases of investments	(64,479)		(60,326)	
Sales of investments	2,769		3,596	
	<hr/>	(13,126,262)	<hr/>	(2,139,230)
Net cash used in investing activities		(13,001,504)		(2,076,572)
Cash flows from financing activities				
New loan facilities	-		33,000,000	
Capitalisation of costs	(2,563)		(488,770)	
Amortisation of capitalised costs	54,561		298	
Capital repayments	-		(10,959,583)	
	<hr/>	51,998	<hr/>	21,551,945
Net cash provided by financing activities		51,998		21,551,945
Change in cash and cash equivalents in the reporting period		(11,446,361)		21,508,696
Cash and cash equivalents at beginning of reporting period		22,299,861		791,165
Cash and cash equivalents at end of reporting period		<hr/> <hr/> 10,853,500		<hr/> <hr/> 22,299,861
Reconciliation of net income to net cash flow from operating activities				
Net income for the reporting period		721,728		474,673
(Increase) in debtors		(990,563)		(23,966)
Increase in creditors		306,354		463,735
Depreciation		1,770,529		1,372,182
Dividends and interest from investments		(124,758)		(62,658)
Net losses / (gains) on investments		45,434		(190,643)
Gains on fixed asset disposals		(225,579)		-
		<hr/>		<hr/>
Net cash provided by operating activities		1,503,145		2,033,323
Analysis of cash and cash equivalents				
		Cash at 31 March <u>2018</u>		Cash at 31 March <u>2017</u>
Cash at bank		<hr/> <hr/> 10,853,500		<hr/> <hr/> 22,299,861

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. They are in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

The currency used in the financial statements is Pound Sterling.

(b) Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions concerning the future. The areas of the financial statements that are subject to these judgements are as follows:

- Care home debtors: An allowance for bad and doubtful debts is maintained in respect of estimated losses resulting from the inability of the Charity's debtors to settle amounts due.
- Fixed asset valuation: On transition to FRS 102, the decision was taken to adopt a 'deemed cost' value for the freehold homes so as to give a truer indication of their value. A professional valuation was therefore undertaken as at 1 April 2014; being the transition date, and the carrying value of all homes held at that date is based on this valuation less provision for depreciation and impairment subsequently charged. Additions are stated at cost less depreciation. The existence of impairment indicators is considered by the Trustees at each reporting date, as is the continuing appropriateness of the depreciation policy.
- Loan measurement: Future payments have been estimated in respect of the loan in computing the effective interest rate at inception, with a periodic re-assessment being undertaken of the effective rate as a floating rate instrument based on actual outcomes during the loan term.

(c) Income recognition

Residents' care fees, rental income and donations are recognised when the Charity has entitlement to the amounts due and their receipt is probable. It is accounted for on a receivable basis.

Income from investments or bank interest is included when receivable and the amount can be measured reliably by the Charity; this is normally on notification by our investment advisor or by the bank.

Investment income, including bank interest, is stated gross as it is paid without deduction of tax.

(d) Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment where it can be reliably measured and it is probable settlement will be required.

Expenditure is allocated to the particular activity where it directly relates to that activity. Any that is not directly attributable to one activity is allocated as appropriate.

Expenditure on raising funds comprise the fees paid to the manager of our investment portfolio, charges incurred in repaying existing bank loans early and the amortisation of initial costs incurred in respect of the loan from Retail Charity Bonds Plc. Rental costs are in respect of a small number of rental properties owned by the Trust.

(e) Fixed assets

Fixed assets are stated at cost (or, in the case of some freehold property, deemed cost) less accumulated depreciation. Cost includes the original purchase price and any associated costs directly attributable to bringing the asset to its working condition for its intended use.

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

1 ACCOUNTING POLICIES - continued

The cost or deemed cost of each home's building value is split into two elements:

- 'Core' which includes foundations, walls, stairs, roof structure, site works, drainage and external services and has a longer life.
- 'Renewables' which includes windows, roof coverings, bathrooms, kitchens, lifts and mechanical and electrical services and have a shorter life.

Each home has been assessed for its remaining useful life and is depreciated accordingly.

Land is not depreciated. Depreciation and amortisation of other fixed assets is provided on a straight line basis to write off the cost over the estimated useful lives of the assets:

Freehold property - Core	-	over the lower of 50 years or the estimated remaining useful life of the home
Freehold property - Renewables	-	over the lower of 20 years or the estimated remaining useful life of the home
Long-term leasehold property	-	over the period of the specific lease
Computer equipment	-	over three years
Furniture and equipment	-	over five years
Motor vehicles	-	over four years

Fixed assets include amounts in respect of significant development contracts' valuation certificates received immediately after the year end on the assumption that the work thereon would have occurred prior to the year end.

Where a development at one of our homes is being funded by way of bank finance, any loan interest and associated charges that are attributable to the period during which the works are being undertaken are capitalised as part of the project's cost.

A review for impairment of a fixed asset is carried out at each reporting date to determine if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Depreciation is charged from when an asset is available for use.

(f) Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed funds and company shares are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the quoted market price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(g) Debtors and prepayments

Trade and other debtors are recognised at the amount due on the day that they arise. Prepayments are amounts paid in advance and are stated at the actual amount that has been prepaid.

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

1 ACCOUNTING POLICIES - continued

(h) Bank and cash equivalents

Bank and cash equivalents consist of monies held in current accounts and cash monies held at the Charity's homes and head office. They include monies in respect of both restricted and unrestricted funds

(i) Creditors and accruals

Creditors and accruals are recognised when the Charity has an obligation to make a payment to a third party. Capital repayments due on long-term loans are stated at today's value and are split into instalments due within the next twelve months or due after more than twelve months. Residents' deposits are amounts collected from residents on admission and are repayable on departure. They are classified as long term liabilities.

(j) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the term of the lease.

(k) Funds

General funds are unrestricted funds held for the general objects of the Trust's work. Restricted funds are funds used for specific purposes as laid down by the donor. Expenditure which meets this criterion is identified to the specific fund.

(l) Pension

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered Scheme. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

(m) Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

1 ACCOUNTING POLICIES - continued

(n) Going concern

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Charity has adequate resources to continue in operational existence for the foreseeable future. There are sufficient cash reserves and whilst the loan from Retail Charity Bonds Plc amounts to £33million and is unsecured, future cash flows will meet the six monthly interest payments as they fall due and monies will be accrued in readiness for its repayment in 2026.

2 INVESTMENT INCOME

	<u>2018</u> £	<u>2017</u> £
Dividends	64,692	61,428
Bank interest	60,066	1,230
	<u>124,758</u>	<u>62,658</u>

3 EXPENDITURE

(a) Analysis of expenditure

	Staff costs (note 4) £	Other care costs (note 3b) £	Other Support costs (note 3c) £	Governance costs (note 3d) £	Total 2018 £	Total 2017 £
Unrestricted funds						
Charitable activities						
Residents' care costs	22,229,833	9,531,446	-	-	31,761,279	26,174,202
Head Office costs	561,595		1,176,623	92,983	1,831,201	1,366,613
Rental costs	25,031	-	114,187	-	139,218	37,422
Raising funds						
Investment manager fees	-	-	4,084	-	4,084	3,596
Cost of raising finance	-	-	90,692	-	90,692	893,472
	<u>22,816,459</u>	<u>9,531,446</u>	<u>1,385,586</u>	<u>92,983</u>	<u>33,826,474</u>	<u>28,475,305</u>
Restricted funds						
Charitable activities						
Residents' care costs	-	51,941	-	-	51,941	46,424
	<u>-</u>	<u>51,941</u>	<u>-</u>	<u>-</u>	<u>51,941</u>	<u>46,424</u>
Total expenditure	<u>22,816,459</u>	<u>9,583,387</u>	<u>1,385,586</u>	<u>92,983</u>	<u>33,878,415</u>	<u>28,521,729</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

3 EXPENDITURE - continued

(b) Analysis of other care costs

	<u>2018</u> £	<u>2017</u> £
Charitable activities		
Food	1,538,822	1,352,101
Medical costs	104,938	81,442
Activities	453,609	401,633
Care Quality Commission fees	127,152	108,638
Maintenance	1,831,026	1,395,509
Cleaning and housekeeping	685,146	606,103
Insurance	134,675	121,027
Utilities costs	829,985	698,421
Administration costs	322,166	309,359
Loan interest and charges	1,402,564	496,544
Leasehold rents	459,494	447,595
Depreciation	1,693,810	1,340,142
	<hr/> 9,583,387 <hr/>	<hr/> 7,358,514 <hr/>

(c) Analysis of head office support costs

	<u>2018</u> £	<u>2017</u> £
Professional fees in respect of development plans	124,343	162,627
HR, health & safety, energy consultancy plus other professional fees	182,595	138,412
Trust-wide computer services	328,095	235,597
Head office running costs	466,424	306,309
Depreciation	75,166	30,244
	<hr/> 1,176,623 <hr/>	<hr/> 873,189 <hr/>

(d) Analysis of governance costs

	<u>2018</u> £	<u>2017</u> £
Legal and professional fees	9,545	4,910
Audit fees for current year	36,000	31,200
Audit fees in respect of previous year	4,644	1,920
Internal auditor fees	36,000	-
Trustees' expenses	2,935	4,689
Trustee recruitment	2,461	7,140
Trustee training and development	1,398	5,133
	<hr/> 92,983 <hr/>	<hr/> 54,992 <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

4 WAGES AND SALARIES

	<u>2018</u> £	<u>2017</u> £
Summary of wages and salaries allocation in respect of:		
Residents' care costs	22,229,833	18,862,112
Head Office costs	561,595	438,432
Rental costs	25,031	-
	<hr/> 22,816,459	<hr/> 19,300,544
Analysis of wages and salaries:		
Salaries	18,387,022	15,357,572
National insurance costs	1,177,300	927,095
Pension costs	285,953	251,882
Apprenticeship Levy	72,736	-
Agency staff	2,018,853	1,990,975
Training	286,416	306,006
Recruitment	239,044	180,890
Other staff costs	349,135	286,124
	<hr/> 22,816,459	<hr/> 19,300,544

Central staff costs are allocated to residents' care costs or head office costs based on the activities being undertaken.

As at 31 March 2018, total pension contributions still to be paid over to employees' policies amounted to £56,977 (2017: £55,315).

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

	<u>2018</u> FTE	<u>2018</u> Number	<u>2017</u> FTE	<u>2017</u> Number
Residents' care	858	1,102	754	985
Head office - Homes' support	20	20	18	18
Head office - Central administration	6	6	6	6
	<hr/> 884	<hr/> 1,128	<hr/> 778	<hr/> 1,009

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

	<u>2018</u> Number	<u>2017</u> Number
£60,001 to £70,000	2	3
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
£90,001 to £100,000	1	-
£120,001 to £130,000	1	1
	<hr/> 6	<hr/> 6

Pension contributions paid on behalf of the six above employees for the year amounted to £23,865 (2017: £25,497 for six employees).

Key management personnel consist of the Chief Executive, Chief Financial Officer, Chief Operating Officer and Director of Business Development whose total employment benefits for the year including employer pension contributions were £384,896 (2017: £327,163 although figures are not directly comparable due to changes in the staff structure which happened part way through the year ended 31 March 2017).

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

5 SUBSIDIARY RESULTS

Greensleeves Developments Limited (company number 02898839 - Registered Office at 54 Fenchurch Street, London EC3M 3JY) is a wholly owned dormant subsidiary of the Charity. It has in issue 4 Ordinary Shares with a nominal value of £1 and has not traded throughout the current or prior year, generating neither a profit nor loss. Its net assets at the end of both years amounted to £56.

As the subsidiary is considered dormant, has not traded and is not material, it has not been consolidated into these financial statements.

6 TRUSTEE AND RELATED PARTY TRANSACTIONS

The Trustees received no remuneration for their services during the current or prior year. Travel expenses of £2,935 were reimbursed to 10 Trustees during the year (2017: £4,689 for 10 Trustees).

7 TANGIBLE ASSETS

	<u>Freehold property</u> £	<u>Long term leasehold property</u> £	<u>Computer equipment</u> £	<u>Furniture and equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost						
At 1 April 2017	43,861,404	883,175	415,349	4,340,858	132,306	49,633,092
Additions during the year	11,720,324	298,697	205,210	1,056,766	16,955	13,297,952
Disposals during the year	(12,098)	-	(11,512)	(1,187,858)	(9,650)	(1,221,118)
At 31 March 2018	55,569,630	1,181,872	609,047	4,209,766	139,611	61,709,926
Depreciation						
At 1 April 2017	2,450,353	56,995	319,838	3,432,706	83,632	6,343,524
Charge for the year	1,054,427	31,532	142,912	515,392	26,266	1,770,529
Disposals during the year	(4,342)	-	(11,509)	(1,187,797)	(9,649)	(1,213,297)
At 31 March 2018	3,500,438	88,527	451,241	2,760,301	100,249	6,900,756
Net book value at 31 March 2018	52,069,192	1,093,345	157,806	1,449,465	39,362	54,809,170
Net book value at 31 March 2017	41,411,051	826,180	95,511	908,152	48,674	43,289,568

Freehold property includes £24.72 million of land which is not depreciated.

Included under freehold property are assets with a net book value as at 31 March 2018 of £33.76 million which are included at deemed cost less depreciation based on a valuation dated 1 April 2014 (the date of transition to FRS 102). The valuation was undertaken by Knight Frank.

Future capital expenditure contracted for at 31 March 2018 but not provided for in these accounts amounted to £330,000 (2017: £353,000).

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

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

8 DEBTORS

	<u>2018</u> £	<u>2017</u> £
Amounts due within one year:		
Residential care home debtors	950,363	520,888
Other debtors	204,853	125,792
Prepayments and accrued income	1,054,078	572,051
	<u>2,209,294</u>	<u>1,218,731</u>

9 CURRENT ASSET INVESTMENTS

	<u>2018</u> £	<u>2017</u> £
Market value at 1 April 2017	1,683,636	1,436,263
Add: additions to investments at cost	64,479	60,326
Book value of disposals in year		
Proceeds from sales	(2,769)	(3,596)
Realised gain	577	585
	<u>(2,192)</u>	<u>(3,011)</u>
Net unrealised gain / (loss) in the year	(46,011)	190,058
Market value at 31 March 2018	<u>1,699,912</u>	<u>1,683,636</u>
Cost at 31 March 2018	<u>1,400,755</u>	<u>1,344,613</u>
	<u>2018</u> £	<u>2017</u> £
Investments are represented by:		
Schroder Charity Multi-Asset Fund	1,699,912	1,683,392
Corporate bonds	-	244
	<u>1,699,912</u>	<u>1,683,636</u>

All investments are held in the United Kingdom but the Schroder Charity Multi-Asset Fund does have some exposure to overseas investments.

Realised gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

10 CREDITORS

	<u>2018</u> £	<u>2017</u> £
Amounts due within one year:		
Trade creditors	875,137	862,123
Other creditors and accruals	676,290	538,000
Payments in advance	300,070	450,043
	<hr/> 1,851,497	<hr/> 1,850,166

Payments in advance relate to fee invoices raised before the year end which cover periods in the following year. It also includes monies paid in advance of future fees or refunds due to be made post year end. The amount of £450,043 at the end of 2017 was released in full in the year ended 31 March 2018.

Amounts due after more than one year:		
Loan from Retail Charity Bonds Plc	32,563,526	32,511,528
Residents' deposits	1,551,302	1,246,279
	<hr/> 34,114,828	<hr/> 33,757,807

On 30 March 2017, Retail Charity Bonds Plc (RCB Plc) launched the Greensleeves Homes Trust Retail Charity Bond which was issued through their Retail Charity Bonds platform and is listed on the London Stock Exchange.

RCB Plc raised £33million from the issue of bond. It was issued for a period of nine years at a fixed rate of interest of 4.25% with the option to extend the term by a further two years. All funds raised were loaned to the Trust on the same terms as the bond. Interest is paid six monthly in arrears. There is an annual arrangement fee at an initial rate of 0.1% of the loan which is payable six monthly in advance. This fee is subject to a yearly increase in line with the Retail Price Index.

Costs in respect of the bond issue of £491,332 have been capitalised and are to be amortised over the term of the loan. The year end position is as follows:

	<u>2017</u> £	<u>2017</u> £
Loan value	33,000,000	33,000,000
Capitalised costs	(491,332)	(488,770)
Amortisation of capitalised costs	54,858	298
	<hr/> 32,563,526	<hr/> 32,511,528

The loan is repayable in full in March 2026. It is unsecured and has two main covenants.

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

10 CREDITORS - continued

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

	<u>2018</u> £	<u>2017</u> £
Due within one year	-	-
Due between two and five years	-	-
Due after more than five years	32,563,526	32,511,528
	<u>32,563,526</u>	<u>32,511,528</u>

11 OPERATING LEASES

All operating leases are in respect of property.

Rents paid in the year amounted to £447,595.

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

	<u>2018</u> £	<u>2017</u> £
Due within one year	465,000	450,000
Due within two to five years	1,862,000	1,799,000
Due after five years	13,209,000	12,763,000
	<u>15,536,000</u>	<u>15,012,000</u>

The amounts payable increase annually over the course of the lease in line with the Retail Price Index. The amounts shown above make no assumption for this and are based on the current annual rent.

12 FUNDS

	At 1 April <u>2017</u> £	<u>Income</u> £	<u>Expenditure</u>	Investment <u>(losses)</u> £	Transfer between Funds £	At 31 March <u>2018</u> £
Unrestricted						
General funds	22,302,960	34,565,085	(33,718,843)	(45,434)	21,045	23,124,813
Revaluation reserve	10,466,122	-	(107,631)	-	-	10,358,491
Total unrestricted funds	<u>32,769,082</u>	<u>34,565,085</u>	<u>(33,826,474)</u>	<u>(45,434)</u>	<u>21,045</u>	<u>33,483,304</u>
Restricted						
Amenity funds	114,745	80,492	(51,941)	-	(21,045)	122,251
Total restricted funds	<u>114,745</u>	<u>80,492</u>	<u>(51,941)</u>	<u>-</u>	<u>(21,045)</u>	<u>122,251</u>
Total funds	<u>32,883,827</u>	<u>34,645,577</u>	<u>(33,878,415)</u>	<u>(45,434)</u>	<u>-</u>	<u>33,605,555</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

12 FUNDS - continued

General funds are unrestricted funds held for the general objects of the Trust's work.

The **revaluation reserve** represents the remainder of the increase in freehold homes property values that arose on transition to FRS 102 and the adoption of a deemed cost valuation. The £107,631 reduction in the year reflects the increased depreciation which arose as a result and is charged to income and expenditure.

The **amenity funds** represent monies raised by each home to be spent on specific projects and activities in that home.

Transfer between funds of £21,045 represents the purchase of a motor vehicle and the purchase of some activity equipment. Both are for the residents' use at one home and were funded by amenity funds.

13 ANALYSIS OF ASSETS BETWEEN FUNDS

	<u>Restricted funds</u> £	<u>Revaluation reserve</u> £	<u>General funds</u> £	<u>Total</u> £
Tangible fixed assets	-	10,358,491	44,450,683	54,809,174
Investments	-	-	1,699,912	1,699,912
Other current assets	122,251	-	12,940,543	13,062,794
Current liabilities	-	-	(1,851,497)	(1,851,497)
Long term liabilities	-	-	(34,114,828)	(34,114,828)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	122,251	10,358,491	23,124,813	33,605,555
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14 FINANCIAL INSTRUMENTS

	<u>2018</u> £	<u>2017</u> £
Financial assets		
Financial assets measured at fair value through income and expenditure	10,853,500	22,299,861
Financial assets measured at amortised cost	1,155,216	646,680
	<hr/>	<hr/>
	12,008,716	22,946,541
	<hr/> <hr/>	<hr/> <hr/>
Financial liabilities		
Financial liabilities measured at amortised cost	35,666,255	35,157,930
	<hr/> <hr/>	<hr/> <hr/>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

Financial assets measured at amortised cost comprise residential care home debtors and other debtors.

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

15 TAXATION

Greensleeves Homes Trust is a registered charity and it is therefore exempt from taxation on its charitable activities as it falls within the definition of Charitable Company as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen during the year.

GREENSLEEVES HOMES TRUST
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

16 CONNECTED ENTITIES

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

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

17 POST BALANCE SHEET EVENTS

Lavender Fields - On 12 July 2018, we signed the lease on our new build home in Seal, near Sevenoaks, Kent which will provide residential and dementia care for up to 75 residents.

Whitegates - On 31 July 2018, the acquisition of Whitegates, a residential care home providing care for up to 22 residents in Westfield, near Hastings Sussex at a cost of £3.3million. The home has potential for extending which would result in an additional 30 resident rooms.