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# **GREENSLEEVES HOMES TRUST**

**ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2005**



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**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 2005**

**GREENSLEEVES HOMES TRUST**  
**ANNUAL REPORT**  
**YEAR ENDED 31 MARCH 2005**

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# **GREENSLEEVES HOMES TRUST**

## **LEGAL AND ADMINISTRATIVE DETAILS**

(A Company limited by Guarantee not having a share capital –  
Company Registered Number 03260168)  
(Charity Registration Number 1060478)

### **TRUSTEES AND DIRECTORS**

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

### **COMPANY SECRETARY**

Mr D V P Frost CA

### **REGISTERED OFFICE**

151 Clapham Road  
London  
SW9 0PU

### **AUDITORS**

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

### **BANKERS**

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

### **SOLICITORS**

Moonbeever  
24-26 Bloomsbury Square  
London  
WC1A 2PL

### **INVESTMENT ADVISORS**

Tilney  
Donaldson House  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

# **GREENSLEEVES HOMES TRUST**

## **REPORT OF THE BOARD**

### **YEAR ENDED 31 MARCH 2005**

The Trustees (who are also the directors for the purposes of the company law) submit their report and accounts for the year ended 31 March 2005.

#### **Basis and values**

Greensleeves Homes Trust is a charitable organisation providing care and accommodation for elderly people, primarily but not exclusively through residential care services. The latter are provided in 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 those set out in "Homes are for living in", namely: -

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

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

#### **Objects**

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

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

#### **Current focus**

The current focus of Greensleeves Homes Trust's work is to provide residential care, comfort and security to elderly men and women, at an economic price that reflects our charitable status. Greensleeves Homes Trust currently employs approximately 620 staff who are supported by volunteer groups in most homes, and there are approximately 500 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, Hertfordshire, Isle of Wight, Kent, Suffolk (3), East Sussex, Warwickshire, Wiltshire, Worcestershire 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 – 4 bungalows.  
Other areas: Lancing – 1 flat in a larger older house; Bridport – 1 house.

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

# **GREENSLEEVES HOMES TRUST**

## **REPORT OF THE BOARD**

### **YEAR ENDED 31 MARCH 2005**

#### **Agenda for action**

It has been a busy year for Greensleeves Homes Trust, mainly on the development front, with continuing Homes' works coming to fruition and further ones commencing.

The redevelopment of our home in Acton, Torkington House, which involved demolishing part of the home and rebuilding a larger wing resulting overall in an additional 18 rooms was finally completed in March 2005, approximately six months late. This lateness was the result of various construction problems particularly with the installation of a new style metal roof, which meant that anticipated extra income was not achieved, explaining in part the reduction in operating surplus this year. Fortunately the end result is a modern purpose built wing that will house residents in comfort of many years, which will be further enhanced by new kitchen and laundry facilities over the coming year.

Work at Arden House in Leamington Spa was also completed during the year. This was a smaller scale development, involving the addition of two large rooms on the top floor of the home, improvements to the public facilities and general improvements to existing rooms. Again the program was more protracted than scheduled, mainly due to unexpected additional works which further effected the financial results for the year.

On a more positive note the major redevelopment of Grosvenor House, St Leonards-on-sea, continues a pace. These works, involving the near demolition and rebuilding of the interior of the existing home, follow many years of planning and discussion, and should result in some of the best accommodation the Trust has to offer.

Other works scheduled for the near future include ones at St Cross Grange and Pelsall Hall, both of which have already received planning permission, and also Broadlands and Kingston House. The development at St Cross Grange will be funded by the sale of part of the Home's grounds. This land was identified for disposal sometime ago and, following a detailed tendering process with a number of interested parties, the sale is only now nearing completion. Sale proceeds amount to £1.6 million, and the Trustees thought this an ideal opportunity to raise additional funds to enable the fulfilment of our business plan. The funds will be further supplemented by the sale of Hurrens, a cottage in Suffolk, which is currently let as part of our non core activities.

Also during the year a new home, Borovere, was identified for purchase with completion taking place in April 2005. This home situated in Alton, Hampshire was purchased from the Ironmongers, a City Livery company and adds a further 30 beds to the Trust's housing stock.

Finally, a further home for purchase in Stowmarket, Suffolk, has been identified. Negotiations are at a very early stage and are dependent on us receiving planning permission for a major redevelopment.

#### **Corporate governance and risk management**

Greensleeves Homes Trust is a company limited by guarantee and a registered charity. Its governing instrument is the Memorandum and Articles of Association incorporated on the 8<sup>th</sup> day of October 1996. Its governing body is the Trustees, who are responsible for the overall policy, direction and strategy of the Trust, and for the oversight of its financial affairs. As at 31 March 2005 the Board of Trustees comprised 7 members who met 9 times during the year.

Risk assessment remains at the forefront of the Trust's minds and the programme started last year by Mulberry House continued this year, with all identified risks at the homes being addressed by 31 December 2005. Mulberry House are due to revisit the homes shortly which should lead to us receiving accreditation for three years which will go some way in protecting us against any possible situations that could affect the Trust's finances and reputation.

Internal controls also continue with monthly visits to the homes by a rotation of Head Office staff who carry out Regulation 26 inspections to ensure that the Trust is operating within the guidelines set by the Commission for Social Care Inspection. In addition to these the Trust's Financial Controller also performs regular checks on site ensuring financial records are being properly kept and that there is no potential misappropriation of the Trust's funds.

On the employment front, at the end of March 2005 the Trust's Care Manager retired and was replaced by two Operations Managers. These posts were filled by promoting two of Trust's existing Home Managers, and it is their role to help with our monthly Regulation 26 audit visits and to provide help and assistance to other Home Managers throughout the Trust and aid in the induction of new ones.

# **GREENSLEEVES HOMES TRUST**

## **REPORT OF THE BOARD**

### **YEAR ENDED 31 MARCH 2005**

Also during the year the recruitment of a successor to the Trust's Chief Executive commenced as our existing one retires at the end of September 2005. Fortunately, following a rigorous process involving visits to the Homes, presentations to the Trustees and numerous interviews, an appropriate candidate was identified and, following a month long handover, she will take over the role during September 2005.

#### **Equal opportunities**

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

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

#### **Organisation**

Responsibility for operational activities is allocated into three categories:-

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

#### **Review of transactions and financial position**

The consolidated balance sheet indicated that at 31 March 2005 the total funds of the group were £13.9 million. This was represented by tangible fixed assets of £11.6 million, investments of £ 2.5 million, net current assets of £1.4 million and long term liabilities of £1.5 million. Unrestricted funds of £13.5 million represents the reserves available to the organisation to fulfil its many existing commitments over the long term and also to finance the growth in activity envisaged in future plans.

The Statement of Financial Activities indicates that total incoming resources have increased by £0.4 million in the year to £9.0 million. Total resources expended for the year ended 31 March 2005 was £8.6 million, and overall a surplus of £0.4 million was produced on normal activities.

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

#### **Trading activities**

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

#### **Reserves Policy**

The Charity Commission defines free reserves as "income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the Charity's objectives, but which is not yet spent, committed or expended." At the balance sheet date the Trust has free reserves of £1.9 million (the balance on unrestricted funds less the carrying value of fixed assets).

# **GREENSLEEVES HOMES TRUST**

## **REPORT OF THE BOARD**

### **YEAR ENDED 31 MARCH 2005**

The Board of Trustees regularly reviews the reserve levels in the light of its planned activities. Currently, the Trustees have approved capital expenditure programme over the next five years of over £17 million in the form of redevelopment of existing homes and the purchase of a further two. This will be funded from the existing reserves, surpluses earned during those years, sale of non core activity assets, including part of the grounds at St Cross Grange for nearly £1.6 million, and loan financing. In light of the planned capital investment programme, it is expected that over the next five years the free reserves will reduce to approximately £1million, and this can be illustrated by a reduction in free reserves of £2.0 million this year.

#### **Investment Policy**

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

Over the past year the Trust has seen a total of realised and unrealised profits on investment of £416,431 and during this year it has been necessary to drawdown £500,000 from investments to fund the continuing redevelopment programme. As at 31 March 2005 the market value of investments stood at £2.5 million and Zero Bonds had a value of £0.3 million.

#### **Land and buildings**

The Trustees include land and buildings at cost within the financial statements. The Trustees consider that it would not be appropriate use of the Trust's funds to perform a professional valuation of the property portfolio solely for the purposes of the financial statements. Where the Trustees have considered that it is in the best interests of Greensleeves Homes Trust, property as noted within these financial statements has been sold and realised gains are separately disclosed within the financial statements.

#### **Members of the Board of Trustees**

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

#### **Planning, consultation and communication**

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

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

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

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

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

#### **Special acknowledgements**

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



# GREENSLEEVES HOMES TRUST

REPORT OF THE BOARD  
YEAR ENDED 31 MARCH 2005

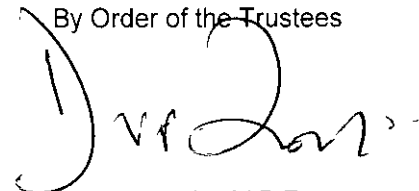
The staff throughout our Homes have continued to show a high level of professionalism and commitment to the interests of our residents, and the Trustees would like to thank them for their contribution.

As indicated in the report, the year has again been a challenging one for Head Office Staff. We operate in a constantly changing environment, but the performances of our staff and homes have continued to meet these fresh challenges. The Trustees would like to thank the Head Office team for their major contribution to the success of the charity during the past year.

## Auditors

On 23 May 2005, PKF transferred their business to PKF (UK) LLP, a limited liability partnership. Under section 26(5) of the Companies Act 1989, the company consented to extend the audit appointment to PKF (UK) LLP from 23 May 2005. Accordingly, the audit report has been signed in the name of PKF (UK) LLP and a resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming Annual General Meeting.

By Order of the Trustees



Douglas V P Frost  
Company Secretary

20 SEPTEMBER 2005

**GREENSLEEVES HOMES TRUST**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**YEAR ENDED 31 MARCH 2005**

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

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

The Trustees are responsible for keeping accounting records, which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the accounts comply with applicable law. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for ensuring that the Trustees Report and other information included in the annual report is prepared in accordance with Company Law in the United Kingdom.

## INDEPENDENT AUDITORS' REPORT TO GREENSLEEVES HOMES TRUST

We have audited the financial statements of Greensleeves Homes Trust for the year ended 31 March 2005 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

### Respective responsibilities of trustees and auditors

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

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

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

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

### Basis of audit opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's and the group's affairs as at 31 March 2005 and of the group's incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

London, UK  
23 September 2005

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 MARCH 2005**

	<u>Notes</u>	<u>Unrestricted funds</u> £	<u>Restricted funds</u> £	<u>Total 2005</u> £	<u>Total 2004</u> £
<b>INCOMING RESOURCES</b>					
Donations, legacies and similar incoming resources		18,541	52,252	<b>70,793</b>	31,923
Activities in furtherance of the charity's objects:					
Resident's fees		8,371,978	-	<b>8,371,978</b>	7,753,520
Investment income	2	159,888	6,986	<b>166,874</b>	229,879
Other incoming resources		171,891	-	<b>171,891</b>	151,024
Gain on disposal of current asset		-	-	-	406,227
Gain on disposal of fixed assets		272,766	-	<b>272,766</b>	112,935
<b>Total incoming resources</b>		<b>8,995,064</b>	<b>59,238</b>	<b>9,054,302</b>	<b>8,685,508</b>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds		15,100	-	<b>15,100</b>	10,594
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects:					
Home costs		8,171,570	50,446	<b>8,222,016</b>	7,154,149
Management and administration		374,506	-	<b>374,506</b>	287,024
<b>Total resources expended</b>	3	<b>8,561,176</b>	<b>50,446</b>	<b>8,611,622</b>	<b>7,451,767</b>
<b>Net incoming resources</b>		<b>433,888</b>	<b>8,792</b>	<b>442,680</b>	<b>1,233,741</b>
Net gain on investments		387,306	29,125	<b>416,431</b>	565,303
<b>Net movement in funds</b>		<b>821,194</b>	<b>37,917</b>	<b>859,111</b>	<b>1,799,044</b>
Funds brought forward 1 April 2004	9	12,772,794	264,771	<b>13,037,565</b>	11,238,521
<b>Funds carried forward 31 March 2005</b>	9	<b>13,593,988</b>	<b>302,688</b>	<b>13,896,676</b>	<b>13,037,565</b>

All the above results are derived from continuing activities.

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

The surplus for the year for Companies Act purposes was £658,630 (2004: £1,238,566) comprising net incoming resources for the year of £442,680 plus realised gains on investments of £214,950.

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**31 MARCH 2005**

	<u>Notes</u>	<u>2005</u> £	<u>Group</u> 2004 £	<u>2005</u> £	<u>Charity</u> 2004 £
<b>FIXED ASSETS</b>					
Tangible assets	5	11,560,005	8,805,910	11,560,005	8,805,910
Investments	6	2,507,754	3,116,724	2,507,754	3,116,724
		<u>14,067,759</u>	<u>11,922,634</u>	<u>14,067,759</u>	<u>11,922,634</u>
<b>CURRENT ASSETS</b>					
Fixed interest deposits	6	271,754	399,091	-	-
Debtors	7	360,090	161,839	348,479	202,496
Bank balances - current and deposit accounts		1,219,427	2,365,308	1,184,674	2,303,979
		<u>1,851,271</u>	<u>2,926,238</u>	<u>1,533,153</u>	<u>2,506,475</u>
<b>CREDITORS</b>					
Amounts falling due within one year	8	(493,278)	(280,585)	(447,670)	(242,777)
		<u>1,357,993</u>	<u>2,645,653</u>	<u>1,085,483</u>	<u>2,263,698</u>
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,425,752</u>	<u>14,568,287</u>	<u>15,153,242</u>	<u>14,186,332</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	8	(1,529,076)	(1,530,722)	(1,313,055)	(1,119,194)
<b>NET ASSETS</b>		<u>13,896,676</u>	<u>13,037,565</u>	<u>13,840,187</u>	<u>13,067,138</u>
<b>UNRESTRICTED FUNDS</b>	9	13,593,988	12,772,794	13,537,499	12,802,367
<b>RESTRICTED FUNDS</b>	9	302,688	264,771	302,688	264,771
		<u>13,896,676</u>	<u>13,037,565</u>	<u>13,840,187</u>	<u>13,067,138</u>

Approved by the Board of Trustees on ~~20 SEPTEMBER~~ 2005 and signed on their behalf by:

*JM Marshall*

*Peter Woods*

Trustees of Greensleeves Homes Trust

**GREENSLEEVES HOMES TRUST**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2005**

	£	<u>2005</u>	£	£	<u>2004</u>	£
<b>Net cash inflow from operating activities</b>			<b>399,268</b>			<b>769,042</b>
<b>Returns on investment and servicing of finance</b>						
Dividends received	110,138			150,989		
Interest received	56,736			78,890		
			<u>166,874</u>			<u>229,879</u>
<b>Capital expenditure and financial investment</b>						
Purchases of fixed assets	(3,137,527)			(2,101,484)		
Sale of fixed and current assets	272,766			1,138,899		
Purchases of investments	(169,460)			(449,939)		
Sales of investments	1,108,198			190,376		
Withdrawn from fixed interest deposits	214,000			118,456		
			<u>(1,712,023)</u>			<u>(1,103,692)</u>
<b>Increase/(decrease) in cash</b>			<u><b>(1,145,881)</b></u>			<u><b>(104,771)</b></u>
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>						
Net incoming resources		442,680			1,233,741	
Increase in debtors		(201,274)			(123,828)	
Increase in creditors		214,070			142,457	
Depreciation		383,432			265,713	
Returns on investments and servicing of finance		(166,874)			(229,879)	
Gain on disposal of fixed and current assets		(272,766)			(519,162)	
<b>Net cash inflow from operating activities</b>			<u><b>399,268</b></u>			<u><b>769,042</b></u>
<b>Analysis of changes in Net Funds</b>						
		Cash at		Cash flows		Cash at
		<u>1 April 2004</u>				<u>31 March 2005</u>
<b>Cash at bank</b>		<u>2,365,308</u>		<u>(1,145,881)</u>		<u><b>1,219,427</b></u>

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2005**

**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 2000) 'Accounting and Reporting by Charities' issued by the Charity Commission in October 2000.

**(b) Basis of consolidation**

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

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

**(b) Income Recognition**

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

**(c) Expenditure**

Resources expended are accounted for on an accruals basis.

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

**(d) Fixed assets**

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

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

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.

**(e) Fixed asset investments**

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

**(f) Current asset investments**

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

**GREENSLEEVES HOMES TRUST**  
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**YEAR ENDED 31 MARCH 2005**

**1 ACCOUNTING POLICIES (continued)**

**(g) Funds**

General funds are unrestricted funds held for the general objects of the Trust's work. Restricted funds are funds used for specific purposes as laid down by the donor. Expenditure which meets this criteria is identified to the specific fund. Designated funds are unrestricted funds set aside by the trustees for a particular purpose.

**(h) Pension**

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered Scheme.

**2 INVESTMENT INCOME**

	<u>2005</u> £	<u>2004</u> £
Investment income	110,138	150,989
Bank deposit account interest	56,736	78,890
	<u>166,874</u>	<u>229,879</u>

**3 ANALYSIS OF RESOURCES EXPENDED**

	<u>Staff costs</u> £	<u>Depreciation</u> £	<u>Other costs</u> £	<u>2005 Total</u> £	<u>2004 Total</u> £
Cost of generating funds	-	-	15,100	15,100	10,594
Charitable expenditure:					
Cost of activities in the furtherance of the charity's objects	6,007,835	258,036	1,956,145	8,222,016	7,154,149
Management and administration	95,086	125,396	154,024	374,506	287,024
	<u>6,102,921</u>	<u>383,432</u>	<u>2,125,269</u>	<u>8,611,622</u>	<u>7,451,767</u>

Resources expended include:-

	<u>2005</u> £	<u>2004</u> £
Auditors remuneration - audit services group	19,400	19,000
- other services in prior year	7,632	6,396
- other services	4,447	2,309
Trustees indemnity insurance	3,581	6,143
	<u>35,060</u>	<u>33,848</u>

**4 WAGES AND SALARIES**

	<u>2005</u> £	<u>2004</u> £
Wages and Salaries	5,706,411	4,951,713
Social security costs	336,892	286,124
Pension costs	59,618	55,532
	<u>6,102,921</u>	<u>5,293,369</u>



**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
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**4 WAGES AND SALARIES (continued)**

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

	<b>2005</b> <b>Number</b>	2004 <b>Number</b>
Residential care home services, including part-time staff	616	563
Management and administration	6	6
	<hr/> 622	<hr/> 569

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

	<b>2005</b>	2004
£50,001 - £60,000	-	1
£60,001 - £70,000	1	-

The Trustees received no remuneration for their services during the current or prior year. Travel expenses of £7,803 were reimbursed to 7 Trustees during the year (2004: £7,256).

During the year the Trust was payable to £272,592 (2004: £204,729) to OWL Partnership Architects. Peter Woods, a partner of OWL Partnership Architects, was appointed a Trustee of Greensleeves Homes Trust in July 2001. The Trust has a long standing relationship with OWL Partnership Architects, which has assisted the Trust for the last 12 years, and Peter Woods abstains from voting on the awarding of architects contracts.

**5 TANGIBLE FIXED ASSETS**

<b>Group and charity</b>	<b>Property freehold £</b>	<b>Long term leasehold property £</b>	<b>Furniture and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2004	9,130,071	84,243	370,421	28,977	9,613,712
Additions	2,829,414	-	308,113	-	3,137,527
Disposals during the year	-	-	-	-	-
<b>At 31 March 2005</b>	<hr/> 11,959,485	<hr/> 84,243	<hr/> 678,534	<hr/> 28,977	<hr/> 12,751,239
<b>Depreciation</b>					
At 1 April 2004	627,137	9,310	149,623	21,732	807,802
Charge for year	239,217	1,264	135,707	7,244	383,432
Disposals during the year	-	-	-	-	-
<b>At 31 March 2005</b>	<hr/> 866,354	<hr/> 10,574	<hr/> 285,330	<hr/> 28,976	<hr/> 1,191,234
<b>Net book value at 31 March 2005</b>	<hr/> 11,093,131	<hr/> 73,669	<hr/> 393,204	<hr/> 1	<hr/> 11,560,005
<b>Net book value at 31 March 2004</b>	<hr/> 8,502,934	<hr/> 74,933	<hr/> 220,798	<hr/> 7,245	<hr/> 8,805,910

Further capital expenditure, contracted for at 31 March 2005 but not provided for in these accounts, amounted to £2,852,207 (2004 : £2,675,799).

Despite having sold assets during the year, being a lodge at one of the Trust's homes, St Cross Grange, 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 forms just a small part of a much larger one which itself has a net book value of just £175,000.

**GREENSLEEVES HOMES TRUST**  
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<b>6</b>	<b>FIXED ASSET INVESTMENTS</b>			<b>2005</b>	<b>2004</b>
				<b>£</b>	<b>£</b>
	<b>Group and charity</b>				
	Market value at 1 April 2004			3,116,724	2,483,130
	Acquisitions at cost			169,460	449,939
	Disposals proceeds			(1,108,198)	(190,376)
	Net investment gains			329,768	374,031
	Market value at 31 March 2005			2,507,754	3,116,724
	Cost at 31 March 2005			2,380,219	3,172,417
	Investments are represented by:			<b>2005</b>	<b>2004</b>
				<b>£</b>	<b>£</b>
	Government bonds			108,578	596,913
	Corporate bonds			-	257,069
	UK equities			1,580,340	1,438,382
	Foreign equities			440,081	388,210
	Unit trusts			378,755	436,150
				2,507,754	3,116,724
	<b>CURRENT ASSET INVESTMENT</b>			<b>2005</b>	<b>2004</b>
				<b>£</b>	<b>£</b>
	<b>Zero Bonds</b>				
	Market Value at 1 April 2004			399,091	326,275
	Cash withdrawn during year			(214,000)	(118,456)
	Net investment gains			86,663	191,273
	Market Value at 31 March 2005			271,754	399,091
<b>7</b>	<b>DEBTORS</b>				
		<b>Group</b>		<b>Charity</b>	
		<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Amount due within one year:</b>				
	Residential care home debtors and advance payments	111,736	146,719	111,736	146,719
	Other debtors	32,873	2,209	27,348	475
	Prepayments and accrued income	206,372	3,802	206,372	3,802
	Due from WRVS Trust	9,109	9,109	-	-
	Due from WRVS Trust Supplies	-	-	3,023	51,500
		360,090	161,839	348,479	202,496

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
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8 CREDITORS	<u>Group</u>	<u>2005</u>	<u>2004</u>	<u>Charity</u>	<u>2005</u>	<u>2004</u>
	£	£	£	£	£	£
<b>Due within one year:</b>						
Social security and other taxes	98,253	68,188	98,253	68,188		
Other creditors and accruals	392,739	210,111	349,417	174,589		
Due to WRVS Trust	2,286	2,286	-	-		
	<u>493,278</u>	<u>280,585</u>	<u>447,670</u>	<u>242,777</u>		
<b>Due after more than one year:</b>						
Due to The WRVS Trust	1,313,055	1,119,194	1,313,055	1,119,194		
Payment received on account from WRVS Trust	216,021	411,528	-	-		
	<u>1,529,076</u>	<u>1,530,722</u>	<u>1,313,055</u>	<u>1,119,194</u>		

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

9 FUNDS	<u>At</u>	<u>Net</u>	<u>Net</u>	<u>At</u>
	1 April	incoming	gains on	31 March
	2004	resources	investments	2005
	£	£	£	£
<b>Unrestricted</b>				
General	12,557,098	422,217	369,071	13,348,386
<b>Designated Fund</b>				
Revaluation reserve	198,667	-	18,235	216,902
Self insurance reserve	17,029	11,671	-	28,700
	<u>12,772,794</u>	<u>433,888</u>	<u>387,306</u>	<u>13,593,988</u>
<b>Restricted</b>				
Legacies fund	215,083	6,401	29,125	250,609
Amenities funds	49,688	2,391	-	52,079
	<u>264,771</u>	<u>8,792</u>	<u>29,125</u>	<u>302,688</u>
<b>Total funds</b>	<u>13,037,565</u>	<u>442,680</u>	<u>416,431</u>	<u>13,896,676</u>

**The Revaluation reserve** represents the unrealised element of investments, being the difference between the cost and market value.

**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.

**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.

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2005**

**9 FUNDS (Continued)**

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

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

	<u>Restricted funds</u> £	<u>Unrestricted funds</u> £	<u>Total</u> £
Tangible fixed assets	2,160	11,557,845	11,560,005
Investments	250,609	2,257,145	2,507,754
Current assets	49,919	1,804,375	1,854,294
Current liabilities	-	(496,301)	(496,301)
Long term liabilities	-	(1,529,076)	(1,529,076)
	<hr/>	<hr/>	<hr/>
Total net assets	302,688	13,593,988	13,896,676
	<hr/>	<hr/>	<hr/>

**11 TAXATION**

The trustees consider that all of the activities of Greensleeves Homes Trust fall within the exemption from Corporation Tax granted by Section 505 ICTA 1988. There is therefore no provision for taxation for the year ended 31 March 2005.

**12 SUBSIDIARY RESULTS**

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

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

	<u>2005</u> £	<u>2004</u> £
<b>Profit and loss account</b>		
Turnover	195,507	156,611
Cost of supplies	(193,537)	(152,398)
Administrative expenses	(3,820)	(3,158)
	<hr/>	<hr/>
Operating (loss)/profit	(1,850)	1,055
Bank deposit interest receivable	1,249	1,231
	<hr/>	<hr/>
Profit/(loss) for the year	(601)	2,286
Covenant payment to WRVS Trust	-	(2,286)
Realised loss on current asset investment	68,410	(7,394)
Unrealised profit on current asset investment	18,253	198,667
	<hr/>	<hr/>
Retained profit	86,062	191,273
	<hr/>	<hr/>

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2005**

12 SUBSIDIARY RESULTS (continued)	<u>2005</u> £	<u>2004</u> £
<b>Balance sheet</b>		
Fixed interest deposits	271,754	399,091
Debtors	14,634	10,843
Cash at bank	34,753	61,330
	<hr/>	<hr/>
	321,141	471,264
Creditors	(264,647)	(500,832)
	<hr/>	<hr/>
Net assets/(liabilities)	56,494	(29,568)
	<hr/>	<hr/>

**13 CONNECTED ENTITIES**

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

WRVS Trust	A charitable Trust supporting the activities of the Trust and the Women's Royal Voluntary Service. Creditor balances at 31 March 2005 are fully disclosed in the notes to these accounts.
WRVS Trustees Limited	A dormant company and the custodian trustee of WRVS Trust.

**14 POST BALANCE SHEET EVENTS**

**HOME CLOSURE**

During the year plans had been submitted to redevelop, modernise and enlarge the existing seventeen rooms at the Trust's Woodgate home in Malvern thus making it more appropriate for residential care and therefore economically viable. Unfortunately the plans were rejected by Malvern District Council, and subsequent to the year end the Trustees reluctantly took the decision to close the home. Every assistance is being given to existing residents to find alternative accommodation, with some relocating to other Homes within the Trust. The closure will take place at the end of October 2005.

**HOME PURCHASE**

In April 2005 the Trust purchased a new home from The Ironmongers City Livery Company. The home, Borovere, is situated in Alton, Hampshire and adds a further thirty rooms to the Trust's housing stock. The purchase is being funded with a loan of £2million. Following meetings with a selection of finance companies it was decided to use the Trust's bankers, Lloyds TSB Bank plc to fund the loan. The loan is a flexible facility that will run for a maximum of twenty years and has been secured on Mount Ephraim House and Borovere itself.

**GREENSLEEVES HOMES TRUST**  
**NOTES TO THE CONSOLIDATED ACCOUNTS**  
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**14 POST BALANCE SHEET EVENTS (continued)**

**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 2005 of The WRVS Trust were as follows: -

	<u>2005</u> £	<u>2004</u> £
<b>CURRENT ASSETS</b>		
Debtors	2,286	2,286
Bank balances	53,270	51,624
	<hr/> 55,556	<hr/> 53,910
<b>CURRENT LIABILITIES</b>		
Creditors	(9,109)	(9,109)
	<hr/> 46,447	<hr/> 44,801
<b>NET CURRENT ASSETS</b>		
<b>LONG TERM DEBTORS</b>		
Due from WRVS Trust Supplies Limited	216,021	411,528
Due from Greensleeves Homes Trust	1,313,055	1,119,194
	<hr/> 1,575,523	<hr/> 1,575,523
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		
<b>LONG TERM LIABILITY</b>		
Amounts falling to WRVS	(1,575,523)	(1,575,523)
	<hr/> -	<hr/> -
<b>NET ASSETS</b>		
	<hr/> -	<hr/> -
<b>FUNDS</b>		
	<hr/> -	<hr/> -

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