

GREENSLEEVES HOMES TRUST

**ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2022

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 2022

GREENSLEEVES HOMES TRUST
ANNUAL REPORT
YEAR ENDED 31 MARCH 2022

CONTENTS

LEGAL AND ADMINISTRATIVE DETAILS	1
REPORT OF THE BOARD OF TRUSTEES INCLUDING THE STRATEGIC REPORT	2
STATEMENT OF TRUSTEES' RESPONSIBILITIES	18
INDEPENDENT AUDITOR'S REPORT	19
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	23
CONSOLIDATED BALANCE SHEET	24
CONSOLIDATED CASH FLOW STATEMENT	25
NOTES TO THE FINANCIAL STATEMENTS	26

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

Mr D Bryan (Appointed 19 May 2022)
Mr R Costella
Ms K Davies
Mr M Foster (Appointed 13 May 2021)
Mr D Kelly OBE
Ms E Marsh (Resigned 4 February 2022)
Ms D Pounds (Chairperson)

Mr M Shaha (Appointed 13 May 2021)
Mr C Shaw (Resigned 19 November 2021)
Mr C Spence
Mr R Strange OBE (Resigned 29 July 2021)
Ms J Tombs (Appointed 13 May 2021)
Ms M Townson

COMPANY SECRETARY

Mr G Almond (Resigned 1 July 2021)
Ms T Omoma (Appointed 1 July 2021)

CHIEF EXECUTIVE

Mr P Newman

KEY MANAGEMENT PERSONNEL

Ms J Clarges - Director of Quality and Compliance
Mr C Doherty - Chief Financial Officer
Ms S King - Director of Business Development
Ms T Omoma - Director of Human Resources and Company Secretariat
Mr D Baker - Divisional Director - London & Kent
Ms T Nelson - Divisional Director - East of England & The Midlands
Ms M Whittingham - Divisional Director - South & West

REGISTERED OFFICE

138 Cheapside
London
EC2V 6BJ

STATUTORY AUDTOR

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

SOLICITORS

Wilson Solicitors LLP
4 Lincoln's Inn Fields
London
WC2A 3AA

DAC Beachcroft LLP
Portwall Place
Portwall Lane
Bristol
BS1 6NA

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 2022

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 2022. 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 Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2020).

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 expand its charitable impact by increasing the number of beneficiaries it supports with high quality care and support services.

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.

We work hard to improve the lives of our residents and staff at all points in their journey. This can be through encouraging activities and community engagement, through providing tailored specialist services with the support of external agencies or through adopting proven approaches to care that show proven evidence of improving people’s quality of life including initiatives such as Namaste. The people we care for experience deteriorating health that can dramatically impact on their ability to actively participate in usual activities of daily living which can impact both physical and mental health. Programs such as Namaste allow us to continue supporting our residents to get the most out of everything they can while being cared for by staff who are compassionate and caring. These approaches also support our staff by giving them permission to spend time with residents outside of the daily care needs they are there to provide and spend time with them person to person.

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 2022

Strategic Report - Covid-19

Covid-19 has continued to impact the charity during the year to March 2022. The Trustees would like to take this opportunity to thank every member of staff who has continued to work tirelessly and selflessly throughout the pandemic. Everyone has gone above and beyond what should be expected of any employee to ensure our residents continued to receive the high quality care they deserve. They truly are the Trust's greatest asset.

Greensleeves has continued to mitigate the challenges of Covid-19 through:

- Mandatory regular testing of staff and residents
- Controlled visits in Covid-secure settings
- Excellent supply of PPE
- Hand hygiene and social distancing where possible
- Enhanced cleaning; regular contact points and using disinfectants as part of routine cleaning
- Self-isolation for new admissions and those showing symptoms
- Cohorting staff and allocating staff to care for specific residents (unitisation)

As a result of the impact of the pandemic in the prior year, the Trust entered this year with occupancy below our usual budgeted levels at 79.5%

Occupancy levels improved over the course of the year, and this has continued to 86.5% in May 2022. Most homes are now approaching or at normal occupancy levels, although continuing restrictions on admissions during covid outbreaks in some areas have hampered occupancy recovery in some of our homes.

The improvement in occupancy levels compared to the prior year is reflected in an increase in resident fee income of £6.9m. Whilst we continued to incur additional covid-related costs on staffing, PPE, infection control and testing, these were partially offset by government grants totalling £1.68m.

During the year, the Trust drew down the final £10m of funding from the Retail Charity Bond facility, due for repayment in 2030.

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 2022

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 2022, we were able to care for up to 1,189 residents across 26 homes.
- At the time of writing, of the 26 currently operating homes, 21 have a CQC rating of Good, and two of our homes, Broadlands in Oulton Broad and Harleston House in Lowestoft continue to be rated as Outstanding. One of our new homes has yet to be receive an inspection, and two homes are currently rated as Requires Improvement, one of which, The Manor Care Home, was acquired during the year.
- We continued to be highly rated on the leading online care directory www.carehome.co.uk, with a current overall group score of 9.5 out of ten at the end of May 2022, and 19 of our care homes rated 9.5 or higher, based on reviews from our residents, their families and friends. Two of our homes, Broadlands and Sharnbrook, have rated exceptional scores of 10.0.
- The Greensleeves Centre for Quality has continued to develop with working groups on nutritional wellbeing, end of life care and residents' activities. This means best practice and industry standards are shared across the Trust's homes as well as being used for future projects, thus pushing Greensleeves Care forward as a leader in the care industry.
- We achieved annual staff turnover of considerably lower than the average published by the National Care Forum and Skills for Care.
- A number of mental health wellbeing initiatives have been launched to support our staff through the additional pressures caused by the pandemic
- Greensleeves is participating in the national apprentice programme/Step Into Care/City & Guilds initiatives to support our ongoing recruitment initiatives
- Two new homes were added to the Trust's portfolio;
 - The Manor Care Home in Old Windsor, Berkshire: The Trust acquired this nursing home registered to provide care for up to 65 residents from previous operator Windsor Care Limited in November 2021.
 - Buckler's Lodge in Crowthorne, Berkshire: This home, built specifically for the Trust, is positioned on a new development overlooking Buckler's forest, and will provide residential and dementia care for up to 80 residents. The home welcomed its first residents in March 2022.

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 2022

Strategic Report - Achievements and Performance - continued

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

- **To deliver the occupancy improvements required to normalise the operating performance of the organisation after the recent declines caused by Covid-19 and to ensure the safe provision of quality care to our residents in a safe working environment for our staff:** Occupancy levels have continued to recover throughout the year, although remain below the normal operating levels that the Trust has historically experienced. Admissions have been restricted in some areas due to Covid-19 related regulations, which has delayed occupancy recovery for a number of our homes. All our homes have continued to operate with the safety of residents and staff as a priority.
- **To reduce the use of agency staff through the introduction of the Quality First Initiative Scheme:** The Quality First Initiative Scheme was introduced to reward staff taking on additional shifts beyond their contracted hours, with the aim of increasing consistency of staff for our residents. The initiative was successful in some of our homes, with several homes using few or no agency staff during the year. However, recruitment challenges in some areas have meant that agency usage across the organisation as a whole has remained higher than target, and reduction of this continues to be a priority.
- **To continue to work toward all the Trust's homes having a rating of at least Good from the Care Quality Commission:** The Trust has had several CQC visits during the year, and now has 23 homes rated Good or Outstanding.
- **To continue to invest in the training and development of our staff to ensure that they can provide appropriate care for both current and future older generations:** During the year we invested £378k (2021: £222k) in staff training and development.
- **To fully implement the practice of Namaste across all of our homes, particularly those working with residents living with dementia and providing end of life care.** Namaste Care is a loving approach to caring for people, especially those with advanced dementia.
- **To implement a new electronic risk management system:** We are implementing risk management software that will allow for better real time management of dynamic risk and ensure all stakeholders are fully engaged in the management of all identified risks.
- **To further integrate our recently added homes, Clarendon Lodge and Henley House, into the Trust by ensuring the care provision is comparable to the Trust's homes and the financial results are in line with expectations:** Whilst admissions have been restricted by Covid-19, both Clarendon Lodge and Henley House have continued to welcome new residents during the year. Both homes underwent CQC inspections during the year, and we are pleased that both have received Good ratings.
- **To finalise the sale of Thornbank, our home in Ipswich Suffolk which was reprovisioned during the year:** The sale of Thornbank was completed in August 2021.
- **To complete the major extension and development works at Mount Ephraim House in Tunbridge Wells:** Works are nearing completion, and we expect to commence operations by the end of 2022.
- **To mobilise our new build property, Bucklers Lodge in Crowthorne, Berkshire and integrate it into the Trust:** The opening of Buckler's Lodge was delayed slightly to March 2022 due to staffing constraints, but is now providing both dementia and residential care to new residents.
- **To progress pre-construction activity of our new home adjacent to Rye Hospital in Sussex:** The build at Rye has been deferred until market conditions are more suited.
- **To further review development options for Croxley House, our home in Croxley Green, Hertfordshire:** Croxley House has been marketed for sale during the year, and completion is expected before the end of 2022.

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 2022

- **To explore further development opportunities including two new homes whose acquisition is currently in the advanced stages:** The Manor Care Home in Windsor was acquired in November 2021. Contracts were exchanged in June 2021 for us to acquire the operations of Ronald Gibson House in Tooting, South London on completion of The Meadowcroft, a new build home registered for 64 residents on an adjacent site. The new home is expected to open in October 2022 with the residents and staff of Ronald Gibson House relocating to the new home shortly after.
- **To review further funding arrangements to support our ongoing development programme:** The Trust drew down the remaining £10m of bonds on our RCB loan facility during the year. We are reviewing financing options to support the development of the Rye Hospital site.
- **To finalise the review of the Trust’s existing software systems and commence implementation of a fully integrated solution:** Exploration of solutions has taken place during the year and Trustees have agreed to proceed with the project. Operational details of the digital transformation project are now being finalised.
- **To increase the Trust’s influence and visibility in the care sector by positively promoting our homes both locally and nationally:** We have maintained the Trust’s visibility through representation and membership of appropriate organisations such as the National Care Forum. We continue to be highly rated on external websites such as www.carehome.co.uk and maintain our presence on social media platforms such as Facebook and Twitter. This is seen as a useful tool to promote the homes and the care sector in general.

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 2022	Outcome 2021
Number of homes with Eden Alternative validation at year end	19	19
Percentage of residents funded by the local authority	24.1%	26.5%
Staff turnover	18.7%	14.5%
Occupancy	87.7%	84.1%
Average fee per week	£1,142	£1,077

- The number of Eden Alternative accredited homes has remained the same through the year as dealing with the ongoing pandemic took priority.
- 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. Over the year to March 2022, we dropped just short of this target, a result of increased private admissions during occupancy recovery.
- Staff turnover has been a challenge for the care sector this year, and whilst our turnover has remained considerably below the sector average, we have seen an increase of 4.2% compared to the prior year. A key focus for the Trust is recruitment and retention, and we are working hard to ensure our staff are developed and supported in their roles.
- Occupancy levels (adjusted for our new and growing homes) have recovered during the year as we began to move out of the Covid-19 pandemic. Having suffered in the second wave of the pandemic in Winter 2020, we entered the current year on occupancy of 79.5%. This has recovered during the year to 88.1% at the end of March 2022.
- 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 and the higher care needs of residents. In addition, recently added new build homes have a greater provision of dementia care and so command higher fees.

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 2022

Strategic Report - Financial Review

Review of Transactions and Financial Position

These financial statements for the year ended 31 March 2022 comply with Financial Reporting Standard 102 (FRS 102) 'the Financial Reporting Standard in the UK and Republic of Ireland' and the Charities Statement of Recommended Practice (Charities SORP (FRS102)).

Overall results

The improvement in occupancy levels following the coronavirus pandemic, and the addition of new homes to the Trust, have increased income to £53.7m for the year ended March 2022 (2021: £47.9m). As we care for more residents, costs have also increased to £58.7m (2021: £51.4m).

Overall, the Trust generated a net loss of £5.1m (2021: loss of £3.3m), leaving reserves at 31st March 2022 of £31.9m (2021: £37m).

The table on page 8 shows the results for the year compared with 2021. New homes includes only homes that joined the Trust or were opened during the current year.

Existing operations

Income

- Residents' care fees, relating to our core activity of providing residential, dementia and nursing care, were £49.7m (2021: £41.9m).
- Residents' sundries income relate to the recharge of incidental expenses incurred on behalf of residents.
- Covid-19 funding of £1.7m (2021: £2.7m) includes funding received under the Coronavirus Job Retention Scheme and the Workforce Recruitment and Retention Fund, as well as funding to support Covid-19 testing.
- Rental income relates to rents received from several rental properties owned by the Trust.
- The £42k loss on sale of fixed assets relates to the sale of Thornbank, which was sold for below Net Book Value.
- The Trust sold its investments in the prior year, and so current year investment gains / (losses) are £nil (2021: £233k).

Expenditure

- Resident care costs, relating to the running costs of our homes including depreciation, loan interest and an allocation of head office staff costs, increased to £53.4m (2021: £44.7m).
- Head office costs of £3.0m (2021: £2.9m) 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 IT services.
- Costs of raising finance relate to the amortisation of arrangement fees in respect of the loans from Retail Charity Bonds Plc
- Rental costs relate to the rental properties owned by the Trust.

New homes

- New homes are The Manor Care Home in Windsor, which joined the Trust as an operating home in November 2021, and Buckler's Lodge in Crowthorne, Berkshire, a newbuild home which opened in March 2022.
- These homes have generated a net deficit of £530k during the year. Development drag during the start-up phase of a new home is expected whilst resident numbers are below that required to cover operating overheads.

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 2022

Strategic Report - Financial Review - continued

	Existing Homes 2022 £	Head Office 2022 £	Existing Operations 2022 £	New Homes 2022 £	Total 2022 £	Existing Homes 2021 £	Head Office 2021 £	Existing Operations 2021 £	New Homes 2021 £	Total 2021 £
INCOME										
Residents' care fees	49,735,351	-	49,735,351	1,310,293	51,045,644	41,911,916	-	41,911,916	2,267,552	44,179,468
Residents' sundries	377,808	-	377,808	4,323	382,131	241,813	-	241,813	6,187	248,000
Covid-19 Funding	1,572,535	57,478	1,630,013	51,166	1,681,179	2,449,834	81,648	2,531,482	179,501	2,710,983
Other income	582,872	3,922	586,794	8,895	595,689	516,817	54,940	571,757	291	572,048
Surplus from sale of fixed assets	-	(42,389)	(42,389)	-	(42,389)	-	154,295	154,295	-	154,295
TOTAL	52,268,566	19,011	52,287,577	1,374,677	53,662,254	45,120,380	290,883	45,411,263	2,453,531	47,864,794
EXPENDITURE										
Residents' care costs	53,457,763	-	53,457,763	1,905,041	55,362,804	44,725,057	-	44,725,057	3,454,500	48,179,557
Head Office costs	-	2,996,613	2,996,613	-	2,996,613	-	2,914,712	2,914,712	-	2,914,712
Cost of raising finance	-	181,037	181,037	-	181,037	-	137,159	137,159	-	137,159
Other costs	-	212,631	212,631	-	212,631	-	179,018	179,018	-	179,018
TOTAL	53,457,763	3,390,281	56,848,044	1,905,041	58,753,085	44,725,057	3,230,889	47,955,946	3,454,500	51,410,446
Net investments (losses) / gains	-	-	-	-	-	-	233,039	233,039	-	233,039
NET INCOME / (LOSSES)	(1,189,197)	(3,371,270)	(4,560,467)	(530,364)	(5,090,831)	395,323	(2,706,967)	(2,311,644)	(1,000,969)	(3,312,613)

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 2022

Strategic Report - Financial Review - continued

Balance Sheet

The balance sheet shows that at 31 March 2022 the total funds were £31.9m (2021: £37.0m). This was represented by fixed assets of £93.9m (2021: £88.7m), net current assets of £12.7m (2021: £12.7m) and long term liabilities of £74.7m (2021: £64.3m).

Unrestricted funds of £31.3m (2021: £36.4million) represent the reserves available to the Trust to fulfil its current operations and existing financial commitments over the long term and 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 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 £12.1million which represents an excess of £9.1million over the £3.0million needed to fulfil the above requirement. Of the £3.0million, £1.5million relates to capital commitments in respect of development works that are already in progress and the other £1.5m is a provision for budgeted operating costs.

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 2022 was £9.2m (2021: £10.0m). The reduction during the year relates to the sale of Thornbank.

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.

Restricted funds of £626k (2021: £686k) 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 2022

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 October 2020, Trustees decided that investments held in a Common Investment Fund (CIF) would be more efficiently utilized in furthering the Trust's development activities. The sale of investments generated gains of £233k.

All funds are currently held on short term deposit pending utilisation on planned development activity.

Going concern

Covid-19 has continued to have a financial impact on the Trust during the year to March 2022. Income has been affected due to lower occupancy levels, recovery of which has in some cases been delayed through pandemic related restrictions on resident admissions. Costs have remained higher than in pre-pandemic years, particularly in relation to testing and infection control. Staffing costs have increased due to higher than budgeted agency spend, a result of a difficult workforce market. The additional costs were offset in part by funding received as part of the various Covid-19 grants implemented by the government across the year and through contributions towards the pay of furloughed staff from the Coronavirus Job Retention Scheme. Due to favourable market conditions, the remaining £10m Retail Charity Bond facility was issued within the year, generating additional cashflow to support our ongoing sustainable growth plans.

In response to the above, short, medium and long term forecasts have been regularly reviewed throughout the year. Latest forecasts assume continued steady occupancy recovery throughout 2022-23, reaching pre-pandemic levels by March 2023, with no further pandemic waves or lockdowns, which could limit our ability to admit residents. No further government funding in relation to Covid-19 is assumed. Phased occupancy at end June 2022 was 88%. Forecasts based on nil resident growth during 2022-23 have also been prepared, and confirm that the Trust has sufficient cash reserves to be able to operate within these parameters significantly beyond the going concern assessment period.

The issue of the remaining £10m Retail Charity Bond has increased the value of assets required by the loan covenant to be held in the balance sheet. Whilst this is not of concern in the year to March 2022, depreciation of properties could put pressure on the covenant in future years. £29.7m of the Trust's properties are held at deemed cost less depreciation, deemed cost being based on a 2014 valuation exercise. Property acquired since 2014 is held at cost less depreciation. A revaluation exercise across our property portfolio, to be carried out within the current year, is expected to significantly increase Net Book Values, and therefore increase covenant headroom.

Having reviewed current short, medium and long term forecasts and given that cash reserves are in place to fund current and future development projects, the Trustees believe that Greensleeves Homes Trust does not have any material uncertainties in respect of going concern. Therefore the financials have been prepared using the going concern basis.

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 2022

Strategic Report - Plans for the Future

Currently the Trust's key strategic goals are:

- **Quality First** - embed continuous quality improvement across our homes to deliver ever improving, person-centred care and safe working conditions;
- **Empowered People** - retain over 80% of our colleagues through an inclusive culture, inspiring learning and development programmes and promoting a gold standard employee experience
- **Sustainable Development** - more and better homes where people love living and working; a sustainable development approach will ensure the charitable impact of Greensleeves expands in a viable, green and affordable manner

Key Plans

In the coming year, our key plans are:

- To recruit and retain high quality staff to deliver excellent care to our residents and to reduce the requirement for the use of agency staff.
- To obtain Living Wage Accreditation, to promote the living wage standards we will meet from April 2022.
- To continue to deliver the occupancy improvements required to normalise the operating performance of the organisation after the recent declines caused by Covid-19, and to ensure the safe provision of quality care to our residents in a safe working environment for our staff.
- To continue our drive towards a net carbon zero position.
- To continue to work toward all 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 can provide appropriate care for both current and future older generations.
- To fully implement the practice of Namaste across all our homes, particularly those working with residents living with dementia and providing end of life care.
- To implement a new electronic risk management system that allows for better real time management of dynamic risk and ensure all stakeholders are fully engaged in the management of all identified risks.
- To further integrate our recently added home, The Manor Care Home, 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 finalise the sale of Croxley House, our home in Croxley Green which was reprovisioned last year.
- To complete the major extension and development works at Mount Ephraim House in Tunbridge Wells.
- To continue to mobilise our new build property, Bucklers Lodge in Crowthorne, Berkshire and integrate it into the Trust.
- To open our new build home, Meadowcroft, in Tooting, and successfully integrate residents and staff who will be transferring from a nearby closing home run by a fellow charitable provider.
- To progress pre-construction activity of our new home adjacent to Rye Hospital in Sussex.
- To continue to explore further development opportunities.
- To review further funding arrangements to support our ongoing development programme.

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 2022

- To finalise the review of the Trust's existing software systems and commence implementation of a fully integrated solution.
- 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

Identifying possible areas of risk that could affect the Trust is taken very seriously. We have an active Risk Register that we are currently converting on to an electronic system, 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 reviews on a regular basis to ensure that any potential problems are identified and tackled as soon as possible. When the new electronic system is fully implemented, review or risks will be more dynamic and completed in real time, the formal reviews as noted above will remain in place but better day to day oversight and a more responsive approach to managing risks as they change.

Internal reviews of risk management include:

- monthly visits to the homes by 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.

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

The following are the key risks and uncertainties currently facing the Trust:

- The continued impact of Covid-19 on the operational performance of the organisation. Whilst the future impact of the Covid-19 pandemic cannot be predicted, as we have done so far, we will adapt to the changing risks it presents modifying operations in line with government guidance and best practice. This approach will be adapted for any other pandemics or health crisis.
- 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. To prevent this, we have strengthened our internal quality auditing processes and continue to undertake regular reviews at all homes to ensure standards are being maintained ensuring we are prepared for the formal Care Quality Commission inspection.
- 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. To avoid this, we are members of the National Care Forum which ensures we are kept informed of all important changes which can then be implemented as required.
- 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. To mitigate this, we aim to be an employer of choice which is reflected by our Investors in People status. We also continually train our staff to ensure the care provision is of high quality.

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 2022

- Our ability to continue to raise funds to further our sustainable development and, by 2026, to accrue the necessary funds to repay the first loan from Retail Charity Bonds plc. To monitor this, we prepare an annual Long Term Financial Plan which is regularly reviewed and updated to reflect ongoing developments.

Strategic Report - Specific risk in respect of financial instruments

The Trust uses various financial instruments including loans, cash, investments and items such as trade debtors and trade creditors. This leads to various financial risks as summarised below:

- Credit risk - further cycles of Covid-19 could lead to increased levels of outstanding fees due to the impact on residents' ability to sell their properties.
- Liquidity risk / cashflow - Whilst the Trust's bank balance on 31 March 2022 provides more than sufficient liquidity for day-to-day operations and current capital commitments, further waves of the coronavirus pandemic could again impact occupancy and adversely affect cashflow. In this situation, mitigating actions would need to be taken to reduce short term cash outflows.

Strategic Report - Companies Act 2006 s172(1)

The Trustees, both individually and collectively, consider that they have acted in ways that they believe in good faith to be most likely to promote the success of Greensleeves Homes Trust. Decisions made during the year ended 31 March 2022 have been taken for the benefit of both residents and staff. We actively encourage feedback from residents and their relatives through annual satisfaction surveys and regular meetings.

Caring for our residents is fundamental to the success of the Trust and we endeavour to provide exemplary and innovative care to all residents across all of the Trust's homes at all times. We also strive for our homes to actively be part of the community through engagement with other local organisations.

We recognise that staff both at the individual homes and at Head Office are the Trust's most important asset and aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of staff and of residents are of the highest importance and ensuring these is one of the primary considerations when making decisions and in operating the Trust.

Strategic Report - Streamlined Energy and Carbon Reporting

The Streamlined Energy and Carbon Reporting disclosure presents our carbon footprint within the United Kingdom across Scope 1 and Scope 2, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency improvements summary.

	Year ended 31 March 2022			Year ended 31 March 2021		
	Consumption kWh	Emissions tCO2e	Intensity Metric *	Consumption kWh	Emissions tCO2e	Intensity Metric *
Gas and other fuels (Scope 1 - direct emissions)	11,890,247	2,179.39	1.83	11,657,628	2,145.22	2.08
Electricity (Scope 2 - indirect emissions)	3,943,726	837.37	0.70	3,846,426	896.76	0.87
Transport (Scope 1 - direct emissions)	449,645	104.62	0.09	411,784	96.62	0.09
Overall	16,283,618	3,121.38	2.62	15,915,838	3,138.60	3.04

* Intensity metric represents tCO2e per CQC registered space across currently operating homes.

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 2022

Energy Efficiency Improvements

Greensleeves Homes Trust is committed to year-on-year improvements in operational energy efficiency. As such, a register of energy efficiency measures has been compiled with a view to implementation in the next five years.

A Sustainability Working Group has been established to regularly review current policies and procedures to ensure energy efficiency and sustainability is prioritised in the future.

Ongoing measures including those undertaken in this year:

- Where possible, have ensured lighting replacements undertaken during routine maintenance have been with high efficiency LED lighting;
- Installation of smart meters and water meters across part of our portfolio;
- Switched to 100% renewal energy across the Trust;

We are pleased to note the reduction in the Intensity Metrics shown above.

Measures for the future:

- Installation of minimum 2 EV charge points at all new build homes;
- Opening of a cycle to work scheme for staff, to reduce car usage;
- Replacement of single use products with reusable alternatives;
- Creation of food waste action plans to reduce food waste in our homes.

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 nine 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 or by advertising in appropriate press, 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 four Trustees and has responsibility for providing the Board with assurance on the adequacy of all systems, controls, processes and risk management that may have an impact

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 2022

Structure, Governance and Management - Continued

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 three 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 four 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 four 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.

Structure, Governance and Management - Continued

Health and Safety

Greensleeves Homes Trust believes that it is our responsibility to provide a safe environment for staff, residents and guests 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. We have also taken the added steps of employing a dedicated Health and Safety Manager who will coordinate the management of health and safety across the Trust and provide support and guidance to all staff, residents and locations.

We continue to develop our Health and Safety Compliance processes which are ultimately overseen by the Board of Trustees with input and support from the Health and Safety Consultative Committee, the Senior Management Team, the newly appointed Health and Safety Manager and Care Home Managers. New systems, policies, procedures and protocols have been put in place to manage all aspects of health and safety across the homes including the provision of training, use and maintenance of equipment and resources as well as the management of accidents, incidents and near misses. We have also strengthened our management of contractors across all of our homes and extended our suite of risk management plans.

We continue to review and update our Health and Safety Policy to ensure that we remain compliant with all legislation and regulations as well as ensuring best practice is maintained across the trust. Workshops have been held with all Care Home Managers to roll out the updated Policy, procedures and protocols and one on one support is being provided to managers to then roll this out to their home staff.

During 2021-22, we have continued to manage the impact Covid-19 on our services, residents and staff. We have focused on both the physical safety and wellbeing of everyone at Greensleeves, as well as mental health and wellbeing. We have maintained processes of monitoring, reporting, recording and providing support which were put in place at the start of the pandemic, and additional training and support has been offered via the Health and Safety Team, Quality Team, Training team and Human Resources.

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 2022

Structure, Governance and Management - Continued

During the year, we submitted seven RIDDOR reports to the Health and Safety Executive in respect of minor issues. The incidents occurred across six different homes with incidents involving both staff and residents.

Where appropriate, actions were taken to mitigate the potential for reoccurrence. No action was taken by the Health and Safety Executive on any of the RIDDOR's submitted.

Health and Safety remains a priority of Greensleeves Homes Trust and over the coming twelve months we will continue to manage and develop our practice to ensure that we are meeting the best practice industry standards and that the safety of all of our staff, residents and visitors is maintained at all times.

Management and Staffing

The Trust operates as three operating divisions, each led by a new Divisional Director reporting directly to the Chief Executive. Each of the divisions has its own dedicated support and advisory team covering HR, Property and Learning & Development/Training which is overseen by a Divisional Support Manager.

Trustees delegate the day-to-day running of the Charity to a full-time Chief Executive, who is supported by a Senior Management Team which is formed of the three Divisional Directors plus the Chief Financial Officer, the Director of Quality and Compliance and the 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.

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.

Throughout the year, the home managers normally 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 that we attract and retain the best people for the job, and 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 independently reviewed and benchmarked against other similar care providers annually. The Remuneration Committee determine the final level of increase, giving specific consideration to Executive pay, namely the Chief Executive, the Chief Financial Officer, the Director of Quality and Compliance, the Director of Business Development and Divisional Director posts. In setting the salary for these 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.

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.

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 2022

Structure, Governance and Management - Continued

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.

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 undertakings

The Trust has a long-standing 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.

As part of the purchase of Whitegates in Westfield, East Sussex, the Trust acquired the Whitegates Group of companies (Whitegates Investments Limited and Whitegates Retirement Home Limited) in July 2018. All operations were transferred across to the Trust soon after and the process of liquidating the two companies was completed post year end.

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. No third parties are engaged to assist with fundraising efforts.

Reports to the Charity Commission

Since the year end, we have notified the Charity Commission and Information Commissioner's Office of a data incident. This related to missing information on our care planning software, which took place post year end.

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



Ms D Pounds - Chair, Greensleeves Homes Trust

Date: 28 July 2022

GREENSLEEVES HOMES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2022

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgements and accounting estimates that are consistent;
- 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 group 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.

Qualifying third party indemnity provisions

The company has granted an indemnity to all of its trustees (who are also the directors of the charitable company for the purposes of company law) against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remains in force as at the date of approving the Report of the Board of Trustees.

GREENSLEEVES HOMES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2022

	<u>Notes</u>	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
INCOME FROM							
Charitable activities							
Residents' care fees		51,045,644	-	51,045,644	44,179,468	-	44,179,468
Residents' sundries		382,131	-	382,131	248,000	-	248,000
Covid-19 funding		-	1,681,179	1,681,179	318,054	2,392,929	2,710,983
Rental income		426,116	-	426,116	408,303	-	408,303
Raising funds							
Donations and fundraising		-	49,628	49,628	9,716	94,518	104,234
Investments	2	272	-	272	50,611	-	50,611
Other							
Miscellaneous income		119,673	-	119,673	8,900	-	8,900
(Loss)/Gain from sale of fixed assets		(42,389)	-	(42,389)	154,295	-	154,295
TOTAL		51,931,447	1,730,807	53,662,254	45,377,347	2,487,447	47,864,794
EXPENDITURE ON							
Charitable activities							
Residents' care costs	3	53,571,795	1,791,009	55,362,804	45,899,753	2,279,804	48,179,557
Head Office costs	3	2,996,613	-	2,996,613	2,894,300	20,412	2,914,712
Rental costs	3	212,631	-	212,631	175,747	-	175,747
Raising funds							
Investment manager fees	3	-	-	-	3,271	-	3,271
Cost of raising finance	3	181,037	-	181,037	137,159	-	137,159
TOTAL	3	56,962,076	1,791,009	58,753,085	49,110,230	2,300,216	51,410,446
INVESTMENT GAINS	9	-	-	-	233,039	-	233,039
NET (LOSS) / INCOME		(5,030,629)	(60,202)	(5,090,831)	(3,499,844)	187,231	(3,312,613)
Transfer between funds	12	-	-	-	81,825	(81,825)	-
NET MOVEMENT IN FUNDS		(5,030,629)	(60,202)	(5,090,831)	(3,418,019)	105,406	(3,312,613)
FUNDS AT 1 APRIL 2021	12	36,350,543	686,020	37,036,563	39,768,562	580,614	40,349,176
FUNDS AT 31 MARCH 2022	12	31,319,914	625,818	31,945,732	36,350,543	686,020	37,036,563

All of the above results are derived from continuing activities.

The parent company has elected not to present its unconsolidated SOFA under section 408 of the Companies Act 2006.

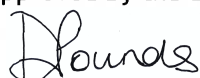
The notes on pages 26 to 41 form part of these financial statements.

GREENSLEEVES HOMES TRUST
CONSOLIDATED AND CHARITY BALANCE SHEETS
31 MARCH 2022

	<u>Notes</u>	<u>Group</u> <u>2022</u> £	<u>2021</u> £	<u>Charity</u> <u>2022</u> £	<u>2021</u> £
FIXED ASSETS					
Tangible assets	7	93,923,476	88,685,637	93,923,476	88,685,637
Investments	9	-	-	-	-
Investment in Subsidiaries	5	-	-	104	104
		<u>93,923,476</u>	<u>88,685,637</u>	<u>93,923,580</u>	<u>88,685,741</u>
CURRENT ASSETS					
Debtors	8	2,666,991	3,069,631	2,666,887	3,069,527
Bank and cash balances		15,101,955	14,257,684	15,101,903	14,257,632
		<u>17,768,946</u>	<u>17,327,315</u>	<u>17,768,790</u>	<u>17,327,159</u>
CURRENT LIABILITIES					
Amounts falling due within one year	10	(5,026,605)	(4,642,387)	(5,026,609)	(4,642,391)
NET CURRENT ASSETS		<u>12,742,341</u>	<u>12,684,928</u>	<u>12,742,181</u>	<u>12,684,768</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>106,665,817</u>	<u>101,370,565</u>	<u>106,665,761</u>	<u>101,370,509</u>
CREDITORS					
Amounts falling due after more than one year	10	(74,720,085)	(64,334,002)	(74,720,085)	(64,334,002)
NET ASSETS		<u>31,945,732</u>	<u>37,036,563</u>	<u>31,945,676</u>	<u>37,036,507</u>
UNRESTRICTED FUNDS					
General funds	12	22,132,959	26,309,549	22,132,903	26,309,493
Revaluation reserve	12	9,186,955	10,040,994	9,186,955	10,040,994
	12	<u>31,319,914</u>	<u>36,350,543</u>	<u>31,319,858</u>	<u>36,350,487</u>
RESTRICTED FUNDS	12	<u>625,818</u>	<u>686,020</u>	<u>625,818</u>	<u>686,020</u>
TOTAL FUNDS	12	<u>31,945,732</u>	<u>37,036,563</u>	<u>31,945,676</u>	<u>37,036,507</u>

The Charity's Net Loss for the year was £5,090,831.

Approved by the Board of Trustees and authorised for issue on 28 July 2022 and signed on their behalf by:



Ms D Pounds - Chair, Greensleeves Homes Trust

The notes on pages 26 to 41 form part of these financial statements.

Company Registered Number 03260168

GREENSLEEVES HOMES TRUST
CONSOLIDATED CASH FLOW STATEMENT
31 MARCH 2022

	<u>Notes</u>	<u>2022</u> £		<u>2021</u> £	
			£		£
Cash flows from operating activities			(1,164,528)		(2,422,111)
Cash flows from investing activities					
Dividends received	2	-		37,354	
Interest received	2	272		13,257	
			272		50,611
Purchases of tangible assets	7	(9,585,180)		(13,763,474)	
Sale of tangible assets	7	1,207,624		162,702	
Purchases of investments	9	-		(37,344)	
Sales of investments	9	-		1,902,154	
			(8,377,556)		(11,735,962)
Net cash used in investing activities			(8,377,284)		(11,685,351)
Cash flows from financing activities					
New loan facilities	10	10,000,000		15,000,000	
Capitalisation of costs	10	303,000		(324,066)	
Amortisation of capitalised costs	10	83,083		79,606	
			10,386,083		14,755,540
Net cash provided by financing activities			10,386,083		14,755,540
Change in cash and cash equivalents in the reporting period			844,271		648,078
Cash and cash equivalents at beginning of reporting period			14,257,684		13,609,606
Cash and cash equivalents at end of reporting period			15,101,955		14,257,684
Reconciliation of net income to net cash flow from operating activities					
Net (loss) / income for the reporting period			(5,090,831)		(3,312,613)
Decrease / (Increase) in debtors			402,640		(200,938)
Increase / (Decrease) in creditors			384,218		(1,460,816)
Depreciation	7		2,997,928		2,990,184
Dividends & interest from investments	2		(272)		(50,611)
Net (gains) / losses on investments	9		-		(233,039)
Loss/(Gain) on fixed asset disposals	7		42,389		(154,295)
Write off of tangible assets	7		99,400		17
			(1,164,528)		(2,422,111)
Net cash provided by operating activities			(1,164,528)		(2,422,111)
Analysis of cash and cash equivalents			Cash at		Cash at
			<u>31 March</u>		<u>31 March</u>
			<u>2022</u>		<u>2021</u>
Cash at bank			15,101,955		14,257,684

The notes on pages 26 to 41 form part of these financial statements.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

1 ACCOUNTING POLICIES

(a) Basis of accounting

Greensleeves Homes Trust is a Company limited by Guarantee and is incorporated in England and Wales. It is also a Charity that constitutes a public benefit entity as defined by FRS 102.

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. Grant income is included gross within the Statement of Financial Activities and not netted against the associated expenditure.

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 and the amortisation of initial costs incurred in respect of the loans from Retail Charity Bonds Plc.

Rental costs are in respect of a small number of rental properties owned by the Trust.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

1 ACCOUNTING POLICIES - continued

(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.

As this is the basis on which such properties are bought and sold, the cost or deemed cost of each home is valued by reference to the profits method based on an assessment of its fair maintainable trade and adjusted for size, location and other material factors. Each home's cost is split into a land value and a building value. The cost or deemed cost of each home's building value is further 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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

1 ACCOUNTING POLICIES - continued

(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.

(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 short 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) 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 CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

1 ACCOUNTING POLICIES - continued

(m) Going concern

Covid-19 has continued to have a financial impact on the Trust during the year to March 2022. Income has been affected due to lower occupancy levels, recovery of which has in some cases been delayed through pandemic related restrictions on resident admissions. Costs have remained higher than in pre-pandemic years, particularly in relation to testing and infection control. Staffing costs have increased due to higher than budgeted agency spend, a result of a difficult workforce market. The additional costs were offset in part by funding received as part of the various Covid-19 grants implemented by the government across the year and through contributions towards the pay of furloughed staff from the Coronavirus Job Retention Scheme. Due to favourable market conditions, the remaining £10m Retail Charity Bond facility was issued within the year, generating additional cashflow to support our ongoing sustainable growth plans.

In response to the above, short, medium and long term forecasts have been regularly reviewed throughout the year. Latest forecasts assume continued steady occupancy recovery throughout 2022-23, reaching pre-pandemic levels by March 2023, with no further pandemic waves or lockdowns, which could limit our ability to admit residents. No further government funding in relation to Covid-19 is assumed. Phased occupancy at end June 2022 was 88%. Forecasts based on nil resident growth during 2022-23 have also been prepared, and confirm that the Trust has sufficient cash reserves to be able to operate within these parameters significantly beyond the going concern assessment period.

The issue of the remaining £10m Retail Charity Bond has increased the value of assets required by the loan covenant to be held in the balance sheet. Whilst this is not of concern in the year to March 2022, depreciation of properties could put pressure on the covenant in future years. £29.7m of the Trust's properties are held at deemed cost less depreciation, deemed cost being based on a 2014 valuation exercise. Property acquired since 2014 is held at cost less depreciation. A revaluation exercise across our property portfolio, to be carried out within the current year, is expected to significantly increase Net Book Values, and therefore increase covenant headroom.

Having reviewed current short, medium and long term forecasts and given that cash reserves are in place to fund current and future development projects, the Trustees believe that Greensleeves Homes Trust does not have any material uncertainties in respect of going concern. Therefore the financials have been prepared using the going concern basis.

(n) 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.

(o) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2 INVESTMENT INCOME

	<u>2022</u>	<u>2021</u>
	£	£
Dividends	-	37,354
Bank interest	272	13,257
	272	50,611

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

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 2022 £	Total 2021 £
Unrestricted funds						
Charitable activities						
Residents' care costs	34,831,211	18,740,584	-	-	53,571,795	45,899,753
Head Office costs	1,065,698	-	1,826,947	103,968	2,996,613	2,894,300
Rental costs	15,966	-	196,665	-	212,631	175,747
Raising funds						
Investment manager fees	-	-	-	-	-	3,271
Cost of raising finance	-	-	181,037	-	181,037	137,159
	<u>35,912,875</u>	<u>18,740,584</u>	<u>2,204,649</u>	<u>103,968</u>	<u>56,962,076</u>	<u>49,110,230</u>
Restricted funds						
Charitable activities						
Residents' care costs	1,268,254	502,267	-	-	1,770,521	2,279,804
Head Office costs	20,488	-	-	-	20,488	20,412
	<u>1,288,742</u>	<u>502,267</u>	<u>-</u>	<u>-</u>	<u>1,791,009</u>	<u>2,300,216</u>
Total expenditure	<u>37,201,617</u>	<u>19,242,851</u>	<u>2,204,649</u>	<u>103,968</u>	<u>58,753,085</u>	<u>51,410,446</u>

(b) Analysis of other care costs

	2022 £	2021 £
Charitable activities		
Food	1,869,891	1,883,646
Medical costs	650,863	1,577,003
Activities	561,893	386,493
Care Quality Commission fees	128,947	162,416
Maintenance	2,969,353	1,905,085
Cleaning and housekeeping	940,277	956,110
Insurance	364,130	239,354
Utilities costs	2,011,679	961,056
Administration costs	658,352	326,242
Loan interest and charges	3,169,193	2,340,818
Leasehold rents	2,822,630	2,165,185
Depreciation	2,996,243	2,910,975
Write off of fixed assets	99,400	-
	<u>19,242,851</u>	<u>15,814,383</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

3 EXPENDITURE - continued

(c) Analysis of head office support costs

	<u>2022</u> £	<u>2021</u> £
Professional fees in respect of development plans	8,320	109,148
HR, health & safety, energy consultancy plus other professional fees	314,870	311,040
Trust-wide computer services	494,561	602,442
Head office running costs	1,007,511	768,044
Depreciation	1,685	77,962
	<u>1,826,947</u>	<u>1,868,636</u>

(d) Analysis of governance costs

	<u>2022</u> £	<u>2021</u> £
Legal and professional fees	5,892	73,156
Audit fees for current year	56,400	53,760
Audit fees in respect of previous year	-	7,391
Auditor's charges re Corporation Tax Returns	3,720	6,559
Auditor's charges re Service Charge Accounts	4,380	7,500
Internal auditor fees	26,040	780
Trustees' expenses	1,165	40
Trustee recruitment	6,371	1,405
	<u>103,968</u>	<u>150,591</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

4 WAGES AND SALARIES

	<u>2022</u> £	<u>2021</u> £
Summary of wages and salaries allocation in respect of:		
Residents' care costs	36,119,953	32,365,174
Head Office costs	1,065,698	895,485
Rental costs	15,966	23,958
	<hr/>	<hr/>
	37,201,617	33,284,617
	<hr/>	<hr/>
Analysis of wages and salaries:		
Salaries	28,571,007	27,104,370
National insurance costs	2,237,383	1,994,287
Pension costs	992,384	942,984
Apprenticeship Levy	122,898	122,536
Agency staff	4,160,137	2,408,662
Training	377,683	221,537
Recruitment	298,507	109,556
Other staff costs	441,618	380,685
	<hr/>	<hr/>
	37,201,617	33,284,617
	<hr/>	<hr/>

During the year, a small number of staff were furloughed due to the pandemic either as a result of them shielding or, in the case of some Head Office based staff, because restrictions caused by Covid-19 meant there was insufficient work within all departments to maintain usual staffing levels. As a result, £57,478 (2021: £275,843) was claimed under the Coronavirus Job Retention Scheme and this has been included as income under Covid-19 funding.

Central staff costs are allocated solely to unrestricted funds with 75% apportioned to residents' care costs and 25% to head office costs. Each member of central staff will support homes in varying degrees; some fully and some to a much lesser extent. Therefore, this split is considered an appropriate allocation.

As at 31 March 2022, total pension contributions still to be paid over to employees' policies amounted to £170,028 (2021: £141,374).

The average number of persons employed during the year was:

	<u>2022</u> FTE	<u>2022</u> Number	<u>2021</u> FTE	<u>2021</u> Number
Residents' care	1,082	1,367	1,096	1,360
Head office - Homes' support	36	37	33	35
Head office - Central administration	12	18	11	12
	<hr/>	<hr/>	<hr/>	<hr/>
	1,130	1,422	1,140	1,407
	<hr/>	<hr/>	<hr/>	<hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

4 WAGES AND SALARIES - Continued

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

	<u>2022</u> Number	<u>2021</u> Number
£60,001 to £70,000	3	2
£70,001 to £80,000	4	6
£80,001 to £90,000	2	3
£90,001 to £100,000	4	1
£120,001 to £130,000	1	1
£180,001 to £190,000	1	1
	<hr/>	<hr/>
	15	14
	<hr/> <hr/>	<hr/> <hr/>

Pension contributions paid on behalf of the 15 employees above for the year amounted to £55,031 (2021: £58,169 for 14 employees).

Key management personnel consist of the Chief Executive, Chief Financial Officer, Director of Quality and Compliance, Director of Business Development and three Divisional Directors whose total employment benefits for the year including employer's national insurance and pension contributions were £851,703 (2021: £844,686).

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

5 SUBSIDIARY RESULTS

Greensleeves Developments Limited (company number 02898839 - Registered Office at 138 Cheapside, London EC2V 6BJ) 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 and these are consolidated in the Balance Sheet shown on page 24.

Whitegates Investments Limited (company number 6751602 - Registered Office at Suite A, 7th Floor, City Gate East, Tollhouse Hill, Nottingham, NG1 5FS) was a wholly owned subsidiary of the Charity. It was dissolved on 3rd June 2022.

Whitegates Retirement Home Limited (company number 3927420 - Registered Office at Suite A, 7th Floor, City Gate East, Tollhouse Hill, Nottingham, NG1 5FS) is a wholly owned subsidiary of Whitegates Investments Limited. It formed part of the acquisition of the Whitegates home, and was dissolved on 3rd June 2022.

Both of the Whitegates companies were acquired as part of the acquisition of Whitegates care home in Westfield, East Sussex which was added to the Trust's portfolio of homes in July 2018.

For the year ended 31 March 2022, all companies were entitled to exemption from audit under section s479A of Companies Act 2006.

The Charity's investment in subsidiaries is summarised as follows:

	Investment in subsidiaries £
As at 1 April 2021	104
Additions during the year	-
	104
As at 31 March 2022	104

6 TRUSTEE AND RELATED PARTY TRANSACTIONS

The Trustees received no remuneration for their services during the current or prior year. Trustees were reimbursed a total of £1,165 for travel expenses incurred during the year (2021: £40).

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

7 TANGIBLE ASSETS - All Charity

	<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 2021	92,531,672	2,091,904	1,297,840	5,493,232	217,406	101,632,054
Disposals in year	(1,456,674)	-	-	-	-	(1,456,674)
Additions in year	6,341,888	1,154,512	553,308	1,533,472	2,000	9,585,180
Written off in year	-	-	(18,728)	(678,077)	-	(696,805)
At 31 March 2022	97,416,886	3,246,416	1,832,420	6,348,627	219,406	109,063,755
Depreciation						
At 1 April 2021	7,679,832	245,671	1,088,744	3,766,031	166,139	12,946,417
Disposals in year	(206,661)	-	-	-	-	(206,661)
Charge for the year	1,698,677	92,435	245,844	938,480	22,492	2,997,928
Written off in year	-	-	(16,990)	(580,415)	-	(597,405)
At 31 March 2022	9,171,848	338,106	1,317,598	4,124,096	188,631	15,140,279
Net book value at 31 March 2022	88,245,038	2,908,310	514,822	2,224,531	30,775	93,923,476
Net book value at 31 March 2021	84,851,840	1,846,233	209,096	1,727,201	51,267	88,685,637

Freehold property includes £29.1million of land (2021: £29.7 million) which is not depreciated.

Included under freehold property are assets with a net book value as at 31 March 2022 of £29.7million (2021: £31.6million) 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 2022 but not provided for in these accounts amounted to £1.5million (2021: £4.9million).

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

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

8 DEBTORS - Group and Charity

	<u>Group</u> <u>2022</u> £	<u>Group</u> <u>2021</u> £	<u>Charity</u> <u>2022</u> £	<u>Charity</u> <u>2021</u> £
Amounts due within one year:				
Residential care home debtors	1,380,005	1,383,701	1,380,005	1,383,701
Other debtors	164,047	54,604	163,943	54,500
Prepayments and accrued income	1,122,939	1,631,326	1,122,939	1,631,326
	<u>2,666,991</u>	<u>3,069,631</u>	<u>2,666,887</u>	<u>3,069,527</u>

9 INVESTMENTS - All Charity

	<u>2022</u> £	<u>2021</u> £
Market value at 1 April 2021	-	1,631,771
Add: additions to investments at cost	-	37,344
Book value of disposals in year		
Proceeds from sales	-	(1,902,154)
Realised gain	-	233,039
	<u>-</u>	<u>(1,669,115)</u>
Net unrealised (loss) / gain in the year	-	-
Market value at 31 March 2022	<u>-</u>	<u>-</u>
Cost at 31 March 2022	<u>-</u>	<u>-</u>
	<u>2022</u> £	<u>2021</u> £
Investments are represented by:		
Schroder Charity Multi-Asset Fund	<u>-</u>	<u>-</u>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

10 CREDITORS - Group and Charity

	<u>Group</u> <u>2022</u> £	<u>Group</u> <u>2021</u> £	<u>Charity</u> <u>2022</u> £	<u>Charity</u> <u>2021</u> £
Amounts due within one year:				
Trade creditors	2,713,448	1,523,289	2,713,448	1,523,289
Other creditors and accruals	1,136,730	892,557	1,136,734	892,561
Payments in advance	226,802	907,333	226,802	907,333
Residents' deposits	949,625	1,319,208	949,625	1,319,208
	<u>5,026,605</u>	<u>4,642,387</u>	<u>5,026,609</u>	<u>4,642,391</u>

Payments in advance relate to fee invoices raised, or monies received, before the year end which cover periods in the following year. The amount of £226,802 at the end of 2021 was released in full in the year ended 31 March 2022.

The residents' deposits amount is decreasing as, in February 2020, we elected to no longer collect deposits from new residents. Current deposits will be repaid as residents leave.

	<u>Group</u> <u>2022</u> £	<u>Group</u> <u>2021</u> £	<u>Charity</u> <u>2022</u> £	<u>Charity</u> <u>2021</u> £
Loans from Retail Charity Bonds Plc:				
Due 30 March 2026	49,719,040	49,648,751	49,719,040	49,648,751
Due 17 December 2030	25,001,045	14,685,251	25,001,045	14,685,251
	<u>74,720,085</u>	<u>64,334,002</u>	<u>74,720,085</u>	<u>64,334,002</u>

Loan from Retail Charity Bonds Plc - Due 30 March 2026

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 under stock code GSHT.

RCB Plc raised £33million from the issue of bond. It was issued for a period of nine years with a maturity date of 30 March 2026 and the option to extend the term by a further two years. It has a fixed rate of interest of 4.25%. 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.

Since the initial issue of £33million, a further £17million of bonds have been issued; £3million during the year ended 31 March 2019 and a further £14million during the year ended 31 March 2020 with the proceeds being loaned to the Trust in the two respective years at the same terms as the original advance. The effective interest rate of the two retained bonds tranches is lower than the 4.25% as both were issued at the price the bond was trading at when they were issued.

In total, costs in respect of all tranches of £599,937 have been capitalised and are being amortised over the term of the loan. £70,289 has been released to the Statement of Financial Activities in the current year (2021: £70,289).

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

10 CREDITORS - Group and Charity - continued

Loan from Retail Charity Bonds Plc - Due 17 December 2030

On 17 December 2020, RCB Plc launched a second Greensleeves Homes Trust Retail Charity Bond. Similarly to the first bond above, this was issued through their Retail Charity Bonds platform and is listed on the London Stock Exchange under stock code GHT2.

This bond is for a total of £25m with £15m being issued initially. The bond was issued with a term of ten years with an expected maturity date of 17 December 2030. There is the option to extend the term for a further two years. It was issued at a fixed rate of interest of 5%. The entire £15m of the initial issue was loaned to the Trust on the same terms as the actual bond. Interest is to be paid six monthly in arrears. There is an annual arrangement fee of 0.1% payable six monthly in advance which is subject to an annual increase in line with the Retail Price Index.

The retained portion of £10m was drawn down in the current year. The effective interest rate of the retained bonds tranche is lower than 5.00% as it was issued at the price the bond was trading at when they were issued.

Set up costs of £421,066 and surplus funds of £400,000 are amortised over the term of the loan. A charge of £12,794 was released to the Statement of Financial Activities in the current year (2021: £9,317).

The year-end position of the loans was as follows:

	<u>2022</u> <u>Due</u> <u>30 March</u> <u>2026</u> £	<u>2022</u> <u>Due 17</u> <u>December</u> <u>2030</u> £	<u>2022</u> <u>Total</u> £	<u>2021</u> <u>Total</u> £
Loan value				
As at 1 April 2021	50,000,000	15,000,000	65,000,000	50,000,000
Borrowed during the year	-	10,000,000	10,000,000	15,000,000
As at 31 March 2022	<u>50,000,000</u>	<u>25,000,000</u>	<u>75,000,000</u>	<u>65,000,000</u>
Capitalised costs				
As at 1 April 2021	(351,249)	(314,749)	(665,998)	(421,538)
Net Surplus/(Costs) incurred during the year	-	303,000	303,000	(324,066)
Amortisation of capitalised costs	70,289	12,794	83,083	79,606
As at 31 March 2022	<u>(280,960)</u>	<u>1,045</u>	<u>(279,915)</u>	<u>(665,998)</u>
Balance shown in the balance sheet	<u><u>49,719,040</u></u>	<u><u>25,001,045</u></u>	<u><u>74,720,085</u></u>	<u><u>64,334,002</u></u>

Both loans are unsecured and have two main covenants.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

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

	<u>Group</u> <u>2022</u> £	<u>Group</u> <u>2021</u> £	<u>Charity</u> <u>2022</u> £	<u>Charity</u> <u>2021</u> £
Due within one year	-	-	-	-
Due between two and five years	49,719,040	49,648,751	49,719,040	49,648,751
Due after more than five years	25,001,045	14,685,251	25,001,045	14,685,251
	<hr/>	<hr/>	<hr/>	<hr/>
	74,720,085	64,334,002	74,720,085	64,334,002
	<hr/>	<hr/>	<hr/>	<hr/>

11 OPERATING LEASES - All Charity

All operating leases are in respect of property, namely our homes De Lucy House in Diss, Norfolk; Lavender Fields in Seal, near Sevenoaks, Kent; The Orchards in Ely, Cambridgeshire; The Manor, in Windsor; and Buckler's Lodge in Crowthorne, Berkshire.

Rents paid in the year and recognised as an expense in these financial statements amounted to £2,822,630 (2021: £2,165,185) split De Lucy House £514,504 (2021: £499,600), Lavender Fields £1,217,471 (2021: £1,090,511); The Orchards £590,318 (2021: £575,074); The Manor £216,863 (2021: £nil); Buckler's Lodge £283,474 (2021: £nil).

On 19 March 2021, contracts were signed for a 64 bed leasehold home to be located on the site of the Springfield Hospital in Tooting, London. Completion is anticipated in Autumn 2022. The lease is for a term of 35 years.

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>Due within</u> <u>one year</u> £	<u>Due within</u> <u>two to five</u> <u>years</u> £	<u>Due after</u> <u>five years</u> £	<u>Total</u> £
De Lucy House	521,780	2,087,118	12,201,064	14,809,962
Lavender Fields	914,197	3,659,291	24,042,120	28,615,608
The Orchards	595,970	2,383,882	16,269,175	19,249,027
Buckler's Lodge	933,360	3,733,440	27,722,071	32,388,871
Springfield Hospital	-	3,185,455	25,921,123	29,106,578
The Manor	660,136	2,740,000	17,282,644	20,682,780
Head Office	40,568	1,076,902	1,574,782	2,692,252
	<hr/>	<hr/>	<hr/>	<hr/>
Total as at 31 March 2022	3,666,011	18,866,088	125,012,979	147,545,078
	<hr/>	<hr/>	<hr/>	<hr/>
Total as at 31 March 2021	2,508,000	15,677,000	106,013,000	124,198,000
	<hr/>	<hr/>	<hr/>	<hr/>

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

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

12 FUNDS - Group

	At 1 April 2021 £	<u>Income</u> £	<u>Expenditure</u> £	Investment (losses) £	Transfer between Funds £	At 31 March 2022 £
Unrestricted						
General funds	26,309,549	51,931,447	(56,857,143)	-	749,106	22,132,959
Revaluation reserve	10,040,994	-	(104,933)	-	(749,106)	9,186,955
Total unrestricted funds	36,350,543	51,931,447	(56,962,076)	-	-	31,319,914
Restricted						
Amenity funds	601,798	49,628	(25,608)	-	-	625,818
Covid-19 funding	84,222	1,681,179	(1,765,401)	-	-	-
Total restricted funds	686,020	1,730,807	(1,791,009)	-	-	625,818
Total funds	37,036,563	53,662,254	(58,753,085)	-	-	31,945,732

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. Expenditure relates to additional depreciation charged as a result of the revaluation. The transfer between the revaluation reserve and unrestricted general funds relates to the disposal of Thornbank.

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

The Covid-19 funding represents the receipt and use of specific Covid-19 funding received in the year. It includes monies claimed under the Coronavirus Job Retention Scheme and monies received from the Infection Control Fund, Rapid Testing Fund and Workforce Capacity Fund.

13 ANALYSIS OF ASSETS BETWEEN FUNDS

	<u>Restricted funds</u> £	<u>Revaluation reserve</u> £	<u>General funds</u> £	<u>Total</u> £
Fixed assets	-	9,186,955	84,736,521	93,923,476
Other current assets	625,818	-	17,143,128	17,768,946
Current liabilities	-	-	(5,026,605)	(5,026,605)
Long term liabilities	-	-	(74,720,085)	(74,720,085)
Total net assets	625,818	9,186,955	22,132,959	31,945,732

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2022

14 TAXATION

Greensleeves Homes Trust is a registered charity and is exempt from taxation on its income and gains to the extent they are applied in pursuance of its charitable purposes.

15 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.

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

Opinion

We have audited the financial statements of Greensleeves Homes Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Group Charitable Company Statement of Financial Activities (incorporating the Group Charitable Company Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Charitable Company 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 group's and parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including the group's 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 group and parent 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the trustees with respect to going concern are described in the 'Responsibilities of trustees for the financial statements' section of this report.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Board of Trustees and Statement of Trustees' Responsibilities, 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.

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 the Directors' report, prepared for the purposes of company law, included in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Board of Trustees have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Board of Trustees.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 18, 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 group and the parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group through our general not for profit and charity sector experience and discussions with management. We determined that the following laws and regulations were most significant: Charities SORP 2019, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Charities Act 2011, Companies Act 2006, Data Protection Act 2018 and Care Standards Act 2000.
- We enquired of management concerning the group's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and the finance and audit committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
 - potential management bias in determining accounting estimates
- Our audit procedures involved:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries;

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

- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition, improper use of charitable funds and serious incident reports submitted to the Charity Commission in the period; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the charity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the charity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

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.

Grant Thornton UK LLP

William Devitt BSc FCA DChA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date: 9 September 2022