

GREENSLEEVES HOMES TRUST

**ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2023

GREENSLEEVES HOMES TRUST

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

(Charity Registration Number 1060478)

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CONSOLIDATED FINANCIAL STATEMENTS**

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YEAR ENDED 31 MARCH 2023

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GREENSLEEVES HOMES TRUST

LEGAL AND ADMINISTRATIVE DETAILS

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TRUSTEES

Mr D Bryan (Appointed 19 May 2022)
Mr R Costella (Resigned 01 October 2022)
Ms K Davies
Mr M Foster
Mr D Kelly OBE

Mr M Shaha
Mr C Spence
Ms D Pounds (Chair)
Ms M Townson
Ms J Tombs

COMPANY SECRETARY

Ms T Omoma

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
Ms T Nelson – Divisional Director – North
Ms M Whittingham – Divisional Director – South

REGISTERED OFFICE

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STATUTORY AUDITOR

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BANKERS

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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 2023

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 2023. 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 Year Ended 31 March 2023

Aims

Greensleeves Homes Trust is a charitable organisation providing care and accommodation for older people, primarily through the operation of residential and nursing homes in the South and East of England.

Our mission is to encourage our residents to thrive as individuals, and our employees to practice as caring professionals. Our values of Respect, Openness, and Responsibility support us in achieving this.

Greensleeves Homes Trust aims to expand its charitable impact by increasing the number of beneficiaries receiving our high quality care and support services.

Charitable Objectives and Activities

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.

The Trustees have had regard to the Charity Commission’s guidance on public benefit when reviewing the Charity’s aims and objectives, and in planning future activities to meet these.

Greensleeves Homes Trust meets these objectives through the provision of residential, dementia and nursing care, in care homes located across the South and East of England. Care is offered uniformly, regardless of resident background or financial situation.

During the year, we have formalised our long-standing Home for Life policy, which commits to continuing to provide care for private residents who through financial depletion become eligible for Local Authority funding. This offers reassurance to residents and relatives that a home with Greensleeves is a home for life.

The Trust’s 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: Operate more and better homes, where people love living and working, expanding our charitable impact in a viable, green and affordable manner.

The Trust sets short term and long term aims to support the furtherance of the objectives and strategic goals. Short term aims focus on enhancement of current services, and include:

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- Development of activities provisions, to meet the needs of all residents;
- Recruitment, retention and development of high quality care and support staff;
- Increasing the proportion of homes with Care Quality Commission ratings of Good or Outstanding;
- Implementation of new technological solutions for increased efficiency and accuracy;
- Embedding the culture of the Trust into new homes, and growing these to capacity;
- Promoting our Home for Life policy, which supports residents who experience financial depletion whilst in our care.

Long term aims include:

- Progression of plans for newbuild leasehold homes at Newport Pagnell and Westfield;
- Review of financing arrangements to support future development activity and acquisitions.

The Trust measures success against its objectives through a variety of Key Performance Indicators, including CQC ratings, carehome.co.uk ratings, staff turnover, occupancy, CQC registered beds, and funded resident percentage.

As at 31 March 2023, we had facilities to care for up to 1,252 residents across 27 homes, an increase of 64 beds and 1 home compared to the prior year.

Our services continue to be highly rated by residents, family and friends, with a Carehome.co.uk group score of 9.5 out of 10, and 20 of our homes achieving this score or greater.

In furtherance of our charitable objectives, during the year, the charity has increased the number of residents it is able to care for through the addition of a new 64 bed nursing home, The Meadowcroft in Tooting, London, which opened in February 2023. The redevelopment of Mount Ephraim House has also been progressed, and despite setbacks, has opened since the year end, providing a further 57 beds.

Any surpluses generated by the Trusts activities are reinvested into the maintenance and improvement of our homes and services, including supporting our Home for Life policy.

Achievements and Performance

The year to March 2023 has been a challenging one for the Trust, both due to wider economic conditions, and one-off events, which have impacted the operational and financial performance of the organisation. Despite this, we have provided high quality care to up to 1000 residents at any one time, and increased the number of residents we are able to care for through the addition of new homes.

Encouragingly, since March 2023 occupancy levels for mature homes had returned to pre-pandemic levels by June 2023 and new homes are starting to fill more quickly. The continuing focus on reducing agency staff usage together with other cost reduction measures and improved procurement practices are also favourably impacting trading performance and cash generation. Construction delays and flood damage at Mount Ephraim House have been resolved and the new home has now welcomed its first residents.

Occupancy levels:

Occupancy continued to recover slowly following the Covid-19 pandemic, with homes experiencing restrictions on admissions, particularly during the first half of the year. The Trust occupancy target for the year required a return to pre-pandemic occupancy levels, being an average 92% across the organisation for mature homes. Actual occupancy for these homes was 88% across the year. Fill rates at our growing homes have also been slower than expected where both recruitment of staff and resident demand levels have been challenging. Total occupancy across the organisation for the year was 81%,

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Staff retention:

The Trust has continued to invest in our Quality First Initiative, which provides financial incentive for staff to take on additional shifts beyond their contracted hours. This aims to improve consistency of staffing for residents, whilst reducing reliance and spend on agency staff. Some of our homes have benefited from the scheme, using little or no agency during the year. However, for other homes, local recruitment market conditions have proved challenging, and have led to heavy reliance on agency staff, with spend across the organisation as a whole more than doubling during the year. There has been a detailed review of this expenditure and further procedures implemented to ensure that agency staff are only used when all other options have been exhausted, and that the agency that is required is procured at the best price.

CQC ratings:

At the time of writing, 20 of our homes have a CQC rating of Good, 2 are rated Outstanding. 4 of our homes are currently rated Requires Improvement, and 2 (including one opened post year end) have yet to be inspected.

Reputation:

We measure our reputational performance by reference to ratings on external websites such as carehome.co.uk and through the receipt of industry rewards. At the time of writing, the Trust had a group score of 9.5 out of 10 on carehome.co.uk, with 20 of our homes individually achieving this rating or higher.

During the year, Greensleeves Care achieved a 'Top 20 Large Care Home Group' Award from carehome.co.uk, the sixth year running that the Trust is in receipt of the award. Two of our homes, Broadlands and Harleston House, were also named among the Top 20 Care Homes in the East of England.

The Meadowcroft:

In June 2021, contracts were exchanged for the Trust to acquire the operations of Ronald Gibson House, in Tooting, South London, on completion of The Meadowcroft, an adjacent new build nursing home registered for 64 residents. The home was originally expected to open in October 2022, with residents and staff from Ronald Gibson House relocating to The Meadowcroft shortly after. However, due to construction delays, the building was not complete until January 2023. The transfer of residents and staff took place in February 2023, and the home is now settling into the Greensleeves culture.

Mount Ephraim House:

The renovation of Mount Ephraim House, saw further setbacks during the year. Works were expected to complete in Summer 2022, with a planned October reopening date. However, weeks before the expected move, a parts failure resulted in the flooding of the basement, and the write-off of all heating and electrical plant and equipment. This event, and subsequent delays to works outside of the control of Greensleeves, caused a 9 month set-back of the planned opening date. The home has successfully opened since year end, and is now welcoming residents.

Property sales:

The Trust had two properties for sale at the year end.

- Croxley House was replaced by our new home Clarendon Lodge and terms were agreed during the year to sell the home. Unfortunately, a protracted right of way documentation issue with the local council has delayed the sale. Some progress has been made in resolving the issue and it is expected that the sale will complete by December 2023.
- St Cross Grange closed in September 2023 following transfer of the operations of the home to a new facility operated by another local not for profit operator. The sale of the site also completed in September 2023.

Staff wellbeing:

The Trust is focused on ensuring it remains an attractive and supportive employer and continues to be a Real Living Wage employer. During the year, colleague engagement questionnaires have been used to monitor staff wellbeing amongst other areas. Highlights from the results include an overall workplace happiness score of 80%,

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against the industry standard of 70%, as well as 94% of colleagues agreeing with the sentiment 'I do something worthwhile' and 92% agreeing with 'I feel proud to work for my organisation.'

All staff also now have access to Thrive, a mental health and wellbeing app, offering free, confidential support to those who need it.

These initiatives have helped to contribute to the Trust achieving a gold rating in WorkL's 'Employee's Voice' Best Workplace Awards 2022.

Funded residents:

The Trust aims to offer 25% of beds to residents funded through the Local Authority or NHS, in support of our charitable aims. In the year to March 2023, 21% of our residents were funded in this way. As an organisation, we are seeing an increase in the number of private residents reaching financial depletion, and so have needed to admit funded residents cautiously to ensure our goal of sustainable development is met.

Impact and Stakeholder Engagement

Feedback from our residents and relatives provides some of the best measures of performance against our aim of providing high quality care and to help us to shape the work that we do to further our charitable purpose. We receive reviews directly, and via platforms such as carehome.co.uk.

Some comment highlights from this year include:

- Maureen: "I am blessed in every way by living here in this lovely Care Home and I haven't once wanted to be anywhere else."
- Eric: "Everything I have ever wanted to do in my life, I am still doing here today. There are times where I am in a euphoric state here, I've been given a new lease of life."
- Raymond: "I am very happy living here with my wife. I wish I had moved here ten years ago. I feel like I'm on a permanent holiday. The food is very good, all the staff are so nice, helpful and respectful. I would recommend to anybody to live here."
- Zoe: "Thank you to all the staff for taking such good care of my Nan, in my eyes, there is no other home that compares. It's of no surprise that this home has such a good reputation."
- AC: "My aunt is so happy and it shows in her face. I cannot thank everyone for putting the smile on her beautiful face, thank you."

Our homes are fortunate to benefit from support from volunteers who give their time freely to assist with activities and fundraising events, or simply offer 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 our residents.

Financial Review

These financial statements for the year ended 31 March 2023 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)).

The main source of income during the year to March 2023 was resident care fees, relating to our core activity of providing residential, dementia, and nursing care.

During the year, the Trust generated a net deficit of £15.9m, resulting from a number of factors, both broader economic factors, and specific one-off incidents.

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The Trust has not been immune to the prevailing wider economic conditions. In addition to the increase in agency usage, inflation has increased significantly in excess of expectations, and despite benefitting from contracts to mitigate price rises, particularly in energy costs, where full use of government price caps was made, the Trust has still suffered large unbudgeted cost increases.

Non-routine Items:

Several events, totalling £12,278k, have contributed to this loss:

- Property revaluation: During the year, the Trust instructed Knight Frank to carry out a revaluation of freehold assets. The last valuation recognised in the accounts took place in 2014, and a revaluation was deemed appropriate to better reflect their fair value in the accounts. The revaluation resulted in a total of £16.4m being added to the carrying value of these assets, which was made up of both upwards and downwards valuation movements. Downwards valuations of properties are recognised in the SOFA to the extent that they do not reverse a previous revaluation balance in the revaluation reserve. This has resulted in a cost of £7,416k being charged to the SOFA.
- Viera Gray House: During the year, Viera Gray House experienced some operating difficulties resulting in a temporary curtailment of the admission of new residents. The issues within the home have now been resolved but the costs incurred in correcting identified issues, coupled with a block on admissions during the process, has had a negative financial impact of approximately £1,045k.
- The Meadowcroft: Delays in the opening of The Meadowcroft reduced anticipated surpluses accruing from this home by £332k during the year.
- St Cross Grange: During the year, the decision was made to close St Cross Grange, our home in Winchester. An arrangement was made for all staff and residents to transfer to a nearby new build facility being opened by another charitable provider. Transfer was expected in October 2022, but completion of the new building has been repeatedly delayed, and St Cross Grange remained open at the year end. Whilst costs have been managed where possible, resident and staff numbers have both declined during this period of uncertainty, producing a reduction in revenues and increase in agency usage. The negative financial impact of this delay is estimated at £458k.
- Mount Ephraim House: Mount Ephraim House was budgeted to open in July 2022. As a new home, it was expected to be cost-neutral over the year, due to the impact of development drag as the home filled. This opening date was not met, due to building delays and the subsequent basement flood. Whilst the cost of basement works have been covered by insurance, the Trust had already committed to costs associated with opening, largely staff costs, which continued to be incurred throughout the remainder of the year. As such, the negative impact of these delays is estimated at £263k.
- Croxley House: The sale of Croxley house was expected to complete in March 2022. Delays have been experienced due to a right of way issue, and the transaction has yet to be completed. For insurance purposes, the Trust must maintain 24 hour onsite security at the building, costing £196k during the year.
- Occupancy: Post-pandemic occupancy recovery at our mature homes has been slower than anticipated, and at year end had not reached normal operating levels in a number of homes. The estimated financial impact of this extended recovery during the year is £961k. As at June 2023, occupancy in these homes has reverted to pre-pandemic levels.
- Agency spend: During the year, agency usage and fees increased, with costs doubling compared to the prior year. Much of this arose through operational issues at a few key homes. The net cost of this additional usage, after factoring in associated salary savings, is estimated at £1,607k.

Development drag:

In addition, the slower than expected resident build up in our new homes, has increased the level of development drag that the Trust has experienced in the year. The Trust defines development drag as the reduction in surpluses

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resulting from a home being in the growth phase. Due to initially low resident numbers, and the need to upstaff prior to admissions, new homes represent an initial drag on resources, typically taking two years to reach full operating capacity. The slower the increase in resident numbers, the more expensive this drag phase becomes. Comparing a home's expected surplus from mature operation with actual results identifies the financial impact on the organisation.

During the year, the Trust had the following homes in the growth phase:

Home	Development drag £'000
Buckler's Lodge	2,232
Clarendon Lodge	669
The Meadowcroft	906
Mount Ephraim House	1,056
Total Development Drag	<u>4,863</u>

This development drag represents the total additional surplus that the Trust's current estate can be expected to generate once fully operational.

The underlying performance of the estate, being the net loss per the accounts adjusted for non-routine items and development drag, can be calculated as below, and gives a clearer picture of the underlying performance of the Trust.

	£'000
Net (loss) per accounts	(15,933)
Add back asset revaluation	<u>7,418</u>
Net (loss) before asset revaluation	(8,515)
Non-routine items detailed above	4,860
Development Drag	<u>4,863</u>
Underlying surplus	1,208
Depreciation	3,410
Loan interest	<u>3,381</u>
EBITDA	7,999

The balance sheet as at March 2023 shows net current assets of £842k (2022: £12.7m). The year end cash balance was £2,281k, having been eroded during the year due to the factors listed above.

Post Balance Sheet Events

Since the year end, the Trust has sold one of its properties, St Cross Grange, following the transfer of operations to a new home run by another not-for-profit operator. The sale of the property generated proceeds of £3.9m.

Reserves

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 believe it necessary to hold reserves adequate to ensure that future standards of service and accommodation offered to residents can be maintained and improved, as well as to fulfil any committed acquisition and development activity.

As such, 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. 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.

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At the balance sheet date, the Trust's free unrestricted reserves before long term liabilities were £211k which represents a deficit of £2,003k below the £2,214k required to fulfil the above requirement. This position was temporary and unrestricted reserves returned to compliant levels by the end of September 2023 following the completion of a delayed asset sale.

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. In the year to 31 March 2023, a change of accounting policy was applied, such that freehold assets are now held under the fair value model. The Trustees are of the opinion that this model better reflects the true value of these assets. A revaluation exercise was carried out in November 2022, resulting in a net increase in freehold asset value of £16.4m. A £23.8m increase was applied to the revaluation reserve, with £7.4m being charged to the SOFA in relation to assets reduced in valuation in excess of any related balance held within the revaluation reserve. A reserves transfer was applied to account for the increased depreciation arising from the revaluation exercise. The balance of the revaluation reserve at 31 March 2023 was £32.7m (2022: £9.2m).

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

Restricted funds of £632k (2022: £626k) represent resident deposits, which are refundable on leaving our homes. The Trust no longer requires deposits on admission, and as such this balance is reducing over time.

Principal Risks and Uncertainties

The Trust maintains an active digital risk register, covering operational and financial risks to the Trust. This is monitored regularly by the Senior Management Team and reviewed by the Finance & Audit, Property and Care Quality Improvement Committees together with the Board of Trustees. The Trust conducts both internal reviews and external reviews, covering areas such as care, health and safety, HR and finance, in order to reduce risk across the organisation.

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

- Quality failings: Issues with the quality of our services result in sub-standard experiences for our residents. Further impacts would include downgrading of CQC ratings, restrictions on admissions, reputational damage, and resultant financial implications. The Trust is reviewing all auditing processes to ensure that any weaknesses are rectified at the earliest opportunity.
- Staffing difficulties: High staff turnover and inability to recruit quality colleagues, resulting in inconsistent care, and reducing our ability to curtail agency spending. We continue to be a Living Wage accredited employer, and are investing in schemes to support, develop and progress staff.
- Occupancy: Failure to increase occupancy, particularly in our new and growing homes, threatens the financial stability of the organisation. This risk is being mitigated through focussed marketing campaigns, which are already seeing results.
- Fundraising: An inability to continue to raise funds to further our sustainable development and, by 2026, to repay or refinance the first loan from Retail Charity Bond plc. Due to a number of factors outlined above, the Trust was in a weaker cash position at the year end than the Trustees normally require. This position has since been rectified and further funding options are being considered to underpin the cash position of the Trust. We prepare and regularly review a long term financial plan to monitor impacts of short and long term strategies on financial position.

Going Concern

The delayed recovery in occupancy levels following the Covid-19 pandemic, coupled with challenges in the workforce market, have had a significant financial impact on the Trust during the year to March 2023. Occupancy levels have recovered more slowly than forecast, particularly in our new and filling homes, where both recruitment of staff and resident demand levels have been challenging. Across the organisation, despite strong recruitment efforts, the need to rely on agency staff to maintain safe services has resulted in significant temporary increases

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in our staffing costs. The wider economic conditions have also caused price increases across the organisation in excess of budget, particularly in our energy bills, despite having contracts in place to partially mitigate the impacts of this.

At the year end, the Trust had two properties for sale. Completions of the sales have been met with numerous delays, causing the expected cash inflows that will arise from these transactions to be postponed. Several development projects have also completed later than planned due to factors outside of the Trust's control, resulting in delays in the realisation of associated economic benefits of these projects.

As a result of these factors, cash had fallen below the target preferred minimum level set by Trustees of £5m during the year. However, in September 2023, the sale of one of the properties completed, generating net proceeds of £3.9m. This sale has brought cash levels back in line with the target set by Trustees. The Trust is exploring other options to further improve cashflow, including a potential sale and leaseback arrangement and a secured bank debt facility.

Mature homes are now at pre-pandemic occupancy levels, and forecasts assume a steady increase in occupancy levels at our growing homes. Overall phased occupancy level for the Trust had reached 89.4% by the end of August 2023. The continuing focus on reducing agency staff usage together with other cost reduction measures and improved procurement practices are also favourably impacting trading performance and cash generation.

Forecast sensitivities indicate that in the event that the second property sale is not achieved, and that no additional financing arrangements are introduced, then the Trust would remain a going concern throughout the coming 12 months and beyond.

As such, the Trustees believe that Greensleeves Homes Trust does not have any material uncertainties in respect of going concern, and the financials have been prepared using the going concern basis.

Plans for Future Periods

In furtherance of our charitable objectives and strategic goals, the Trust has the following key plans for the coming year:

Staff recruitment, retention and development: To extend and enhance the Quality First Initiative, which encourages Greensleeves staff to take on additional shifts, thereby reducing agency usage and improving care continuity, and to continue to monitor this for effectiveness during the year. We plan to use targeted local recruitment advertising to support key homes and increase our use of sponsorship licences to widen the recruitment pools we are able to access. These measures, along with our staff retention initiatives, will enable us reduce the number of agency hours required. This, coupled with agreeing fair rates with suppliers, will support a significant reduction in agency spending.

Occupancy: To improve occupancy at all homes operating below pre-pandemic levels, as well as at new homes. This will be achieved by marketing campaigns, raising awareness both online and through local press, and review of our resident journey, to ensure that this as seamless as possible. We will also continue to promote our Home for Life policy, enabling prospective residents to consider this as part of their decision-making process.

Quality Care: To implement Namaste practices across our homes, particularly for residents living with dementia, or on end of life care. To ensure all staff receive high quality training and development opportunities, enabling them to provide the best standards of care. We also plan to continue to develop internal audit techniques, to identify and rectify weaknesses at the earliest opportunity.

Digital Transformation Programme: To continue implement and explore digital tools and software available, to support high quality care, and ensure the efficiency of the organisation.

Growth and consolidation: To conduct a detailed review of our homes to ensure that all are operating efficiently and contributing positively to the organisation. To consider funding options available in the short and medium term, to maintain comfortable levels of working capital, and fund the future development pipeline.

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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 2023 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.

Streamlined Energy and Carbon Reporting

The Streamlined Energy and Carbon Reporting disclosure presents our carbon footprint within the United Kingdom across Scope 1, Scope 2 and Scope 3, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency improvements summary.

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets. Scope 2 consumption and emissions refer to indirect emissions related to the consumption of purchased electricity in day to day business operations. Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee owned vehicles) only.

	Year ended 31 March 2023			Year ended 31 March 2022		
	Consumption kWh	Emissions tCO ₂ e	Intensity Metric *	Consumption kWh	Emissions tCO ₂ e	Intensity Metric *
Gas and other fuels (Scope 1)	11,710,634	2,137.82	1.71	11,890,247	2,179.39	1.83
Electricity (Scope 2)	4,502,579	870.71	0.70	3,943,726	837.37	0.70
Transport (Scope 1 & 3)	487,377	113.29	0.09	449,645	104.62	0.09
Overall	16,700,590	3,121.82	2.50	16,283,618	3,121.38	2.62

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

Greensleeves Homes Trust is committed to year-on-year improvements in operational energy efficiency, and is pleased to note the reduction in the Intensity Metric shown above. In continuation of this work, a register of energy efficiency measures has been compiled with a view to implementation in the next five years. A Sustainability Working Group regularly reviews current policies and procedures to ensure energy efficiency and sustainability are prioritised in decision-making.

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 electricity across the Trust;
- Changed the heating systems to non-fossil fuel alternative at The Manor;
- Switched to a central waste management company resulting in greatly improved recycling rates and significant cost savings;
- Introduction of a cycle to work scheme for staff, reducing car usage.

Measures being considered for the future include:

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 2023

- Installation of minimum 2 EV charge points at all new build homes;
- Replacement of single use products with reusable alternatives, where this can be achieved without compromising on infection control;
- Creation of food waste action plans to reduce food waste in our homes;
- Install non-fossil fuel heating system at Glebelands, review similar option at other homes.
- Investigating PV (solar panels) installs to as many homes as possible;
- Instigating producing ESG (Environmental, social and governance) analysis and investigating the potential to use carbon off-setting to reduce the Trust's carbon footprint.

Structure Governance and Management

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

The Board of Trustees currently comprises 9 members, who are the legal directors of the company, and responsible for the overall direction and strategy of the Trust, and for oversight of its financial affairs.

Trustees are recruited with the help of an external agency specialising in non-executive recruitment. The goal is to attract suitable individuals who will enhance the existing Board's skill set and address any skills gaps. Potential candidates are interviewed by the Nominations Committee or a panel of board members, and suitable candidates are recommended to the Board for appointment.

New Trustees receive important documents such as the Memorandum and Articles of Association, the current annual budget and business plans, and information on regulatory requirements in the care and charity sectors. They also meet with the Chief Executive to discuss strategy, objectives, and identify any additional training needs. The Chief Executive and board papers keep Trustees informed about Trust developments and relevant legislation.

The current Trustees have diverse backgrounds and contribute valuable expertise and advice, in addition to external advisers' support.

The Board of Trustees meet regularly throughout the year, at quarterly Board meetings, and in smaller groups at sub-committee meetings. The Trustees currently have the following sub-committees, which report directly to the Board:

- Finance and Audit Committee: Responsible for providing the Board with assurance on the adequacy of all systems, controls, processes and risk management that may impact the Trust's ability to meet its objectives; and to ensure that financial resources are being deployed appropriately.
- Property Committee: Responsible for providing the Board, the Chief Executive and Senior Management Team with advice on property related issues, consistent with the Trust's objectives.
- Remuneration Committee: 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: Responsible for the clinical governance and risk management of resident safety and experience, quality standards and compliance, and service development / innovation.
- Nominations Committee: 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.

Trustees delegate the day-to-day running of the Charity to the Chief Executive, who is supported by the Senior Management Team. Together, these individuals are responsible for developing and enhancing services within the Trust's objectives, recruiting appropriately qualified staff who align with the Trust's values, and maximizing the use of Trust assets. They also provide strategic and operational leadership to meet regulatory requirements, maintain service standards within budget, and identify new income streams and development 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 2023

The Trust has a Remuneration Policy which is regularly reviewed and helps ensure that we appropriately reward and motivate staff. The Trust is committed to ensuring we pay our staff fairly whilst responsibly managing our financial resources. 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 the Senior Management Team 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.

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.

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.

Fundraising

Part of the Trust's income is from donations and fundraising. 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 or Christmas parties. Any monies raised are used for resident benefit, either for general amenity purposes or for larger purchases. 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.

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

Dallas Pounds

Ms D Pounds – Chair, Greensleeves Homes Trust

26/9/2023

Date:

GREENSLEEVES HOMES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 MARCH 2023

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 reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 2023

	<u>Notes</u>	<u>Unrestricted Funds 2023</u> £	<u>Restricted Funds 2023</u> £	<u>Total 2023</u> £	<u>Unrestricted Funds 2022</u> £	<u>Restricted Funds 2022</u> £	<u>Total 2022</u> £
INCOME FROM							
Charitable activities							
Residents' care fees		63,449,452	-	63,449,452	51,045,644	-	51,045,644
Residents' sundries		410,540	-	410,540	382,131	-	382,131
Covid-19 funding		-	162,728	162,728	-	1,681,179	1,681,179
Rental income		426,957	-	426,957	426,116	-	426,116
Raising funds							
Donations and fundraising		-	46,917	46,917	-	49,628	49,628
Investments	2	6,224	-	6,224	272	-	272
Other							
Miscellaneous income		652,135	-	652,135	119,673	-	119,673
(Loss) on sale of fixed assets	7	-	-	-	(42,389)	-	(42,389)
TOTAL		64,945,308	209,645	65,154,953	51,931,447	1,730,807	53,662,254
EXPENDITURE ON							
Charitable activities							
Residents' care costs	3	69,503,844	203,345	69,707,189	53,571,795	1,791,009	55,362,804
Head Office costs	3	3,545,659	-	3,545,659	2,996,613	-	2,996,613
Rental costs	3	259,296	-	259,296	212,631	-	212,631
Raising funds							
Cost of raising finance	3	158,055	-	158,055	181,037	-	181,037
Other							
Loss on revaluation of assets	3	7,417,596	-	7,417,596	-	-	-
TOTAL	3	80,884,450	203,345	81,087,795	56,962,076	1,791,009	58,753,085
NET (LOSS) / INCOME		(15,939,142)	6,300	(15,932,842)	(5,030,629)	(60,202)	(5,090,831)
Transfer between funds	11	-	-	-	-	-	-
Gain on revaluation of assets	11	23,804,996	-	23,804,996	-	-	-
NET MOVEMENT IN FUNDS		7,865,854	6,300	7,872,154	(5,030,629)	(60,202)	(5,090,831)
FUNDS AT 1 APRIL 2022	11	31,319,914	625,818	31,945,732	36,350,543	686,020	37,036,563
FUNDS AT 31 MARCH 2023	11	39,185,768	632,118	39,817,886	31,319,914	625,818	31,945,732

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 21 to 33 form part of these financial statements.

GREENSLEEVES HOMES TRUST
CONSOLIDATED AND CHARITY BALANCE SHEETS
31 MARCH 2023

	<u>Notes</u>	<u>Group</u> <u>2023</u> £	<u>2022</u> £	<u>Charity</u> <u>2023</u> £	<u>2022</u> £
FIXED ASSETS					
Tangible assets	7	113,765,339	93,923,476	113,765,339	93,923,476
Investment in Subsidiaries	5	-	-	4	104
		<u>113,765,339</u>	<u>93,923,476</u>	<u>113,765,343</u>	<u>93,923,580</u>
CURRENT ASSETS					
Debtors	8	3,714,990	2,666,991	3,714,986	2,666,887
Bank and cash balances		2,280,907	15,101,955	2,280,855	15,101,903
		<u>5,995,897</u>	<u>17,768,945</u>	<u>5,995,841</u>	<u>17,768,789</u>
CURRENT LIABILITIES					
Amounts falling due within one year	9	(5,153,097)	(5,026,605)	(5,153,101)	(5,026,609)
		<u>842,800</u>	<u>12,742,341</u>	<u>842,740</u>	<u>12,742,181</u>
NET CURRENT ASSETS		<u>842,800</u>	<u>12,742,341</u>	<u>842,740</u>	<u>12,742,181</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>114,608,139</u>	<u>106,665,817</u>	<u>114,608,083</u>	<u>106,665,761</u>
CREDITORS					
Amounts falling due after more than one year	9	(74,790,253)	(74,720,085)	(74,790,253)	(74,720,085)
		<u>39,817,886</u>	<u>31,945,732</u>	<u>39,817,830</u>	<u>31,945,676</u>
NET ASSETS		<u>39,817,886</u>	<u>31,945,732</u>	<u>39,817,830</u>	<u>31,945,676</u>
UNRESTRICTED FUNDS					
General funds	12	6,522,744	22,132,959	6,522,688	22,132,903
Revaluation reserve	12	32,663,024	9,186,955	32,663,024	9,186,955
	12	<u>39,185,768</u>	<u>31,319,914</u>	<u>39,185,712</u>	<u>31,319,858</u>
RESTRICTED FUNDS	12	<u>632,118</u>	<u>625,818</u>	<u>632,118</u>	<u>625,818</u>
TOTAL FUNDS	12	<u>39,817,886</u>	<u>31,945,732</u>	<u>39,817,830</u>	<u>31,945,676</u>

The Charity's Net Loss for the year was £15,932,844 (2022: loss of £5,090,831).

26/9/2023

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

Dallas Pounds

Ms D Pounds – Chair, Greensleeves Homes Trust

The notes on pages 21 to 33 form part of these financial statements.

Company Registered Number 03260168

GREENSLEEVES HOMES TRUST
CONSOLIDATED CASH FLOW STATEMENT
31 MARCH 2023

	<u>Notes</u>	<u>2023</u>	£	<u>2022</u>	£
Cash flows from operating activities			(6,033,185)		(1,164,528)
Cash flows from investing activities					
Interest received	2	6,224		272	
			6,224		272
Purchases of tangible assets	7	(6,864,255)		(9,585,180)	
Sale of tangible assets	7	-		1,207,624	
			(6,864,255)		(8,377,556)
Net cash used in investing activities			(6,858,031)		(8,377,284)
Cash flows from financing activities					
New loan facilities	9	-		10,000,000	
Capitalisation of costs	9	-		303,000	
Amortisation of capitalised costs	9	70,168		83,083	
Net cash provided by financing activities			70,168		10,386,083
Change in cash and cash equivalents in the reporting period			(12,821,048)		844,271
Cash and cash equivalents at beginning of reporting period			15,101,955		14,257,684
Cash and cash equivalents at end of reporting period			2,280,907		15,101,955
Reconciliation of net income to net cash flow from operating activities					
Net (loss) for the reporting period			(15,932,842)		(5,090,831)
Decrease / (Increase) in debtors	8		(1,047,999)		402,640
Increase in creditors	9		126,492		384,218
Depreciation	7		3,409,780		2,997,928
Loss on revaluation of fixed assets	7		7,417,596		-
Dividends & interest from investments	2		(6,224)		(272)
Loss on fixed asset disposals	7		-		42,389
Write off of tangible assets	7		12		99,400
Net cash provided by operating activities			(6,033,185)		(1,164,528)
Analysis of cash and cash equivalents					
			Cash at 31 March 2023		Cash at 31 March 2022
Cash at bank			2,280,907		15,101,955

The notes on pages 21 to 33 form part of these financial statements.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

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 or 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: Freehold properties are held under the revaluation model. This represents a change of accounting policy in the current year. Properties are periodically revalued to market value by experienced independent valuers, and revaluations are based on recognised techniques and supported by relevant market and performance data. Revaluations are conducted with sufficient frequency to ensure that the carrying value of the assets does not differ materially from fair value. Subsequent 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.

(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 2023

1 ACCOUNTING POLICIES - continued

(e) Fixed assets

Freehold Property

Freehold properties are held under the revaluation model. This represents a change of accounting policy in the current year, please refer to note 7 for further information. Properties are periodically revalued to market value by experienced independent valuers, and revaluations are based on recognised techniques and supported by relevant market and performance data. Revaluations are conducted with sufficient frequency to ensure that the carrying value of the assets does not differ materially from fair value.

The effects of revaluations are recorded in the revaluation reserve on the balance sheet. Revaluation gains are recognised as 'Gains/(losses) on the revaluation of fixed assets' within the SoFA, unless they reverse a charge for impairment that has previously been recognised as a cost within the expenditure headings of the SoFA. Revaluation losses are recognised as an expense in the SoFA except to the extent to which they offset any previous revaluation gains, in which case the loss is shown in the 'Gains/(losses) on the revaluation of fixed assets' section of the SoFA.

Subsequent to revaluation, further additions to freehold property are capitalised at cost, and properties are depreciated as follows.

Each freehold property value is split into a land element and building element, with the building element further analysed between Core (being the core fabrication of the building, such as foundations, walls, rooves, drainage) and Renewables (being items with shorter useful lives, such as windows, roof coverings, bathrooms, mechanical and electrical services).

Depreciation is charged on assets that are available for use. Depreciation is on a straight line basis as follows:

Land	-	Not depreciated
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

Other Assets

Fixed assets other than Freehold Property are stated at 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.

Depreciation is charged on assets that are available for use. Depreciation is charged on a straight line basis as follows:

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

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 indicators of 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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

1 ACCOUNTING POLICIES - continued

(f) Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

(g) Going concern

The delayed recovery in occupancy levels following the Covid-19 pandemic, coupled with challenges in the workforce market, have had a significant financial impact on the Trust during the year to March 2023. Occupancy levels have recovered more slowly than forecast, particularly in our new and filling homes, where both recruitment of staff and resident demand levels have been challenging. Across the organisation, despite strong recruitment efforts, the need to rely on agency staff to maintain safe services has resulted in significant temporary increases in our staffing costs. The wider economic conditions have also caused price increases across the organisation in excess of budget, particularly in our energy bills, despite having contracts in place to partially mitigate the impacts of this.

At the year end, the Trust had two properties for sale. Completions of the sales have been met with numerous delays, causing the expected cash inflows that will arise from these transactions to be postponed. Several development projects have also completed later than planned due to factors outside of the Trust's control, resulting in delays in the realisation of associated economic benefits of these projects.

As a result of these factors, cash had fallen below the target preferred minimum level set by Trustees of £5m during the year. However, in September 2023, the sale of one of the properties completed, generating net proceeds of £3.9m. This sale has brought cash levels back in line with the target set by Trustees. The Trust is exploring other options to further improve cashflow, including a potential sale and leaseback arrangement and a secured bank debt facility.

Mature homes are now at pre-pandemic occupancy levels, and forecasts assume a steady increase in occupancy levels at our growing homes. Overall phased occupancy level for the Trust had reached 89.4% by the end of August 2023. The continuing focus on reducing agency staff usage together with other cost reduction measures and improved procurement practices are also favourably impacting trading performance and cash generation.

Forecast sensitivities indicate that in the event that the second property sale is not achieved, and that no additional financing arrangements are introduced, then the Trust would remain a going concern throughout the coming 12 months and beyond.

As such, the Trustees believe that Greensleeves Homes Trust does not have any material uncertainties in respect of going concern, and the financials have been prepared using the going concern basis.

(h) Pension

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

(i) Basis of consolidation

The Group financial statements consolidate the financial statements of the Charity and its subsidiary undertakings 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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

2 INVESTMENT INCOME

	<u>2023</u>	<u>2022</u>
	£	£
Bank interest	6,224	272
	6,224	272

3 EXPENDITURE

(a) Analysis of expenditure

	<u>Staff costs</u>	<u>Other care costs</u>	<u>Other Support costs</u>	<u>Governance costs</u>	<u>Total 2023</u>	<u>Total 2022</u>
	(note 4)	(note 3b)	(note 3c)	(note 3d)	£	£
	£	£	£	£	£	£
Unrestricted funds						
Charitable activities						
Residents' care costs	45,675,931	23,827,913	-	-	69,503,844	53,571,795
Head Office costs	1,195,303	-	2,096,788	253,568	3,545,659	2,996,613
Rental costs	17,662	-	241,634	-	259,296	212,631
Raising funds						
Cost of raising finance	-	-	158,055	-	158,055	181,037
Other						
Loss on revaluation of assets	-	7,417,596	-	-	7,417,596	-
	46,888,896	31,245,509	2,496,477	253,568	80,884,450	56,962,076
Restricted funds						
Charitable activities						
Residents' care costs	118,791	84,554	-	-	203,345	1,770,521
Head Office costs	-	-	-	-	-	20,488
	118,791	84,554	-	-	203,345	1,791,009
	-	-	-	-	-	-
Total expenditure	47,007,687	31,330,063	2,496,477	253,568	81,087,795	58,753,085

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

3 EXPENDITURE - continued

(b) Analysis of other care costs

	<u>2023</u>	<u>2022</u>
	£	£
Charitable activities		
Food	2,578,145	1,869,891
Medical costs	389,728	650,863
Activities	654,882	561,893
Care Quality Commission fees	187,111	128,947
Maintenance	4,564,646	2,969,353
Cleaning and housekeeping	1,230,715	940,277
Insurance	454,661	364,130
Utilities cost	2,631,691	2,011,679
Administration costs	791,754	658,352
Loan interest and charges	3,380,764	3,169,193
Leasehold rents	3,640,263	2,822,630
Depreciation	3,408,107	2,996,243
Write off of fixed assets	-	99,400
Loss on revaluation of fixed assets	7,417,596	-
	<hr/>	<hr/>
	31,330,063	19,242,851
	<hr/> <hr/>	<hr/> <hr/>

(c) Analysis of head office support costs

	<u>2023</u>	<u>2022</u>
	£	£
Professional fees in respect of development plans	780	8,320
HR, health & safety, energy consultancy plus other professional fees	282,351	314,870
Trust-wide computer services	820,819	494,561
Head office running costs	991,153	1,007,511
Depreciation	1,685	1,685
	<hr/>	<hr/>
	2,096,788	1,826,947
	<hr/> <hr/>	<hr/> <hr/>

(d) Analysis of governance costs

	<u>2023</u>	<u>2022</u>
	£	£
Legal and professional fees	140,685	5,892
Audit fees for current year	55,650	56,400
Audit fees in respect of previous year	9,400	-
Auditor's charges re Corporation Tax Returns	5,080	3,720
Auditor's charges re Service Charge Accounts	4,880	4,380
Internal auditor fees	29,788	26,040
Trustees' expenses	841	1,165
Trustee recruitment	7,244	6,371
	<hr/>	<hr/>
	253,568	103,968
	<hr/> <hr/>	<hr/> <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

4 WAGES AND SALARIES

	<u>2023</u> £	<u>2022</u> £
Summary of wages and salaries allocation in respect of:		
Residents' care costs	45,794,722	36,119,953
Head Office costs	1,195,303	1,065,698
Rental costs	17,662	15,966
	<hr/>	<hr/>
	47,007,687	37,201,617
	<hr/> <hr/>	<hr/> <hr/>
Analysis of wages and salaries:		
Salaries	32,360,252	28,571,007
National insurance costs	2,705,626	2,237,383
Pension costs	1,096,740	992,384
Apprenticeship Levy	145,310	122,898
Agency staff	9,225,778	4,160,137
Training	431,028	377,683
Recruitment	384,627	298,507
Other staff costs	658,326	441,618
	<hr/>	<hr/>
	47,007,687	37,201,617
	<hr/> <hr/>	<hr/> <hr/>

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 2023, total pension contributions still to be paid over to employees' policies amounted to £304,966 (2022: £170,028).

The average number of persons employed during the year was:

	<u>2023</u> FTE	<u>2023</u> Number	<u>2022</u> FTE	<u>2022</u> Number
Residents' care	1,163	1,486	1,082	1,367
Head office – Homes' support	34	42	36	37
Head office – Central administration	11	14	12	18
	<hr/>	<hr/>	<hr/>	<hr/>
	1,208	1,542	1,130	1,422
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

4 WAGES AND SALARIES - continued

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

	<u>2023</u> Number	<u>2022</u> Number
£60,001 to £70,000	11	3
£70,001 to £80,000	4	4
£80,001 to £90,000	1	2
£90,001 to £100,000	5	4
£100,001 to £110,000	1	-
£120,001 to £130,000	1	1
£190,001 to £200,000	1	1
	<hr/> 24	<hr/> 15
	<hr/> <hr/>	<hr/> <hr/>

Pension contributions paid on behalf of the 24 employees above for the year amounted to £133,049 (2022: £55,031 for 15 employees).

Key management personnel consist of the Chief Executive, Chief Financial Officer, Director of Quality and Compliance, Director of Business Development, Director of HR, and three Divisional Directors, whose total employment benefits for the year including employer's national insurance and pension contributions were £978,110 (2022: £851,703).

5 SUBSIDIARY RESULTS

Greensleeves Developments Limited (company number 02898839 – Registered Office at Greensleeves Homes Trust, 138 Cheapside, London, England, 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. Its net assets at the end of both years amounted to £56 and these are consolidated in the Balance Sheet.

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 2023, 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 2022	104
Disposals during the year	(100)
	<hr/>
As at 31 March 2023	4
	<hr/> <hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

6 TRUSTEE AND RELATED PARTY TRANSACTIONS

The Trustees received no remuneration for their services during the current or prior year. 5 trustees were reimbursed a total of £841 for travel expenses incurred during the year (2022: 7 trustees, total £1,165).

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 2022	97,416,886	3,246,416	1,832,420	6,348,627	219,406	109,063,755
Disposals during the year	-	-	-	-	(12,490)	(12,490)
Additions during the year	3,303,270	1,816,173	722,684	1,022,128	-	6,864,255
Revaluation	7,223,747	-	-	-	-	7,223,747
Disposals	-	-	-	(305,590)	-	(305,590)
At 31 March 2023	107,943,903	5,062,589	2,555,104	7,065,165	206,916	122,833,677
Depreciation						
At 1 April 2022	9,171,848	338,106	1,317,598	4,124,096	188,631	15,140,279
Disposals during the year	-	-	-	-	(12,490)	(12,490)
Charge for the year	1,930,960	125,385	386,740	948,546	18,149	3,409,780
Revaluation	(9,163,653)	-	-	-	-	(9,163,653)
Disposals	-	-	-	(305,578)	-	(305,578)
At 31 March 2023	1,939,155	463,491	1,704,338	4,767,064	194,290	9,068,338
Net book value at 31 March 2023	106,004,748	4,599,098	850,766	2,298,101	12,626	113,765,339
Net book value at 31 March 2022	88,245,038	2,908,310	514,822	2,224,531	30,775	93,923,476

Freehold property includes £34.0 million of land (2022: £29.1 million) which is not depreciated.

During the year, the Charity has changed its accounting policy for the measurement and presentation of freehold property from the cost model to the revaluation model. Under the revaluation model, fixed assets are carried at their fair value, which is determined through periodic revaluations. This change in accounting policy has not been applied retrospectively, and comparative figures remain stated as detailed for other assets below.

The decision to adopt the revaluation model for freehold property is based on the assessment that fair value provides a more relevant and reliable measurement of the Charity's freehold property, reflecting their market value and the economic benefits they provide. The revaluations are conducted periodically by experienced independent valuers, and fair value measurements are based on recognised valuation techniques and supported by relevant market and performance data.

The Charity believes that the adoption of the revaluation model provides a more relevant presentation of its freehold property, reflecting their current market values and enhancing the users' understanding of the financial position of the Charity.

Future capital expenditure contracted for at 31 March 2023 but not provided for in these accounts amounted to £399k (2022: £1.5million).

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 2023

8 DEBTORS – Group and Charity

	<u>Group</u> <u>2023</u> £	<u>Group</u> <u>2022</u> £	<u>Charity</u> <u>2023</u> £	<u>Charity</u> <u>2022</u> £
Amounts due within one year:				
Residential care home debtors	2,041,833	1,380,005	2,041,833	1,380,005
Other debtors	163,045	164,047	163,041	163,943
Prepayments and accrued income	1,510,112	1,122,939	1,510,112	1,122,939
	<u>3,715,990</u>	<u>2,666,991</u>	<u>3,714,986</u>	<u>2,666,887</u>

9 CREDITORS – Group and Charity

	<u>Group</u> <u>2023</u> £	<u>Group</u> <u>2022</u> £	<u>Charity</u> <u>2023</u> £	<u>Charity</u> <u>2022</u> £
Amounts due within one year:				
Trade creditors	2,481,878	2,713,448	2,481,878	2,713,448
Other creditors and accruals	1,707,107	1,136,730	1,707,111	1,136,734
Payments in advance	313,498	226,802	313,498	226,802
Residents' deposits	650,614	949,625	650,614	949,625
	<u>5,153,097</u>	<u>5,026,605</u>	<u>5,153,101</u>	<u>5,026,609</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 2022 was released in full in the year ended 31 March 2023.

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>2023</u> £	<u>Group</u> <u>2022</u> £	<u>Charity</u> <u>2023</u> £	<u>Charity</u> <u>2022</u> £
Loans from Retail Charity Bonds Plc:				
Due 30 March 2026	49,789,328	49,719,040	49,789,328	49,719,040
Due 17 December 2030	25,000,925	25,001,045	25,000,925	25,001,045
	<u>74,790,253</u>	<u>74,720,085</u>	<u>74,790,253</u>	<u>74,720,085</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.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

9 CREDITORS – Group and Charity

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 (2022: £70,289).

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 2022. 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. Surplus of £120 was released to the Statement of Financial Activities in the current year (2022: charge of £12,794).

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

	<u>2023</u> <u>Due</u> <u>30 March</u> <u>2026</u> £	<u>2023</u> <u>Due 17</u> <u>December</u> <u>2030</u> £	<u>2023</u> <u>Total</u> £	<u>2022</u> <u>Total</u> £
Loan value				
As at 1 April 2022	50,000,000	25,000,000	75,000,000	65,000,000
Borrowed during the year	-	-	-	10,000,000
As at 31 March 2023	50,000,000	25,000,000	75,000,000	75,000,000
Capitalised costs				
As at 1 April 2022	(280,960)	1,045	(279,915)	(665,998)
Net Surplus/(Costs) incurred during the year	-	-	-	303,000
Amortisation of capitalised costs	70,288	(120)	70,168	83,083
As at 31 March 2023	(210,672)	925	(209,747)	(279,915)
Balance shown in the balance sheet	49,789,328	25,000,925	74,790,253	74,720,085

Both loans are unsecured and have two main covenants.

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

9 CREDITORS – Group and Charity

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

	<u>Group</u> <u>2023</u> £	<u>Group</u> <u>2022</u> £	<u>Charity</u> <u>2023</u> £	<u>Charity</u> <u>2022</u> £
Due within one year	-	-	-	-
Due between two and five years	49,789,328	49,719,040	49,789,328	49,719,040
Due after more than five years	25,000,925	25,001,045	25,000,925	25,001,045
	<u>74,790,253</u>	<u>74,720,085</u>	<u>74,790,253</u>	<u>74,720,085</u>

10 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; Buckler's Lodge in Crowthorne, Berkshire; The Meadowcroft, in Tooting, London, and our Head Office in London.

Rents paid in the year and recognised as an expense in these financial statements amounted to £3,640,263 (2022: £2,822,630) split De Lucy House £542,027 (2022: £514,504), Lavender Fields £842,494 (2022: £1,217,471); The Orchards £638,485 (2022: £590,318); The Manor £660,045 (2022: £216,863); Buckler's Lodge £957,212 (2022: £283,474); Head Office £48,699 (2022:nil)

The contract for The Meadowcroft, a 64 bed leasehold home located on the site of the Springfield Hospital in Tooting, London, commenced on 24 January 2023. The lease is for a term of 35 years. The home opened on 2nd February 2023.

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 five</u> <u>years</u> £	<u>Total</u> £
De Lucy House	548,443	2,191,474	12,262,675	15,002,592
Lavender Fields	961,925	3,839,631	24,221,226	29,022,782
The Orchards	626,279	2,503,076	16,456,355	19,585,710
Buckler's Lodge	981,906	3,920,112	28,126,268	33,028,286
The Meadowcroft	154,943	3,171,783	24,950,412	28,277,138
The Manor	685,431	2,740,000	16,597,213	20,022,644
Head Office	269,963	1,076,789	1,304,932	2,651,684
	<u>4,228,890</u>	<u>19,442,865</u>	<u>123,919,081</u>	<u>147,590,836</u>
Total as at 31 March 2023	<u>4,228,890</u>	<u>19,442,865</u>	<u>123,919,081</u>	<u>147,590,836</u>
Total as at 31 March 2022	<u>3,666,011</u>	<u>18,866,088</u>	<u>125,012,979</u>	<u>147,545,078</u>

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 2023

11 FUNDS – Group

	At 1 April <u>2022</u> £	<u>Income</u> £	<u>Expenditure</u> £	Transfer between <u>Funds</u> £	At 31 March <u>2023</u> £
Unrestricted					
General funds	22,132,959	64,945,308	(80,884,450)	328,927	6,522,744
Revaluation reserve	9,186,955	23,804,996	-	(328,927)	32,663,024
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	31,319,914	88,750,304	(80,884,450)	-	39,185,768
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restricted					
Amenity funds	625,818	46,917	(40,617)	-	632,118
Covid-19 funding	-	162,728	(162,728)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	625,818	209,645	(203,345)	-	632,118
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	31,945,732	88,959,949	(81,087,795)	-	39,817,886
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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, plus subsequent revaluations following the change of accounting policy to revaluation model for freehold property in the current year. Expenditure relates to additional depreciation charged as a result of revaluations.

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 represents monies received from the Infection Control Fund, Rapid Testing Fund and Workforce Capacity Fund.

12 ANALYSIS OF ASSETS BETWEEN FUNDS

	<u>Restricted funds</u> £	<u>Revaluation reserve</u> £	<u>General funds</u> £	<u>Total</u> £
Fixed assets	-	32,663,024	81,102,315	113,765,339
Other current assets	632,118	-	5,363,779	5,995,897
Current liabilities	-	-	(5,153,097)	(5,153,097)
Long term liabilities	-	-	(74,790,253)	(74,790,253)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	632,118	32,663,024	6,522,744	39,817,886
	<hr/>	<hr/>	<hr/>	<hr/>

GREENSLEEVES HOMES TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2023

13 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.

14 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.

15 POST BALANCE SHEET EVENTS

Since the year end, the Trust has sold one of its properties, St Cross Grange, following the transfer of operations to a new home run by another not-for-profit operator. The sale of the property generated proceeds of £3.9m.

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 2023, which comprise the Group Charitable Company Statement of Financial Activities, 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 2023 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 the cost of living crisis and inflation, 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.

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual report and Consolidated Financial Statements. Our opinion on

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

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.

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 themselves. 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 their 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

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, 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.

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.

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

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
 - potential management bias in the revaluation of revalued freehold properties
- 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, such as valuations of certain freehold properties;
 - identifying and testing journal entries, in particular manual journal entries;
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the Annual report and Consolidated Financial Statements 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

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

- 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.

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.

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: 27 September 2023