

**TURN2US**



**FIGHTING  
POVERTY  
TOGETHER**

ANNUAL REPORT AND FINANCIAL STATEMENTS 2017/18



“ EVERYBODY HAS GOT DIFFERENT CIRCUMSTANCES. IF YOU’VE GOT ANY PROBLEMS AND YOU NEED ANY HELP, CONTACT TURN2US AND THEN TAKE IT FROM THERE. IT’S A FANTASTIC ORGANISATION. I’M RECOMMENDING IT TO EVERYONE.

# WELCOME



In our 120th year, Turn2us has never been stronger but our work remains vital. We often receive letters and emails from people who we've helped, talking about the difference we make. Many of the grants we give are modest, but their impact can be transformational.

Any of our lives can be turned upside down by job loss, relationship breakdown or illness, and too often we see these tragic life events trap people in poverty. But acting quickly is crucial; helping people get their lives back on track before they slip into a downward financial spiral.

Last year we saw how the new Response Fund's targeted and practical support to people as soon as possible after a traumatic event can be life changing. Working with partner organisations we are able to meet urgent needs.

And it is never just about money; financial difficulties routinely go hand in hand with poor mental and physical wellbeing. By helping people cope when life turns upside down with funeral expenses or a heating bill, we are making a difference emotionally as well as financially.

In June of last year we were part of the voluntary sector's response to the heart breaking events at Grenfell Tower in West London. Through the Response Fund we were able to get rapid, practical help to people affected by this awful tragedy.

To help solve the very real need that exists today Turn2us knows that success is only possible by working together – with individuals, partner organisations and communities. Our thanks go to all and, most importantly, to our dedicated volunteers and supporters. They provide the compassionate human face of the charity and we cannot thank them enough for their commitment and kindness.

**Sally O'Sullivan**  
Chair

# CONTENTS

<b>3</b>	<b>Welcome</b>
<b>4</b>	<b>Overview from the Chief Executive</b>
<b>5</b>	<b>Strategic Report</b>
<b>8</b>	<b>Objective #1</b> <i>To distribute direct grants for a series of trusts and funds managed directly by the charity</i>
<b>10</b>	<b>Objective #2</b> <i>To provide a comprehensive set of channels and resources to help people in financial hardship to gain access to welfare benefits, charitable grants and other support services</i>
<b>12</b>	<b>Objective #3</b> <i>To provide a focal point for grant giving and for other financially related not-for-profit organisations to tackle poverty</i>
<b>14</b>	<b>Objective #4</b> <i>To raise awareness of practical help available to those living in financial hardship</i>
<b>16</b>	<b>Objective #5</b> <i>To run our affairs in a professional and financially sustainable manner</i>
<b>18</b>	<b>Elizabeth Finn Homes (EFHL)</b>
<b>21</b>	<b>Finance matters</b>
<b>24</b>	<b>Trustees' report</b>
<b>28</b>	<b>Independent auditor's report</b>
<b>31</b>	<b>Financial statements</b>
<b>53</b>	<b>Acknowledgements</b>
<b>54</b>	<b>Care homes directory</b>

**“ AND IT IS NEVER JUST ABOUT MONEY; FINANCIAL DIFFICULTIES ROUTINELY GO HAND IN HAND WITH POOR MENTAL AND PHYSICAL WELLBEING. BY HELPING PEOPLE COPE WHEN LIFE TURNS UPSIDE DOWN WITH FUNERAL EXPENSES OR A HEATING BILL, WE ARE MAKING A DIFFERENCE EMOTIONALLY AS WELL AS FINANCIALLY. ”**

# OVERVIEW FROM THE CHIEF EXECUTIVE



Turn2us continues to respond to the changing face of UK poverty. Insecure work, low wages and the rising cost of living are pulling people who were just about managing to get by into poverty. It can take just one broken appliance or unexpected energy bill to cause real financial problems.

Turn2us wants and needs to be there at the fingertips of anyone at risk of being pulled into poverty. Meeting the needs of the people we help will always be at the forefront of our work. And digital connectivity is part of our key route for people to access help.

Ultimately, Turn2us' digital approach allows us to not only reach more people but also makes it easier for any organisation providing support to work together, remove duplication and get help more efficiently to the people who need it most.

For many people there is little time or energy to proactively find help that could make life easier – over half the people seeking help via Turn2us are in work. More people than ever before are using mobile and smart phones to access our online help and communicate with us.

That's why Turn2us has continued to develop tools and improve our services so that the help we provide works for people in their busy lives. Over the past year our Webchat service has grown, giving people greater choice about how they find help. Similarly, we are focussing on text messaging as a reminder to people to stay in touch so we can better understand how their circumstances are changing for the better.

However, new initiatives must complement more traditional channels of support. After all, warmth and compassion is often what is needed to help people work out what to do next. That is where our community of case workers, telephone helpline staff and extraordinary, dedicated volunteers come into their own by providing free, confidential and non-judgemental support to people in need.

Over the last year, as well as developing our volunteer programme, with the support of the Oak Foundation, we commenced an exciting three year project that combines growing our digital leadership while also increasing our capacity to help vulnerable people through our helpline. Through this project we are building a data portal to share our rich poverty data with the third sector to help encourage more coordinated and targeted projects or campaigns. We look forward to providing an update on our progress in due course.

**Simon Hopkins**  
**Chief Executive**

**“ PROVIDING A TIMELY LIFELINE FOR PEOPLE AT RISK OF BEING PULLED INTO POVERTY, TO HELP THEM TAKE BACK CONTROL AND REBUILD THEIR LIVES WITH DIGNITY, HAS NEVER BEEN MORE IMPORTANT. ”**

## THE NEED IS GREATER THAN EVER

2017/18 has seen unprecedented demand for our help. People are turning to us when they are really struggling to meet basic daily living costs. Providing a timely lifeline for people at risk of being pulled into poverty, to help them take back control and rebuild their lives with dignity has never been more important.

Nearly half the people who come to us seeking help are in work and have a total income of less than £10,000 a year. With more people in work seeking our help, we are looking at more ways to reach people who may have previously thought they were immune from financial insecurity.

“ I have worked since I was 16 years old and I'm now 40 and have never been out of work so I don't know how the benefit system works. I am now in a low paid job and I'm struggling.



“ I work full time and I have been struggling as a single parent for years. When I started work I was told I was not entitled to housing benefit and according to this I am.



“ Cannot afford heating or hot water. Struggle to put petrol in the car to get to work and am increasing debt on credit card to do so and to buy food. Cannot afford to go out anywhere.

“ I'm newly divorced and am struggling to understand what I am able to claim, at the moment my mother is helping us by letting me live there rent free, but that will only be for a couple of months.

# MEETING THE NEED

Last year nearly 10 million visits were made to our website by people looking for help (a 34% increase on last year) and the need for practical and straightforward information about financial support shows no sign of waning.

Almost three million benefit calculations and grant searches were completed last year by people keen to understand what financial support is available for them – nearly a third more than the previous year. And, central to our partnership ethos, almost half came through partners and organisations as diverse as; Citizens Advice, Shelter, Netmums, Carers Trust and The Bank Workers Charity.

Many of the people coming to us are overwhelmed by the thought of seeking financial assistance, particularly when their circumstances change rapidly.



“ Thank you very much for your services. Simple and easy to use site. I wasn't aware of what benefits I was entitled to and Turn2us provided me with the knowledge, giving me the confidence to apply for benefits. Much appreciated.

“ I cannot thank you enough for this help I have found on this site. I have struggled to understand the DWP system because I am dyslexic. Thank you for the use of this site.



“ Thank you for the help you have provided. I have never had to claim benefits before, having been lucky enough to always have a job until ill-health took over.

“ I was made redundant last Friday I am sole carer for both my elderly mother who has heart problems and my son who has been hospitalised with mental health issues. I need some advice on what I am entitled to claim for (I have never claimed any state benefits before) during this time and would really appreciate some advice/help.

“ I am employed as a machine operator. I had to have knee replacement surgery as I have advanced arthritis in both knees. I am recently divorced and my income is limited. Recovery time after the operation is going to be 12 weeks. I am unsure about the whole benefits system as I have never claimed before and I don't want to get into debt with my mortgage lender etc. when I am off sick.

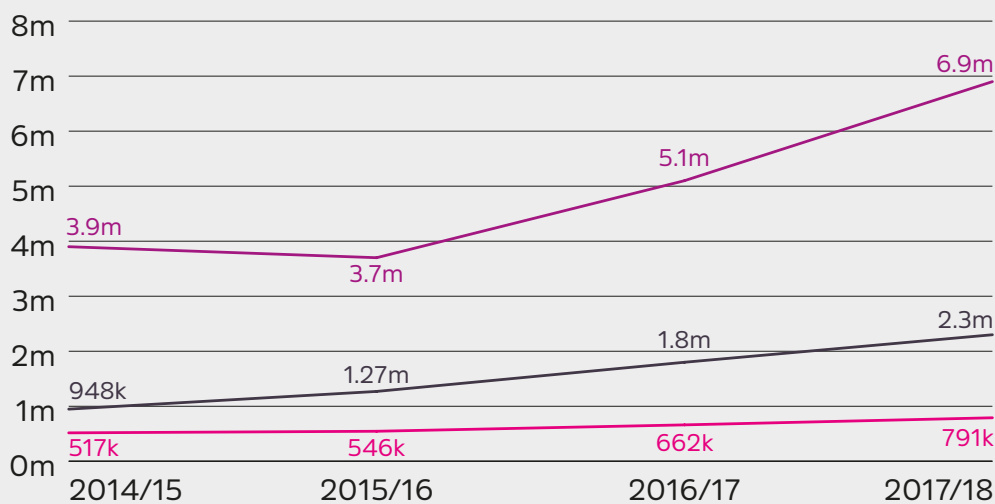
# MAKING A DIFFERENCE

Getting help to people at the point at which they are at greatest risk of being pulled into poverty has steered Turn2us' strategic direction over recent years. As a result, last year we launched the Response Fund, a new and smarter Grants Search tool, and new campaigns designed to raise awareness of particular poverty issues, such as the impact of families living without basic household appliances.

While UK poverty shows little sign of improvement, our wide range of help has allowed us to support more people than ever before.

## OUR REACH AND IMPACT IN 2017/18

- 👤 People visiting Turn2us website for help
- 📄 Benefits Calculations to find which welfare benefits people may be entitled to
- 🔍 Grant Searches to find charitable funds people may be eligible for



**65k**

Turn2us advisers handled **65,000** calls

Almost **20,000**

people accessed help via the new Webchat service

## GRANT GIVING

**3,859**  
grants awarded

**£4 million**  
given in grants



**£671,000** from the new Response Fund (including **£286,000** to those affected by the Grenfell Tower fire)

## WORKING TOGETHER



**223** volunteers committing over **2,500** hours to helping others



**2,359** staff and volunteers at charities and community organisations were trained to use our tools via workshops and presentations



**2.9 million** website visits from thousands of referrals, including from; GOV.UK, Citizens Advice, Shelter, Money Advice Service, The Mix, Advice Now, Netmums, Carers Trust, StepChange, The Princes Trust, The Mirror, and The Bank Workers Charity



# OBJECTIVE #1

**To distribute direct grants for a series of trusts and funds managed directly by the charity.**



Giving direct financial help to people when they need it most can have a profound impact on people's lives – giving someone the financial resources they need to provide immediate relief and reduce anxiety so that they can plan for the future with dignity.

Last year we gave almost 4,000 grants totalling over £4 million from three main schemes:

- 1 Elizabeth Finn Fund** – continuing to support people from over one hundred professional occupations.
- 2 Edinburgh Trust** – providing targeted help to people on a low income within the city.
- 3 Turn2us Response Fund** – our new fund targeting help to people who have been through a difficult time in the last 12 months via a national network of charity partners including Macmillan Cancer Support, MS Society and Refuge. In total £385,000 (excluding grants provided to those affected by the Grenfell Tower fire) was distributed among over 440 grants from this new initiative.

In order to continually improve how we help people, last year leading researchers nfpSynergy evaluated our grant services. The final report was a huge endorsement of their impact, reinforcing key elements that make Turn2us stand out in the charity sector:

- ▶ that Turn2us flexible grants are hugely valued – giving people the choice of how to spend them and the dignity of control during a difficult time
- ▶ that the emotional impact of receiving a grant can be just as important as the grant itself
- ▶ that grants often act as a turning point stopping people from being swept into deeper financial crisis

The report also highlighted the vital role that friends, family and frontline agencies play in helping people access grants, reinforcing the strategy that working alongside partner charities to refer people to us for help and increasing the general awareness of grants in the charity sector are effective ways of helping people at the point of need.

But keen never to stand still, improvements and developments to ensure timely, targeted, partnership grant making continues to sit at the heart of our future fight against poverty.



## “HAD IT NOT BEEN FOR YOU GUYS I WOULD HAVE ENDED UP HOMELESS AND LOSING MY KIDS.”



### CAMILLA'S STORY:

#### When Camilla's son was born with a severe disability, her family's life changed overnight.

For the next year she had to be there by his side at the hospital – which meant leaving her job. Her son couldn't come home until their new house was adapted to his special needs. But with less money coming in, this seemed impossible. To add to the financial strain, her husband had to cut his hours to look after the family's three older children.

Camilla received a Turn2us Response Fund grant which helped make the new house a family home. Some of the money went to buy appliances and to feed the family. She also bought a new bed for her son, who had his own room for the first time.

“He absolutely loved it,” says Camilla. “Seeing his face light up and knowing that it's been such a tough year with so much happening.”

Now, with all the family together in one house, life feels a lot less stressful, she says, “things are very good now, to be honest. None of it could have happened without the help and support we've had from Turn2us.”

## WE SAID

- ▶ We will continue to manage direct grant giving from the nine different funds through which we provide direct support including the Elizabeth Finn Fund, Turn2us Response Fund and the Edinburgh Trust
- ▶ Our work with independent researchers, nfpSynergy will carry on throughout the year, the outcomes of which will be used to improve how we support individuals through direct grants, as well as gaining greater insights that can be shared more broadly across the sector
- ▶ We will develop our 'Grants Plus' service that works with partner organisations to provide a broader level of support for individuals above and beyond direct grant giving

## WE DID

- ▶ We measured the outcomes and impact of our direct grant giving programme using nfpSynergy. The research showed the profound impact that grant support can have on not just people's financial situation, but on their physical and mental wellbeing and their relationships with their family and friends
- ▶ We awarded £286,000 to help people and families affected by the Grenfell Fire tragedy
- ▶ We distributed £4 million from all funds to almost 4,000 grant recipients
- ▶ We developed our 'Grants Plus' strategy

## WE WILL

- ▶ We will go live with our new 'Grants Plus' service – as well as providing grants, we will look at other non-financial support such as help with counselling that can help people get their lives back on track
- ▶ We will explore opportunities for targeted grant giving to help people become more financially resilient to cope when life is challenging
- ▶ We will take learnings from the Turn2us Trust Response Fund to create an Edinburgh Trust Response Fund



# OBJECTIVE #2

**To provide a comprehensive set of channels and resources to help people in financial hardship to gain access to welfare benefits, charitable grants and other support services.**



Our work is constantly evolving to meet the changing needs of the people we help. Welfare changes and reduced frontline services mean financial support is increasingly reliant on information and resources people can access themselves, increasingly via their mobile phone. People who are struggling risk losing out further unless a comprehensive range of practical support is available in one place.

Bringing together Turn2us' welfare Benefits Calculator and Grants Search tool with simple and non-judgmental guides helps people navigate complex systems and understand how to take action for themselves. These powerful

tools are available via our website and telephone helpline so that people have access when, where and in a format that suits them best. Last year saw increased demand for all services.

To highlight one service in particular – our new Grants Search tool. Unique to Turn2us, it is an online searchable database of over 1,800 charitable funds that are available to individuals to apply for. Our new tool provides more comprehensive and personalised support for people struggling financially and enables us to work even more closely with grant giving charities to make their help more accessible.



## WE SAID

- ▶ We will continue to develop our core online services so that the support that we provide for those struggling financially is as effective as possible
- ▶ We will work to ensure that an even greater percentage of those who use our tools go on to see a positive outcome; this includes exploring why some of those who identify additional support do not go on to apply for it
- ▶ We will create short instructional videos to help talk people through applying for benefits and grants

## WE DID

- ▶ We increased people's engagement on the website – more than 7 in 10 people coming to the website now complete a benefits calculation, grants search or access information on financial help
- ▶ We developed a 'data warehouse' so we can analyse and interrogate the anonymised information collected from the Benefits Calculator to inform both our own work and that of other organisations
- ▶ We commissioned an evaluation of our telephone helpline service through support from the Oak Foundation

## WE WILL

- ▶ We will pilot the Comic Relief funded 'Turn2us Connect' project – linking people entitled to welfare benefits to a volunteer to provide support through a messaging service to encourage and coach people through the benefits application process
- ▶ We will develop personalised action plans to be sent to people completing a benefits application to encourage people to utilise the information provided and take action to increase their income
- ▶ We will further develop video and digital content to help specific areas of need such as disability and supporting carers



“ I WAS AT MY WITS END, I JUST COULDN'T SEE ANY WAY OUT. BUT TURN2US POINTED ME IN THE RIGHT DIRECTION.



# OBJECTIVE #3

**To provide a focal point for grant giving and for other financially related not-for-profit organisations to tackle poverty.**



Last year we extended our partnerships with frontline organisations by sharing our Grants Search and Benefit Calculator tools with them. Providing our resources to volunteers and caseworkers in local communities, we can avoid duplicating services, build frontline capacity and get help to people more effectively.

Our North East Project has been delivered with help from Comic Relief. The North East has low levels of digital inclusion and higher than average levels of deprivation.

This targeted project has allowed Turn2us to build relationships with diverse organisations who work with people with complex needs, delivering to almost 300 staff and volunteers through bespoke workshops.

For example, Durham County Carers Support is a local voluntary organisation providing free support to unpaid carers in their area. They provide practical services such as training for carers but also help give carers some extra time to look after their own wellbeing.

Their team took part in a free Turn2us workshop to help their volunteers and staff better understand how they can help access financial support they may be entitled to. Staff and volunteers are now able to provide broader support, not only helping carers deal with the emotional toil of their role but also helping to alleviate the financial burden that often comes with it.



**“ IT WAS REALLY HELPFUL, THEY TOLD ME ABOUT THE CHARITY AND FAMILIES THAT THEY’VE HELPED AS WELL AS THE DIFFERENT THINGS THAT I MIGHT BE ENTITLED TO AS WELL.**

## WE SAID

- ▶ We would undertake a major enhancement of our Grants Search tool to make it even easier to provide information about how to apply for grants
- ▶ We would continue to forge links with new organisations as we implement the Response Fund
- ▶ We would continue to work collaboratively with the sector to ensure that more people struggling financially are made aware of the support available

**“TURN2US IS THE ONE THING I ALWAYS TURN TO BEFORE I MAKE ANY FINANCIAL DECISIONS SUCH AS WORK OR HOUSING. MY FIRST PORT OF CALL AS IT REALLY IS HELPFUL AND KNOWLEDGEABLE AND THE INFORMATION IS ACCURATE.”**



## WE DID

- ▶ We delivered and reviewed the UK regional workshop programme to support frontline organisations to maximise the income of individuals through benefits and grants. 2,359 staff and volunteers from 649 organisations took part in the programme
- ▶ We expanded our engagement with partner organisations to support our direct grant-giving via the Turn2us Response Fund and broader partnerships, working at both national and local levels
- ▶ We launched our new Grants Search tool, improving information provided to people looking for charitable financial support and allowing us to build stronger relationships with grant giving organisations

## WE WILL

- ▶ We will develop strategic partnerships with key charities and sectors to deepen the mutual benefit of shared expertise and resources – to give people greater practical help
- ▶ We will launch Turn2us Data Visualisation Portal which catalogues information gathered through the Benefits Calculator. The Portal allows partners to explore anonymised data to inform their own work and campaigns
- ▶ We will develop new volunteer roles including roles within community settings and use digital learning platforms to support volunteering in the future



# OBJECTIVE #4

To raise awareness of practical help available to those living in financial hardship.



Many of the people we help are struggling to get through each day as they are forced to make impossible decisions such as whether to pay their rent or feed their family. This precarious struggle to meet day-to-day costs can be stressful and exhausting. Our campaigning activity seeks to help anyone struggling to get by to find the help that is available.

Following research to better understand how many people are living without essential household appliances and the impact it has on them. We found 52% of the people we help are living without one or more essential household appliance such as a fridge or cooker. Around a third of people have dependent children. Living without basic appliances leaves people further out of pocket as they increasingly

rely on expensive easy cook meals and trips to laundrettes.

As part of our 'Living Without' campaign to raise awareness of the issue and the help available, Turn2us worked with national and local media and, in February 2018, presented its research to the Poverty All Party Parliamentary Group.

Turn2us' campaign attracted national media attention and was reported on BBC News, Metro, Daily Mirror and on BBC Radio 4's Women's Hour and You & Yours. Turn2us continued to grow our media presence securing regular interview spots on BBC Radio 4's MoneyBox programme, national TV coverage on ITN's News at Ten and consistent national print media coverage in key target newspapers such as The Sun and Daily Mirror.

## ANNE-MARIE'S STORY

**Anne-Marie and her husband were living in their own house in Scotland with their three children. Anne-Marie was employed as a bar and restaurant manager and her husband ran his own business. The family as a whole were fit and healthy until they discovered that her husband had a brain tumour.**

Without his income, the family's quality of life fell dramatically as the couple were forced to make compromises. They inevitably had to change their lifestyle and stopped eating out or going out on family trips to the cinema. But their life quickly changed beyond giving up 'luxuries'. They had to switch their previously healthy diet for cheaper and less nutritious food and they relied on family support and hand-outs. Anne-Marie even had to discourage the children from having friends to stay overnight as feeding extra mouths was too expensive.

Anne-Marie tried to remain positive throughout their experience, but the stress of the situation sometimes left her feeling depressed and angry. She got to the point where she felt "everything was a struggle or a fight".

After a while, household appliances like the dishwasher and microwave started breaking, eventually leaving the family without even basic equipment like a kettle. But when the fridge broke Anne-Marie knew it was too important to ignore. Seeing a leaflet in the hospital prompted her to contact Turn2us.

Using the Grants Search tool, Anne-Marie was successful with applications to three grant funds to help meet their travel expenses between home and hospital and replace their broken household appliances so that they could again start to prepare and store healthy meals. Although the grants were all one-off payments, the family now receives on-going support via tax credits which bring in £485 per month.

Turn2us also helped Anne-Marie reduce her energy and council tax bills through discounts they were eligible for as her husband received Disability Living Allowance.

Anne-Marie now feels quite positive about her family's home life, with small changes like being able to eat healthier food making a big difference. Her experiences have already encouraged her to refer others to the charity, such as a local lady whose son was diagnosed with a brain tumour.

## WE SAID

- ▶ We would use our monthly spotlights to allow our media and communications activity to be more integrated and responsive to address specific audiences more likely to suffer from poverty

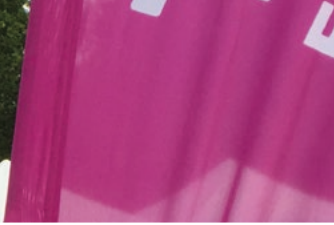
## WE DID

- ▶ We grew our social media community with over 5,000 more Facebook likes during the financial year and our Twitter impressions have grown by 300% with our monthly engagement rate increased sevenfold
- ▶ We developed a better system for collating evidence, understanding the views and experiences of the people we help. This new approach to insight and evidence gathering enabled us to provide authoritative insight to parliamentarians seeking to understand the impact policy has on the lives of people

## WE WILL

- ▶ We will run focused campaigns, integrated with fundraising and services, targeting the particular trigger points to poverty
- ▶ We will help people reduce their living costs through integrated campaigns that support new digital tools and partnerships giving people access to practical help to cut their household bills





# OBJECTIVE #5

To run our affairs in a professional and financially sustainable manner.



This year saw a welcome growth in fundraising and legacy income. Benefiting from gifts left by people in their wills has been central to our charity's story to date and continues to be hugely important. Increasingly we have sought to work with a will's administrators and executors much earlier in the legacy process to realise funds left to us more effectively.

Building stronger relationships with people and organisations who share our passion to alleviate poverty is central to our fundraising strategy. Over the last year we engaged with businesses across the water, energy and financial services sectors, sharing our insight to influence their approach to supporting their customers in vulnerable circumstances and build future partnership opportunities with Turn2us. We became mobile-only bank Monzo's charity of the year and our new friends there are engaged in a range of exciting and challenging events to raise funds and awareness.

Support from Trusts and Foundations, including Oak Foundation and Comic Relief, has continued to underpin areas of our work such as workshops, our helpline and new project initiatives.

The investment climate remains challenging, however we are confident that we have effective management plans in place both for our investments and other assets that

will provide ongoing benefit that match the longer term solutions to UK poverty.

We continue to be committed to the very highest standards of governance and best practice on behalf of everyone we interact with. Turn2us' data protection policies and procedures were audited to reflect the new General Data Protection Regulation (GDPR).

Turn2us' County Committees, many of whom also volunteer to directly support our grant recipients, remain as the frontline of our public support and we are immensely grateful to them for their continued efforts as we are to everyone that has given money or time, run, cycled, baked or left money in their will – together you have changed lives and on behalf of all those you have helped, thank you.







## WE SAID

- ▶ We will build on Turn2us' existing community of supporters through timely and relevant communications that retain and build long term support from donations through to legacies
- ▶ We will target businesses to create partnerships that provide positive outcomes among their customers and employees who could be vulnerable to financial difficulties
- ▶ We will work with our County Committees to support their local fundraising and advocacy, Universities and Colleges to engage them in our student initiative, and new third party events as an opportunity to attract new supporters

“ IT WAS ONE OF THOSE OCCASIONS WHEN I THOUGHT THIS IS REALLY, REALLY WORTHWHILE AND I REALLY WANT TO GIVE BACK.

## WE DID

- ▶ We launched a new online giving platform to give donors a better, more informed giving experience and Turn2us greater understanding of why and how people support us
- ▶ We have built a longer lasting relationship with over 30,000 people who used the Turn2us tools so we can engage with them with relevant content including fundraising, campaigns and volunteering via eNewsletters
- ▶ We built stronger relationships with our County Committees, EFHL care homes and businesses

## WE WILL

- ▶ We will put in place new communications with supporters that build stronger relationships and long term support that reflects their motivations and interest
- ▶ We will pilot a small number of Turn2us events to raise money and generate local support
- ▶ We will develop our legacy marketing activity and commence a major donors fundraising programme
- ▶ We will continue to prioritise data protection, safeguarding and good charity governance





## ELIZABETH FINN HOMES LTD

**Elizabeth Finn Homes Ltd (EFHL) operates ten care homes across England and is a wholly owned commercial subsidiary of Turn2us. Any surplus profits from the care homes are invested back into the charity.**

In 2017-18 EFHL contributed £4.8m in rent and surplus to Turn2us, this figure being stated after investing £1.7m in our ongoing programme of upgrading the facilities, ensuring that we provide and maintain the highest quality environment in our homes and thereby remain competitive in the market place.

In 2017-18 EFHL provided care to an average of 433 residents. This represents 91% occupancy compared to 94% in the prior year. The 2016-17 occupancy rate was at an unprecedentedly high level for EFHL and considerably higher than the industry as a whole. EFHL's occupancy rate has been achieved against a backdrop of high levels of competition in the homes' respective local markets, particularly in the self-pay arena in which it operates.

EFHL prides itself in providing premium quality care and our relentless focus on the provision of individually tailored care has continued through the year. Particularly pleasing was Rush Court, Wallingford, which was awarded an 'Outstanding' rating by the Care Quality Commission (CQC) in July 2017. Our other homes are all rated 'Good', with 'Outstanding' ratings in a number of sub-categories. As a point of

comparison, the latest data from the CQC (May 2018) shows that in the industry as a whole 2% of care homes were categorised as 'Outstanding', 77% as 'Good', 19% as 'Requires Improvement' and 2% as 'Inadequate'.

By March 2018 four of our homes had achieved the Gold Standard Framework accreditation for End of Life Care, with one home, Halliwell in Tunbridge Wells, having achieved "Beacon" status, the highest level possible. Three more of our homes are working towards the accreditation.

The Company continues to encourage all staff to develop their personal skills and during the year we were pleased to have eight individual finalists in a variety of regional and national care industry awards. One of those finalists, Emily Carey at Grove Court, Woodbridge, was the national winner of 'The Good Nurse Award' at the 2018 Great British Care Awards, which is an impressive and much-deserved achievement in a prestigious category.

During the year the Trustees of Turn2us gave their backing to the controlled, long term expansion of the EFHL portfolio should suitable opportunities present themselves, either via



management contracts, freehold or leasehold acquisition, or by extensions to existing homes. This backing is in no small part due to the successful construction of an extension to The Lodge, Exeter, funded by Turn2us, which was completed during the year on time and on budget and provides an additional 16 beds, all with wet room facilities.

As part of this expansion plan, in December 2017 the Company signed an agreement to manage a 10th care home care home in Haslemere, Surrey on behalf of the owner, RMH Wispers (Care) LLP. The home, which is currently empty, will undergo a major refurbishment and reconfiguration at the expense of the owner prior to being re-registered under Elizabeth Finn Homes' management, likely to be in the autumn of 2018.

In April 2017 Carolynne Miller retired as CEO, leaving Elizabeth Finn Homes in rude health. Our thanks go to her and the team she has built over the last 13 years. We are delighted to welcome Richard Hawes as our new CEO, who, like Carolynne, is a qualified nurse and has a strong background with premium care home operators including Barchester. We are confident that under his leadership the care home business will go from strength to strength, allowing it to continue to support the work of Turn2us.



**“ WE ARE CONFIDENT THE CARE HOME BUSINESS WILL GO FROM STRENGTH TO STRENGTH, ALLOWING IT TO CONTINUE TO SUPPORT THE WORK OF TURN2US. ”**

**“ REALLY IT’S QUITE OVERWHELMING TO BE PERFECTLY HONEST. WHEN YOU HIT AN ALL-TIME LOW, AND SUDDENLY THERE ARE PEOPLE OUT THERE WHO ARE BOTH INTERESTED IN YOU AND ABLE TO HELP. IT’S THE THOUGHT THAT THERE ARE ACTUALLY PEOPLE OUT THERE WHO ARE NOT JUDGING YOU, BUT ARE ABLE TO OFFER YOU SUPPORT.**



# FINANCE MATTERS

The Charity, its two trading subsidiaries, Elizabeth Finn Homes Limited (EFHL) and Elizabeth Finn Trading Limited (EFTL), and the six charities for whom the Charity was the sole trustee during the year are included in the Consolidated Statement of Financial Activities (SOFA), Balance Sheets, Cashflow Statements and Associated Notes set out on pages 32 to 52.

Turn2us is in good financial health. The group has continued to implement its financial sustainability plan and has made significant strategic investments and funding decisions during the year, as described below, in order to balance the Charity's long term underlying funding position so that the charity can face the future with confidence.

## INCOME

The Charity has succeeded in maintaining its overall income level this year, despite a challenging fundraising environment. The Turn2us group is fortunate to have three main diverse sources of income – Supporter income; care homes income and investment income.

**Supporter income:** We would particularly like to thank our generous supporters for donations, legacies and grants this year, the total being £400,000 (23%) higher than the previous year. We have been successful in releasing funds from perpetual trusts and other historic bequests this year which have boosted our unrestricted income. The £122k (35%) increased supporter income in the restricted fund column this year demonstrates that donors have been keen to fund in local areas – either for grant giving or to support the use of our online tools in particular areas of the country. Supporters have also been keen to assist us in evaluating and developing our online and helpline tools to reach those in greatest need. The introduction of a new funding strategy has brought renewed focus, teamwork and impetus to income generation and we will continue to target funders' interests in specific aspects of Turn2us' work by highlighting the significant impact we are able to make to people in financial need.

**Care home income:** Elizabeth Finn Homes Limited (EFHL), a subsidiary of Turn2us, operates 9 high quality care homes across the UK and is run separately from Turn2us, with surplus and rent from the care homes being invested back into the charity. In 2017-18 EFHL contributed £4.8m (2017: £5.4m) in covenanted profits and rent to Turn2us, this figure being stated after investing £1.7m (2017: 1.6m) in our ongoing programme of upgrading the facilities, ensuring that we provide and maintain the highest quality environment in our homes and thereby remain competitive in the market place.

**Investment income changes:** Turn2us has made some structural changes to its balance sheet during the year. £7.4m of the investment portfolio has been used to finance the redemption of a long term loan; and £1.8m of the investment portfolio has been invested into fixed assets (a new 16 bed wing for the Exeter care home, to increase our capacity to welcome new residents). These strategic changes have had a neutral effect on the balance sheet. Although the individual components of the balance sheet have structurally changed, the total net assets figure still remains at £52m.

These funding changes in the balance sheet have had a positive net impact on the Statement of Financial Activities during the year as follows: Whilst investment income has reduced by £370k (being 22% less than the previous year), this fall in income has been largely offset by not needing to pay bank loan interest of £280k (63% saving) for a part year. In addition the cessation of the SWAP (which had accompanied the long term loan) has created a realised gain in the fair value of derivative of £367k.

## INVESTMENT MANAGEMENT PERFORMANCE

For the £44.1m funds held by investment Managers (2017: £54m), the long term objective for performance on a total return basis remains 3 month £ LIBOR + 5%. The start date for performance monitoring for the current investment policy arrangements described in the Trustees' Report was 1/4/2017, giving a 1 year history to date. Performance is benchmarked against investment indices. The combined investment performance for both investment managers for this year was -4.7% as compared to the benchmark of -5.3%, given the steep fall in stock market valuations between January and March 2018.

## EXPENDITURE

Excluding grants given, the Charity's expenditure is 2.6% higher than the previous year, in line with general inflation. Including grants given, the Charity's expenditure is 3.9% higher than in the previous year. The Charity had originally planned to fund an additional £300k in grants this year to assist those in need. In fact the Trustees felt able to fund a far greater amount of unrestricted fund grants this year, particularly

in direct response to the immediate needs of the families directly affected by the Grenfell Tower tragedy.

### BALANCE SHEET

Net assets are slightly higher than the previous year. The redemption of the loan and SWAP did not affect net assets because both assets and liabilities reduced together.

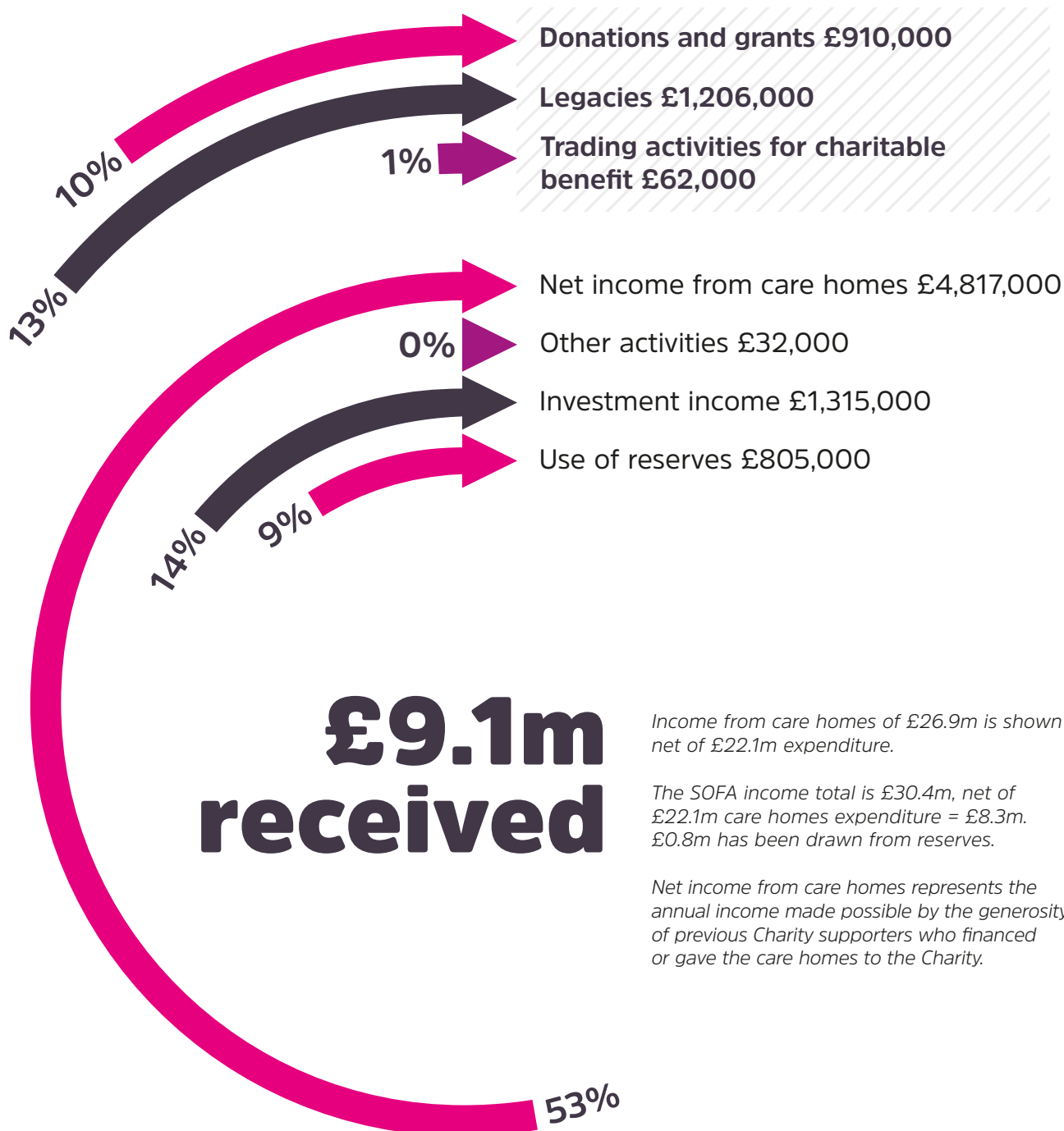
The defined benefit pension scheme, which was closed to future accrual in 2013, has an improved funding position compared to the previous year end according to actuarial

valuations. The provision for liabilities has therefore improved by £192k, to £123k (2017: £315k). A formal triennial valuation has recently been completed, dated 31/6/17, which showed a small £14k deficit to be funded by the sponsoring employer (Turn2us) in May 2018.

### RISKS

The Trustees believe that they have identified the major risks to which the Charity and Group are exposed. These include: financial stability; maintaining good reputation in conducting the various charitable activities; the quality of the personal care provided in the care homes;

## TURN2US CONSOLIDATED INCOMING RESOURCES 2017/18



*Income from care homes of £26.9m is shown net of £22.1m expenditure.*

*The SOFA income total is £30.4m, net of £22.1m care homes expenditure = £8.3m. £0.8m has been drawn from reserves.*

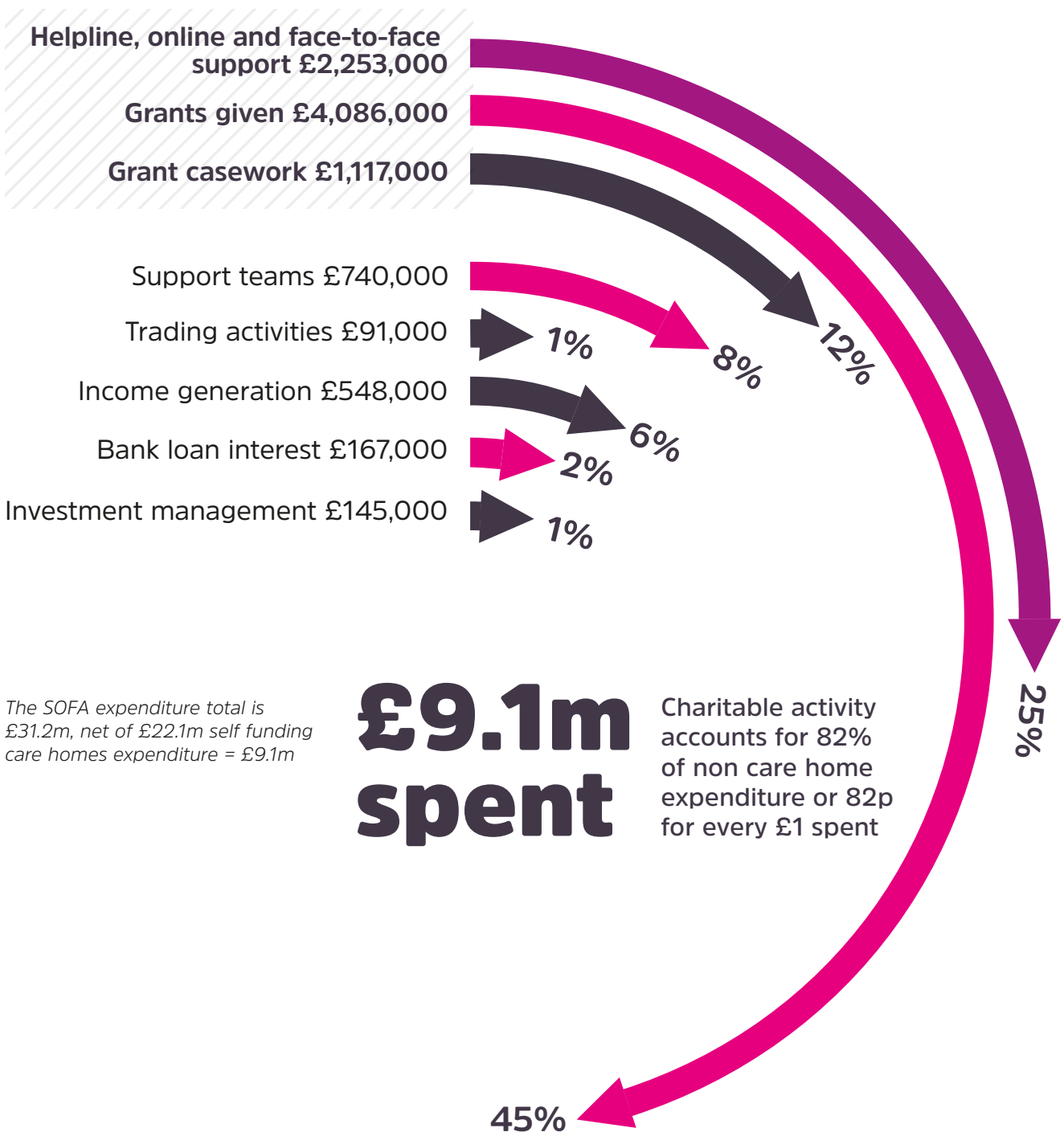
*Net income from care homes represents the annual income made possible by the generosity of previous Charity supporters who financed or gave the care homes to the Charity.*

and operational resilience. Risks have been categorised both by the likelihood of their occurring and by their potential impact on the Charity and Group. Trustees review the adequacy of protection against these risks and, where this appears insufficient, put in place appropriate procedures to mitigate them.

In some instances, protection is provided by insurance cover; in others by monitoring, reporting, continually assessing the risks concerned and the development of contingency plans. The Audit & Risk Committee of the Board of Trustees regularly reviews the identification and mitigation of both new and existing risks.

The UK's decision to leave the European Union brings with it uncertainty about stock market investment income and also uncertainty in being able to cost-effectively attract and retain a sufficient number of high calibre staff, particularly in our care home teams. Many potential beneficiaries may also face economic uncertainty. We are however well placed to assist, as our online financial information tools are web-based, and are therefore scalable to assist any who may be adversely affected by financial difficulties caused by economic uncertainty or who may wish to become better informed about their financial situation.

**TURN2US CONSOLIDATED OUTGOING RESOURCES 2017/18**



# TRUSTEES' REPORT

## OBJECTS

The Charity's objects are to relieve and assist, in such ways as the Trustees think fit (but without regard to religious or political affiliation) residents or nationals of the United Kingdom or the Republic of Ireland:

- ▶ who are from a professional or similar background and who are suffering from old age, infirmity, disablement or financial need; or
- ▶ who are otherwise in conditions of need, hardship or distress.

## LEGAL STRUCTURE AND GOVERNANCE

Turn2us became the trading name of Elizabeth Finn Care on 18 May 2015. The charity was founded in 1897 as The Distressed Gentlefolk's Aid Association and incorporated on 19 January 1953 as a charitable company limited by guarantee. It is governed by its Articles of Association which were last amended on 10 December 2013.

The Charity's Board of Trustees consists of at least seven and not more than fifteen individuals, all of whom must be members of the charitable company. Membership is open only to the Trustees. The existing members of the Board appoint new Trustees. When filling vacancies, the Board takes into account the experience needed to maintain the Board's ability to effectively direct the full range of the Charity's activities. The Board arranges appropriate induction for any new Trustee. The Board of Trustees meets at least six times a year.

The Charity formally reviews its full governance framework every three years and the next review is due in Spring 2019. The Nominations Committee review the mix of skills among the Trustees, identify gaps and undertake recruitment where necessary, particularly in newer strategy areas.

## CHANGES TO TRUSTEES

Bill Colvin retired as Chair of the charity in December 2017. Under Bill's generous and good-humoured leadership the charity delivered against its stretching sustainability plans whilst significantly increasing the availability of help to more people. We – and the people we exist to serve – owe him a great deal.

Sally O'Sullivan took over as Chair in December 2017. Sally has played a crucial role in creating a more resilient and sustainable organisation and her outstanding expertise in communications and strategy will be pivotal in moving Turn2us forward in years to come.

Steven Hunter joined the board in June 2017. Steven is CEO of August Media; a chartered accountant by background he brings a rare combination of commercial, strategic and marketing skills to the board.

Richard Carter also joined the board in June 2017. Richard is a retired senior civil servant who brings an enviable range of experience in driving public benefit as well as long experience as a trustee and active member of a number of civil society organisations.

Mark Guymer stood down as a trustee in April 2018. Mark chaired the original Turn2us committee during a period of real growth and innovation. He provided both trustees and staff with a genuinely strategic and creative insight, coupled with a true generosity of spirit and optimism. We owe Mark a great deal – he has been a huge and reassuring presence since 2011 and he will be greatly missed.

Jeremy Nettle retired as a trustee in September 2017 having given eight years' loyal service to the charity. His insight, support and kindness have been vital over the last 8 years and we are delighted that he has agreed to become a Turn2us ambassador.

## PUBLIC BENEFIT STATEMENT

Under Charity Commission guidance on public benefit, all charities must be able to demonstrate that their main activity is charitable, according to the specific descriptions in the Charities Act 2011. One of these descriptions is 'the prevention or relief of poverty'. The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

As explained above under Objects, the Charity has the primary aim of assisting people who live in poverty and all of its resources are focused on achieving that aim. Through Turn2us the Charity aims to reach anyone living in financial hardship. According to House of Commons Library statistics, it is estimated that there are over 14 million people living in poverty in the UK and it is the charity's aim to help them to understand and apply for their entitlement to state benefits, as well as for the support they may be eligible to receive from other charitable sources, including the Elizabeth Finn Fund. There are no restrictions as to who can access the Turn2us national helpline and website services without charge.



## RESERVES POSITION AND POLICY

In drawing up the reserves policy, Trustees are mindful of the need to balance financial prudence with the importance of getting money to the front line of our work quickly. In 2017/18 we planned to increase the £2.5m level of grants, and were able to distribute £3.5m from unrestricted reserves. We plan to distribute at the £3m level again in 2018/19. To enable the charity to make such commitments to our beneficiaries and to avoid any risk of interruption to the primary objective, our prudent reserves policy is to retain between 6 and 12 months of group expenditure in free reserves.

As at 31 March 2018, total liquid funds were £43.2m, total group expenditure was £31.3m and free reserves were £20.6m. Free reserves represented almost 8 months' worth of group annual expenditure.

Unrestricted reserves, as described in the Balance Sheet, are funds freely available for use by the Charity and therefore exclude restricted reserves and permanent endowment funds. Furthermore, although unrestricted, the Designated Funds represent the net book value of tangible property assets, primarily managed by the commercial subsidiary. They are therefore not regarded as free reserves available for spending.

The Trustees are confident that the reserves level is sufficient for current and proposed levels of activity.

## INVESTMENT POLICY

The Charity has revised its investment policy in 2018. It continues to recognise three critical groups of assets, which are monitored by the Investment Committee on a quarterly basis:

- ▶ a property portfolio, primarily consisting of nine care homes, operated by a wholly owned commercial subsidiary for the purpose of providing residential and nursing care;
- ▶ investments managed on behalf of the Charity by two professional fund managers operating on a discretionary basis;
- ▶ cash used for working capital purposes and managed in-house. Cash management arrangements have been revised during the year.

The majority of property assets are reviewed as part of the continuing assessment of performance of the dedicated care homes subsidiary, Elizabeth Finn Homes Limited (EFHL). Some additional properties which do not form part of the care home portfolio are reviewed regularly by the Investment Committee to determine their most appropriate use in maximising return.

A periodic review of invested funds was undertaken at the beginning of 2017, resulting in Smith and Williamson being retained to manage 75% of the main portfolio and 50%

of the Edinburgh Trust portfolio. A new manager, McInroy & Wood was appointed to manage 25% of the main portfolio and 50% of the Edinburgh Trust portfolio. McInroy and Wood were selected because of their particular focus upon stock-picking growth assets. Once the changes to portfolios had been implemented, managers' ongoing investment performance became measurable as from 1st April 2017 onwards.

The Charity's Investment Committee monitors the performance of the invested assets using defined criteria. The overall performance total return objective remains 3 month £ LIBOR + 5%. The trustees have given the investment managers discretionary mandates, based on equity growth benchmarks. The equity asset allocation is counterbalanced by the sizeable property portfolio.

The Edinburgh Trust portfolio is ringfenced by fund managers, given its size and the specific nature of its activities. Other ongoing restricted funds are commingled into the main discretionary portfolio to optimise total returns for each fund over the long term.

## VOLUNTEERS

The Charity is fortunate to have a large number of committed, informed and inspirational volunteers. These include our National and County Committees and student groups who find new ways of raising vital funds and who enhance the profile of the Charity. As at 31 March 2018 we had 223 volunteers, including those in Scotland, fulfilling this vital role in the Charity's work.

## STAFF

We have a paid workforce of 689 full time equivalent staff (2017: 692), who are based across the UK. Of this workforce, 626 (2017: 627) work in our dedicated care homes. The work of the Charity relies on the admirable professionalism and commitment of these colleagues. The Charity is strongly committed to a healthy staff relations climate and aims to promote equality of opportunity for all with the right skills, experience and potential. The Charity welcomes applications for employment from candidates of diverse backgrounds. Furthermore, the Charity recognises the needs of disabled people and endeavours to provide such employment for them as the work undertaken allows.

## FUNDRAISING

Turn2us employs a central team of professional fundraisers, and commissions the services of specialist consultants, for the purpose of raising money for the charity via contributions from members of the public, grant-making institutions, gifts in wills, companies and commercial trading. We do not currently use external agencies for fundraising.

Turn2us is registered with the Fundraising Regulator and adheres to the Fundraising Code

of Practice. For the 12 months to 31 March 2018 Turn2us received no complaints in relation to our fundraising activities. Via written policies and training, staff receive guidance regarding Data Protection (including GDPR) and regarding communications with vulnerable members of the public.

## NATIONAL AND REGIONAL REPRESENTATION

During the year, the Charity had staff members in place in Ireland, Scotland and Wales. County Committees represent and coordinate the activities of supporters of the Charity at local level.

## CHARITABLE ACTIVITY IN SCOTLAND

The Charity has 8 volunteers as visitors in Scotland and supported 1,630 (2016/17: 1,822) beneficiaries in Scotland, with grants totalling £504,000 in 2017/18 (2016/17: £477,000). The Turn2us website was widely used in Scotland for benefit checks and grant searches. Over 1,000 of the helpline users came from Scotland.

The Edinburgh Trust is a restricted fund within the Charity which resulted from the City of Edinburgh Council transferring its responsibility as custodian for 35 poverty related charities and trusts to the Charity in 2011. The 35 charities and trusts, together with their £13.7m funds and a small 10 bed care home (now sold and the £483k proceeds incorporated into the fund) were grouped into a single restricted fund.

The Trust has four sub funds meeting the spirit of the original trusts and charities, with updated eligibility criteria:

- ▶ The Edinburgh Support Fund (for Residents of Edinburgh)
- ▶ Trinity Hospital Fund (for Older people (over 55))
- ▶ Sir James Steel Fund (for Older people, with a preference for the building trade)
- ▶ John Watson Fund (for residents of Leith, Cramond or Corstorphine)

The Edinburgh Trust Committee was formed to oversee the Trust and it reports to the Turn2us Board of Trustees. It includes the Lord Provost (ex officio) and a Councillor from the City of Edinburgh Council.

Over 1,400 beneficiaries were supported in the year 2017/18 through the Edinburgh Trust (2016/17: 1,652 with grants totalling £340,000 (2016/17: 354,500)).

The Charity has a dedicated office in Edinburgh with two caseworkers specifically for the Edinburgh Trust.

## BOARD OF TRUSTEES

The Charity's Trustees as at 10 July 2018 and those who served as a Trustee in the financial year ended 31 March 2018 were as follows:

**Ms Sally O'Sullivan**

(became Chair 5 December 2017)

**Mr Bill Colvin CA\*** (Chair)

(Retired 5 December 2017)

**Mr Richard Midmer\*** (Deputy Chair)

**Mr Henry Elphick**

**Mr Mark Guymer** (Retired 24 April 2018)

**Ms Catherine Hamp**

**Ms Christine Lenihan**

**Mr Jeremy Nettle\*** (Retired 5 September 2017)

**Mr Neeraj Kapur\***

**Dr Olivia Curno**

**Ms Janice Leightley**

**Mr Richard Carter** (Appointed 27 June 2017)

**Mr Steven Hunter\*** (Appointed 27 June 2017)

*\*Members of the Audit & Risk Committee*

The key management personnel (as defined by FRS102) are the Trustees and the senior management of the Charity. The senior management of the Charity (to whom the responsibility for the planning, directing and controlling of the activities of the Charity has been delegated by Trustees) have been as follows during the financial year:

**Chief Executive**

Mr Simon Hopkins

**Director of Operations**

Mrs Alison Taylor

**Director of Information Technology**

Mr Justin Macklin

**Director of Development**

Mr Jamie Grier

Turn2us has a remuneration policy designed to attract and retain the highest quality of people to lead and develop our work. Rates of pay for senior members of staff are determined by considering external benchmarks across the sector and are reviewed annually to take into account the cost of living. Pay and benefits for senior members of staff are published in our Financial Statements and are determined by the Remuneration Committee. This includes total pay and benefits for all the group's operations including our commercial and investment operations which provide significant income for the charity. In accordance with legislation which came into force in April 2018, gender pay gap information has been added to the Turn2us website.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Elizabeth Finn Care, trading as Turn2us, for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting

Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming/outgoing 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;
- ▶ make judgements and 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; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the trustees are aware:

- ▶ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ▶ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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.

## AUDITORS

The Financial Statements for the year ended 31 March 2018 have been audited and the full financial statements and audit report can be obtained from Turn2us, Hythe House, 200 Shepherds Bush Road, London W6 7NL.

Kingston Smith LLP have indicated their willingness to continue in office and, in accordance with the provisions of the Companies Act, it is proposed that they be reappointed auditors for the ensuing year.

By order of the Board of Trustees



**Sally O'Sullivan**  
Chair, 2 October 2018

## BANKERS AND PRINCIPAL ADVISERS

### Auditors

Kingston Smith LLP  
Devonshire House, 60 Goswell Road, London, EC1M 7AD

### Solicitors

Farrer & Co LLP  
66 Lincoln's Inn Fields, London, WC2A 3LH

### Bankers

Lloyds Bank Plc  
179 Earls Court Road, London, SW5 9RE

### Investment Managers

Smith & Williamson Investment Management Limited, 25 Moorgate, London, EC2R 6AY  
McInroy & Wood, Easter Alderston, Haddington, East Lothian EH41 3SF

### Registered Office

Turn2us, Hythe House, 200 Shepherds Bush Road, London, W6 7NL  
Tel: 0208 834 9200

### Websites

[www.turn2us.org.uk](http://www.turn2us.org.uk) [www.efnl.co.uk](http://www.efnl.co.uk)

### Charity Commission Registration numbers

England & Wales: 207812; Scotland: SC040987

### Companies House Registration numbers

Elizabeth Finn Care, (working name Turn2us): 515297  
Elizabeth Finn Homes Limited: 5225008  
Elizabeth Finn Trading Limited: 3499586  
Turn2us (Dormant Company): 06136422  
Turntous Ltd (Dormant Company): 06136521

# INDEPENDENT AUDITOR'S REPORT

## Independent auditor's report to the members of Elizabeth Finn Care, (trading as Turn2us).

### OPINION

We have audited the financial statements of Elizabeth Finn Care (trading as Turn2us) for the year ended 31 March 2018 which comprise group and parent charitable company's financial statements, the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cashflow Statement and the related 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 the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure. for the year then ended:

- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### BASIS FOR OPINION

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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

### CONCLUSIONS RELATING TO GOING CONCERN

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

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

### OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### OPINIONS 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- ▶ the parent charitable company has not kept adequate and sufficient accounting records, 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 26, 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 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

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

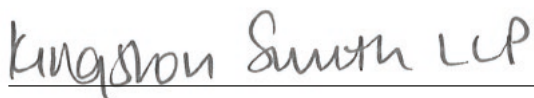
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- ▶ Conclude 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 and 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.
- ▶ Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.




Date: 24 October 2018

**Shivani Kothari (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP,  
Statutory Auditor  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

# FINANCIAL STATEMENTS



**“ I NOW FEEL THAT I NO LONGER HAVE TO KEEP ON STRUGGLING... I HAVE A BETTER QUALITY OF LIFE WITH MY NEW JOB. THE BENEFITS CALCULATOR HELPED ME MAKE A DECISION WHICH HAS BENEFITED ME GREATLY.**

**Consolidated Statement of Financial Activities (incorporating income and expenditure account)**

Year to 31 March 2018

	Notes	Unrestricted Funds 2018 £'000	Restricted Funds 2018 £'000	Endowment Funds 2018 £'000	Total Funds 2018 £'000	Total Funds 2017 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Donations and legacies:</b>						
Donations	3	440	204	-	644	437
Legacies	3	1,206	-	-	1,206	1,123
<b>Charitable activities:</b>						
Grants		-	266	-	266	156
Trading activities for charitable benefit		62	-	-	62	341
<b>Other trading activities:</b>						
Residential and nursing care income		26,938	-	-	26,938	26,608
Other activities	4	32	-	-	32	47
<b>Investment income:</b>						
	5	799	516	-	1,315	1,685
<b>Total income and endowments</b>		<b>29,477</b>	<b>986</b>	<b>-</b>	<b>30,463</b>	<b>30,397</b>
<b>EXPENDITURE</b>						
<b>Expenditure on raising funds:</b>						
Income generation	6a	687	-	-	687	552
Residential and nursing care expenditure	6a	22,121	-	-	22,121	21,177
Bank loan interest	6a	167	-	-	167	448
Investment management costs	6a	166	57	-	223	249
<b>Total cost of raising funds</b>		<b>23,141</b>	<b>57</b>	<b>-</b>	<b>23,198</b>	<b>22,426</b>
<b>Net income available for charitable activities</b>		<b>6,336</b>	<b>929</b>	<b>-</b>	<b>7,265</b>	<b>7,971</b>
<b>Expenditure on charitable activities:</b>						
Support & Information Services (benefit calculator, grant search etc)	6a	2,506	-	-	2,506	2,515
Assistance given to those in need (grants and allowances)	6a	3,470	616	-	4,086	3,607
Casework	6a	1,061	302	-	1,363	1,177
Trading activities for charitable benefit	6a	115	-	-	115	372
Expenditure in furtherance of charitable objectives		<b>7,152</b>	<b>918</b>	<b>-</b>	<b>8,070</b>	<b>7,671</b>
<b>Total expenditure</b>		<b>30,293</b>	<b>975</b>	<b>-</b>	<b>31,268</b>	<b>30,097</b>
<b>Net income/(expenditure) for the year before investments</b>		<b>(816)</b>	<b>11</b>	<b>-</b>	<b>(805)</b>	<b>300</b>
<b>Net gains/(losses) on investments:</b>						
Net realised gains/(losses) on investments		1,941	1,067	-	3,008	5,022
Net unrealised gains/(losses) on investments	9	(1,693)	(732)	-	(2,425)	955
Net realised/unrealised gains in fair value of derivative		367	-	-	367	172
		<b>615</b>	<b>335</b>	<b>-</b>	<b>950</b>	<b>6,149</b>
<b>Net income/(expenditure) for the year</b>		<b>(201)</b>	<b>346</b>	<b>-</b>	<b>145</b>	<b>6,449</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension scheme	19	192	-	-	192	(315)
<b>Net movement in funds</b>		<b>(9)</b>	<b>346</b>	<b>-</b>	<b>337</b>	<b>6,134</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward	15	29,708	20,772	1,560	52,040	45,904
Capital received from other Trusts		-	-	-	-	2
<b>Total funds carried forward 31 March 2018</b>		<b>29,699</b>	<b>21,118</b>	<b>1,560</b>	<b>52,377</b>	<b>52,040</b>

All the above results are derived from continuing activities and this financial statement includes all gains and losses recognised in the year. The accompanying notes on pages 36 to 52 are an integral part of this financial statement.



**Consolidated Statement of Financial Activities (incorporating income and expenditure account)**

Year to 31 March 2017

	Notes	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Endowment Funds 2017 £'000	Total Funds 2017 £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Donations and legacies:</b>					
Donations	3	336	101	-	437
Legacies	3	1,033	90	-	1,123
<b>Charitable activities:</b>					
Grants		-	156	-	156
Trading activities for charitable benefit		341	-	-	341
<b>Other trading activities:</b>					
Residential and nursing care income		26,608	-	-	26,608
Other activities	4	47	-	-	47
<b>Investments:</b>					
	5	982	703	-	1,685
<b>Total income and endowments</b>		<b>29,347</b>	<b>1,050</b>	<b>-</b>	<b>30,397</b>
<b>EXPENDITURE</b>					
<b>Expenditure on raising funds:</b>					
Income generation	6b	552	-	-	552
Residential and nursing care expenditure	6b	21,177	-	-	21,177
Bank loan interest	6b	448	-	-	448
Investment management costs	6b	182	67	-	249
<b>Total cost of raising funds</b>		<b>22,359</b>	<b>67</b>	<b>-</b>	<b>22,426</b>
<b>Net income available for charitable activities</b>		<b>6,988</b>	<b>983</b>	<b>-</b>	<b>7,971</b>
<b>Expenditure on charitable activities:</b>					
Support & Information Services (benefit calculator, grant search etc)	6b	2,515	-	-	2,515
Assistance given to those in need (grants and allowances)	6b	2,875	732	-	3,607
Casework	6b	1,052	125	-	1,177
Trading activities for charitable benefit	6b	372	-	-	372
Expenditure in furtherance of charitable objectives		<b>6,814</b>	<b>857</b>	<b>-</b>	<b>7,671</b>
<b>Total expenditure</b>		<b>29,173</b>	<b>924</b>	<b>-</b>	<b>30,097</b>
<b>Net income/(expenditure) for the year before investments</b>		<b>174</b>	<b>126</b>	<b>-</b>	<b>300</b>
<b>Net gains/(losses) on investments:</b>					
Net realised gains/(losses) on investments		3,244	1,778	-	5,022
Net unrealised gains/(losses) on investments		432	523	-	955
Net unrealised gains in fair value of derivative		172	-	-	172
		<b>3,848</b>	<b>2,301</b>	<b>-</b>	<b>6,149</b>
<b>Net income/(expenditure) for the year</b>		<b>4,022</b>	<b>2,427</b>	<b>-</b>	<b>6,449</b>
<b>Other recognised gains/(losses):</b>					
Actuarial gains/(losses) on defined benefit pension scheme	19	(315)	-	-	(315)
<b>Net movement in funds</b>		<b>3,707</b>	<b>2,427</b>	<b>-</b>	<b>6,134</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	15	26,001	18,345	1,558	45,904
Capital received from other trusts		-	-	2	2
<b>Total funds carried forward at 31 March 2017</b>		<b>29,708</b>	<b>20,772</b>	<b>1,560</b>	<b>52,040</b>

All the above results are derived from continuing activities and this financial statement includes all gains and losses recognised in the year. The accompanying notes on pages 36 to 52 are an integral part of this financial statement.

**Consolidated and Charity Balance Sheets**

As at 31 March 2018

	Notes	GROUP		CHARITY	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
<b>FIXED ASSETS</b>					
Tangible assets	8	9,131	7,440	61	506
Investment properties used by a group company	8	-	-	9,070	6,934
Investments	9	44,098	53,975	44,098	53,975
<b>Total fixed assets</b>		<b>53,229</b>	<b>61,415</b>	<b>53,229</b>	<b>61,415</b>
<b>CURRENT ASSETS</b>					
Debtors	11	1,110	1,243	244	526
Cash at bank and in hand	12	1,907	1,593	706	658
<b>Total current assets</b>		<b>3,017</b>	<b>2,836</b>	<b>950</b>	<b>1,184</b>
<b>LIABILITIES</b>					
Amounts falling due within one year	13	(3,746)	(5,249)	(1,679)	(3,597)
Net current assets / (liabilities)		(729)	(2,413)	(729)	(2,413)
<b>Total assets less current liabilities</b>		<b>52,500</b>	<b>59,002</b>	<b>52,500</b>	<b>59,002</b>
<b>Creditors</b>					
Amounts falling due after more than one year	14	-	(6,647)	-	(6,647)
<b>Provisions for liabilities:</b>					
Defined benefit pension scheme liability	19	(123)	(315)	(123)	(315)
<b>Net assets</b>	15	<b>52,377</b>	<b>52,040</b>	<b>52,377</b>	<b>52,040</b>
<b>THE FUNDS OF THE CHARITY</b>					
Permanent endowment	15	1,560	1,560	1,560	1,560
Restricted	15	21,118	20,772	21,118	20,772
Designated	15	9,131	7,440	9,131	7,440
Unrestricted reserves	15	20,568	22,268	20,568	22,268
<b>Total charity funds</b>	15	<b>52,377</b>	<b>52,040</b>	<b>52,377</b>	<b>52,040</b>

The accompanying notes on pages 36 to 52 are an integral part of these balance sheets.

Approved by the Board of Trustees on 2 October 2018 and signed on their behalf by:



Sally O'Sullivan

Chair

Company Number: 515297

**Consolidated Cashflow Statement**

For the year ended 31 March 2018

	2018		2017
	£'000		£'000
<b>a) RECONCILIATION OF NET INCOMING RESOURCES FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Net income for the year before transfers	337		6,134
Deduct dividend and interest income shown in investing activities	(1,315)		(1,685)
Add back depreciation charge	152		142
Add back unrealised losses/(deduct gains) on investments	2,425		(955)
Decrease in debtors	133		174
(Decrease) in creditors	(1,503)		(197)
(Reduction)/increase in pension provision	(192)		315
<b>Net cash provided/(used) in operating activities</b>	<b>37</b>		<b>3,928</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends	1,085	1,245	
Interest	230	440	1,685
Purchase of fixed assets	(1,843)		(424)
Purchase of investment securities	(14,391)		(31,151)
Receipts from sale of investment securities	22,022		26,173
Decrease (increase) in short-term deposits held by investment managers	(179)		673
<b>Net cash (used)/provided by investing activities</b>	<b>6,924</b>		<b>(3,044)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt of endowment and restricted funds from Trusts	-		2
Bank loan (decrease)	(6,647)		(743)
<b>Net cash used by financing activities</b>	<b>(6,647)</b>		<b>(741)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>314</b>		<b>143</b>
Cash and cash equivalents brought forward	1,593		1,450
<b>Cash and cash equivalents carried forward</b>	<b>1,907</b>		<b>1,593</b>

## Notes forming part of the financial statements

### 1 Status of Company

Elizabeth Finn Care (trading as Turn2us) is a company limited by guarantee and does not have share capital. The members of the company are the Trustees who are named on page 26. All members, in the event of the company being wound up whilst they are members or within one year of their ceasing to be members, are required to contribute an amount not exceeding £1.

### 2 Accounting policies

- a) The charity's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The charity is a public benefit entity for the purposes of FRS 102 and is a registered charity. The charity has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value, with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

The financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Charities (Accounts and Reports) regulations 2008, and the Charities Act 2011. The Charity has taken advantage of section 408 of the Companies Act 2006 and has not produced a separate full unconsolidated profit and loss account. A summary of the profit and loss account for the Charity and for each subsidiary is shown in Note 16.

- b) **Group accounts**  
These Financial Statements consolidate on a line by line basis the results of the Charity, seven charities for which the Charity was given uniting directions or allotted trusteeship (linked charities) and the Charity's wholly owned subsidiaries: Elizabeth Finn Homes Limited, Elizabeth Finn Trading Limited, Turn2us (dormant company), and Turntous (dormant company).
- c) **Income recognition**  
All income is recognised once the charity has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

- ci) **Income from donations, grants and legacies**  
Donations and grants which do not impose specific future performance-related or other specific conditions are recognised on the date upon which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the charity of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the charity and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the charity has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the charity is probable.

Donations, grants and legacies accruing for the general purposes of the charity are credited to unrestricted funds.

Donations, grants and legacies, which are subject to conditions as to their use (imposed by the donor or set by the terms of an appeal) are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets as at the date of the gift.

- cii) **Investment income**  
Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Dividend income is credited when received.

Income from investment properties is recognised in the period to which the rental income relates.

- d) **Expenditure recognition**  
All expenditure is charged to the SOFA on an accruals basis including the charge for VAT which is not recoverable. Central support costs (including governance costs) are allocated to each activity cost category on the basis of either relevant staff numbers or proportion of time spent on each activity by the staff of each support cost centre.
- e) **Fixed assets**  
Depreciation is provided as follows:
- i) Freehold buildings -2% on the reducing balance basis.
  - ii) Mini buses and motor cars – 25% on the reducing balance basis.
  - iii) Furniture and equipment – 12.5% on the reducing balance basis.
  - iv) IT server infrastructure & related network equipment – 20% straight line basis.

## Notes forming part of the financial statements (continued)

## 2 Accounting policies (continued)

e) **Fixed assets (continued)**

Building work in progress is capitalised while the building work progresses. When the building work is complete the value is transferred to freehold buildings and depreciated thereafter. Expenditure on the renovation and refurbishment of existing Homes is written off to revenue as it is incurred. Expenditure on building new Homes is capitalised, although the cost of equipping them is charged to revenue. The Trustees believe that this policy generally reflects the economic life of the expenditure incurred and that the recoverable amounts and the present value of the future cash flows of the equipment would be negligible. Expenditure on replacement computer hardware and software and sundry small items of equipment is written off as revenue expenditure as incurred.

f) **Investments** are stated at market valuation as at 31 March 2018. Gains and losses on disposals or revaluations of investments are charged or credited to the SOFA.

g) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Any bank overdrafts would be shown within borrowings in current liabilities.

h) **Foreign currency balances** have been translated at the rate current at 31 March 2018.

i) Certain expenditure relating to **fundraising events** has been netted off against income from the same events.

j) **Fund accounting**

*Permanent Endowment Funds* – these represent funds permanently held in trust for the charity. For further details on endowment funds see Note 15 to the accounts.

*Restricted Funds* – these represent funds received for preferential purposes specified by the donor or by the charitable objects of the charities that have merged with Elizabeth Finn Care. Benefactors sometimes express a wish that their legacy or gift should be used for a defined purpose. If this purpose is more limited than the full objectives of the Charity, such income is treated in the SOFA as restricted and any balance unspent at the end of the financial year is described as Restricted Reserve on the Balance Sheet.

*Designated* – this represents the net value of the tangible fixed assets.

*Unrestricted reserves* – this fund can be used in accordance with the charitable objects at the discretion of the Trustees.

k) **Grants to beneficiaries:** Grants to beneficiaries are recognised when they are paid.

l) **Operating leases:** Rents paid under operating leases are charged to the Statement of Financial Activities equally over the lease term.

m) **Pensions**

The Charity has adopted full disclosures under FRS102 for the defined benefit pension scheme in note 19. The service and finance costs of the Scheme are allocated to specific activities of the resources expended based on finance cost attributions.

n) **Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ni) *Estimation uncertainty*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the recoverability of trade and other debtors, management considers factors including the financial circumstances of the debtor, the ageing profile of debtors and historical experience.

Investment valuations are dependent upon stock market and investor confidence, movements in exchange rates and in underlying economic indicators. The charity's specific investment performance is subject to investment managers' predictions about how their asset allocation and stock selection will determine performance over time.

Santander made an estimate of the fair value of the SWAP agreement at the end of each financial year. The derivative calculations used were subject to inflation, interest rates and estimated scenarios of future investment market movements. The SWAP agreement was brought to an end during the year.

The defined benefit pension scheme asset/liability is calculated by the pension scheme's actuary, based upon a triennial asset & obligation valuation, and is influenced by estimates of future interest rates, inflation rate scenarios and movements in life expectancy tables.

Accruals have been made in relation to renovation projects in the care homes that are in progress at the year end. An evaluation is made of the work completed on each project that remained un-invoiced at the year end, with an accrual being calculated accordingly.

## Notes forming part of the financial statements (continued)

### 2 Accounting policies (continued)

nii) *Key areas of future uncertainty*

With respect to the next financial year, the most significant areas of uncertainty which affect the carrying value of assets held by the Charity (and its subsidiaries) are the performance of the investment markets and the residents' occupancy rates of Elizabeth Finn Homes Limited's nine care homes.

The UK's decision to leave the European Union brings with it uncertainty about stock market investment income and also uncertainty in being able to cost-effectively attract and retain a sufficient number of high calibre staff, particularly in our care home teams.

o) **Going concern**

The trustees have assessed going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on income. The trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

p) **Financial instruments**

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

*Basic financial assets*

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

*Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that

occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

*Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

*Basic financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

*Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. The SWAP agreement was brought to an end during the year.

q) **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## Notes forming part of the financial statements (continued)

## INCOME

## 3 Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DONATIONS</b>					
Donations	415	203	-	618	388
County treasurers	25	1	-	26	49
	<u>440</u>	<u>204</u>	<u>-</u>	<u>644</u>	<u>437</u>
<b>LEGACIES</b>					
	1,206	-	-	1,206	1,123
	<u>1,646</u>	<u>204</u>	<u>-</u>	<u>1,850</u>	<u>1,560</u>

The Charity has received notification of 8 legacies with estimated future distributions of £805,800 (2017: £6,000), which have not been recognised as income as at 31 March 2018. They will be recognised when appropriate in future periods.

## 4 Other activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000	Total 2017 £'000
Property rent and services	<u>32</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>47</u>

## 5 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2018 £'000	Total 2017 £'000
Dividends	629	456	-	1,085	1,245
Interest on bonds and short term deposits	170	60	-	230	440
	<u>799</u>	<u>516</u>	<u>-</u>	<u>1,315</u>	<u>1,685</u>

## Notes forming part of the financial statements (continued)

## 6a Expenditure (year ended 31 March 2018)

	CENTRAL SUPPORT COSTS							DIRECT COSTS	ALL COSTS TOTAL		
	Chief Executive Office	Finance	Human Resources	IT	Property Services	Administration	Governance	Total	2018	2017	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>ACTIVITIES</b>											
Income generation	84	26	8	87	114	18	11	348	339	687	552
Refurbishment and maintenance for the care homes*	-	-	-	-	-	-	-	-	568	568	503
Residential & nursing care expenditure*	-	-	-	-	-	-	-	-	21,553	21,553	20,641
Refurbishment & maintenance of let property*	-	-	-	-	-	-	-	-	-	-	33
Bank loan interest	-	-	-	-	-	-	-	-	167	167	448
Investment management	-	78	-	-	-	-	5	83	140	223	249
Support and information services	98	65	31	87	190	70	21	562	1,944	2,506	2,515
Grants & allowances	-	-	-	-	-	-	-	-	4,086	4,086	3,607
Casework	84	78	25	87	218	56	16	564	799	1,363	1,177
Trading activities for charitable benefit	14	13	-	11	22	-	-	60	55	115	372
<b>Total</b>	<b>280</b>	<b>260</b>	<b>64</b>	<b>272</b>	<b>544</b>	<b>144</b>	<b>53</b>	<b>1,617</b>	<b>29,651</b>	<b>31,268</b>	<b>30,097</b>

In 2017/18 we awarded nearly 3,600 grants to nearly 5,800 beneficiaries (including family members). In 2016/17 we awarded 3,278 grants to 4,401 beneficiaries (including family members).

Note: Auditors' remuneration (excl VAT) includes the following:

	2018	2017
	£'000	£'000
Auditors remuneration - Audit of charity	15	14
Auditors remuneration - Audit of subsidiaries	15	14
Auditors remuneration - Internal audit	-	5
Auditors remuneration - Defined Benefit Pension Scheme audit	5	6
Auditors remuneration - Tax advice & tax returns	1	4
Auditors remuneration - Audit committee	5	4
<b>Total</b>	<b>41</b>	<b>47</b>

\* These 3 items make up the Self-funding residential and nursing care heading for expenditure on the SOFA.



## Notes forming part of the financial statements (continued)

## 6b Prior year's comparative for expenditure (year ended 31 March 2017)

	CENTRAL SUPPORT COSTS							DIRECT COSTS	ALL COSTS TOTAL	
	Chief Executive Office	Finance	Human Resources	IT	Property Services	Administration	Governance	Total		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	2017 £'000	
<b>ACTIVITIES</b>										
Income generation	77	22	8	74	113	17	10	321	231	552
Refurbishment and maintenance for the care homes*	-	-	-	-	-	-	-	-	503	503
Residential & nursing care expenditure*	-	-	-	-	-	-	-	-	20,641	20,641
Refurbishment & maintenance of let property*	-	-	-	-	-	-	-	-	33	33
Bank loan interest	-	-	-	-	-	-	-	-	448	448
Investment management	-	67	-	-	-	-	5	72	177	249
Support and information services	90	56	31	74	188	66	20	525	1,990	2,515
Grants & allowances	-	-	-	-	-	-	-	-	3,607	3,607
Casework	77	67	25	74	215	53	15	526	651	1,177
Trading activities for charitable benefit	13	11	-	18	21	-	-	63	309	372
<b>Total</b>	<b>257</b>	<b>223</b>	<b>64</b>	<b>240</b>	<b>537</b>	<b>136</b>	<b>50</b>	<b>1,507</b>	<b>28,590</b>	<b>30,097</b>

In 2016/17 we awarded 3,278 grants to 4,401 beneficiaries (including family members). In 2015/16 we awarded 3,022 grants to 4,146 beneficiaries (including family members).

\* These 3 items make up the Self-funding residential and nursing care heading for expenditure on the SOFA.

## Notes forming part of the financial statements (continued)

## 7 Trustees and staff

Trustees are not remunerated. Refreshments and reimbursement of travel expenses for 3 of the Trustees attending meetings amounted to £2,704 (2017 – £2,580)

Aggregate staff costs are made up as follows:	2018 £'000	2017 £'000
Wages and salaries	16,183	15,558
Agency staff	611	545
Social security costs	1,305	1,249
Employer's contribution to defined contribution schemes	663	626
Other staff related costs	102	105
Redundancies and terminations	17	-
	<u>18,881</u>	<u>18,083</u>
Operating costs of closed defined benefit scheme	40	23
	<u>18,921</u>	<u>18,106</u>

The average number of employees, both full and part time, during the year was 795 (2017: 775), representing full time equivalents of 689 (2017: 692)

The total, stated on a full time equivalent basis, comprised:	2018 Full-time	2018 Part-time	2017 Full-time	2017 Part-time
In the Homes	317	309	316	311
<b>At Headquarters:</b>				
Homes Department	5	1	5	1
Operations	24	5	27	4
Fundraising	5	1	5	1
Finance	4	1	5	-
IT	3	-	3	-
Human Resources	5	-	5	-
Chief Executive's Department and Communications	8	1	9	-
	<u>371</u>	<u>318</u>	<u>375</u>	<u>317</u>

The number of staff in the group whose remuneration (excluding employer pension contributions) fell within each of the following bands was:

	2018	2017
£60,001 to £70,000	2	5
£70,001 to £80,000	7	2
£80,001 to £90,000	3	3
£90,001 to £100,000	1	-
£100,001 to £110,000	-	-
£110,001 to £120,000	-	1
£120,001 to £130,000	1	2
£130,001 to £140,000	1	-
£140,001 to £150,000	2	-
£160,001 to £170,000	-	1

Total pension contributions for all of the higher paid staff of Elizabeth Finn Care and Elizabeth Finn Homes Limited were £119,813 (2017: £101,775). These are all payments to defined contribution schemes – None of the higher paid staff were members of the closed defined benefit scheme.

The higher paid employees were four Directors and one non-director of the Charity, (2017: three); and twelve (2017: eleven senior commercial subsidiary staff (who had earned performance related bonuses in those years).

The Group's key management personnel, (who have authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly), were the Charity's Trustees and the four Directors of the Charity (2017: four, with one of those in post part year). The total employee benefits of the charity's key management personnel were £415,844 (2017: £325,790).

Trustees are not remunerated.

## Notes forming part of the financial statements (continued)

## 8 Tangible fixed assets

	FREEHOLD		Buildings Work in Progress	Furniture and Equipment	Mini Buses and Motor Cars	IT Infrastructure Hardware	Total
	Land	Buildings					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2017	1,685	8,307	431	31	132	129	10,715
Additions	-	1,821	9	-	-	13	1,843
Transfers	-	431	(431)	-	-	-	-
Cost at 31 March 2018	<b>1,685</b>	<b>10,559</b>	<b>9</b>	<b>31</b>	<b>132</b>	<b>142</b>	<b>12,558</b>
Accum. depreciation at 1 April 2017	-	3,058	-	8	116	93	3,275
Charge for year	-	116	-	3	4	29	152
Accum. depreciation at 31 March 2018	-	<b>3,174</b>	-	<b>11</b>	<b>120</b>	<b>122</b>	<b>3,427</b>
<b>Net Book Amount at</b>							
31 March 2018	1,685	7,385	9	20	12	20	9,131
31 March 2017	1,685	5,249	431	23	16	36	7,440

The land and buildings shown in Tangible Fixed Assets in the group accounts are used for care homes operated by Elizabeth Finn Homes Limited.

In the charity's balance sheet, under FRS102, the land and buildings (£9,070,000) are classified as investment properties in the Balance Sheet, as they are let to and occupied by a group company.

The land and buildings used as care homes are shown at cost.

## 9 Fixed Assets – Investments

	Cash for investment	Listed Investments	Property	Group Total	Charity's shares in subsidiaries	Charity Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Market value:</b>						
At 1 April 2017	1,533	52,257	185	53,975	-	53,975
Additions at cost	-	14,391	-	14,391	-	14,391
Disposals at cost	-	(22,022)	-	(22,022)	-	(22,022)
Movement in cash	179	-	-	179	-	179
Net investment gains / (losses) unrealised	-	(2,425)	-	(2,425)	-	(2,425)
<b>At 31 March 2018</b>	<b>1,712</b>	<b>42,201</b>	<b>185</b>	<b>44,098</b>	<b>-</b>	<b>44,098</b>

Listed investments at market value comprised:	Total 2018	Total 2017
	£'000	£'000
UK listed equities	13,695	16,398
UK fixed interest investments	537	7,789
UK funds	76	310
Unlisted Investments	97	545
Overseas funds	16,696	20,255
Listed or regulated overseas	11,100	6,960
	<b>42,201</b>	<b>52,257</b>

No shareholdings of over 5% were held by the group in any listed investment.

Property: Three plots of land are held as investment property at nominal value, pending exploration of future planning permission possibilities. It would not be cost effective or meaningful to revalue them annually as their potential value is wholly dependent upon future planning decisions by statutory bodies.

The Charity's Investment Committee monitors the performance of the invested assets using defined benchmark criteria. The primary performance measure remains 3 month £ LIBOR + 5%. Given the sizeable property portfolio and retained cash which counterbalance the asset allocation risks, the managers' asset allocation is based upon an equity growth portfolio, operating under discretionary mandates.

## Notes forming part of the financial statements (continued)

## 10 Charity's shares in subsidiaries

The Charity owns the whole of the ordinary share capital of two trading subsidiaries (both consisting of two £1 ordinary shares):

	Company No:	Country of Incorporation
Elizabeth Finn Trading Limited	3499586	England & Wales
Elizabeth Finn Homes Limited	5225008	England & Wales

The Charity also owns the whole of the ordinary share capital of two dormant subsidiaries:

Turn2us	6136422	England & Wales
Turntous	6136521	England & Wales

All four companies have the registered address: Hythe House, 200 Shepherds Bush Road, London W6 7NL

## 11 Debtors

	GROUP		CHARITY	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amount due from subsidiaries	-	-	52	4
Trade debtors	723	622	-	-
Other debtors	18	13	9	12
Prepayments and accrued income	369	608	183	510
	<b>1,110</b>	<b>1,243</b>	<b>244</b>	<b>526</b>

Group financial assets (within the above) which are debt instruments (i.e. under contract to a 3rd party) measured at amortised cost are £822,163 (2017: £1,082,677)

## 12 Cash at Bank

	GROUP		CHARITY	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Cash at bank and in hand	1,907	1,593	706	658

## Notes forming part of the financial statements (continued)

## 13 Creditors: Amounts falling due within one year

	GROUP		CHARITY	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amount due to subsidiaries	-	-	1,067	1,396
Trade creditors	588	788	-	255
Social security and other taxes	349	313	64	54
Accruals and deferred income*	2,703	2,689	533	443
Sundry creditors	106	31	15	21
Fair value of derivative (SWAP agreement)	-	685	-	685
Amount of bank loan repayable (note 14)	-	743	-	743
	<b>3,746</b>	<b>5,249</b>	<b>1,679</b>	<b>3,597</b>

Group financial liabilities (within the above) measured at amortised cost are £2,523,184 (2017: £3,335,572).

**\*Movement in Deferred Income**

(Care home fees paid for the following month)

	GROUP	
	2018 £'000	2017 £'000
Amount brought forward	915	938
Increase in deferred income	-	-
Released in the year	(41)	(23)
Amount carried forward	<b>874</b>	<b>915</b>

## 14 Bank loan and SWAP agreement

On 30 April 2010 the Charity agreed a secured borrowing facility with Santander Corporate Banking, which provided a facility of £11.1 million for funding the Halliwell project and the refurbishment project for Hampden House. £10.7m was drawn down on the loan.

In order to simplify & strengthen the group balance sheet, the £7m outstanding balance of the Santander loan, and the associated SWAP, were redeemed in September 2017.

	2018 £'000	2017 £'000
<b>Maturity of loan:</b>		
Amounts due in less than one year	-	743
Amounts due between two and five years	-	6,647

## Notes forming part of the financial statements (continued)

## 15 Analysis of Group Net Assets as at 31 March 2018 between Funds

	PERMANENT ENDOWMENT FUNDS			
	Other £'000	Arthur Hurst Will Trust £'000	Dresden Homes Trust £'000	Total £'000
<b>FIXED ASSETS</b>	-	-	-	-
Investments	73	737	750	1,560
Net current assets	-	-	-	-
Actuarial unrealised pension deficit	-	-	-	-
Net assets	<b>73</b>	<b>737</b>	<b>750</b>	<b>1,560</b>
<b>FUNDS</b>				
Balances at 1 April 2017	73	737	750	1,560
Income	-	-	-	-
Expenditure	-	-	-	-
Gains/(losses)	-	-	-	-
Transfers between unrestricted funds	-	-	-	-
Funds from other organisations	-	-	-	-
Balances at 31 March 2018	<b>73</b>	<b>737</b>	<b>750</b>	<b>1,560</b>

**PERMANENT ENDOWMENTS**

Included in the Other category above with investments valued at £60,560 is permanent endowment for The Colehaven Trust (Charity No. 218609) and The Ellen Stanley Coleman Colehaven Trust (Charity No. 218609/1). The income from these Trusts is used to defray the cost of operating sheltered housing in Colehaven. (See post balance sheet event in Note 21).

Included in the Other category above with current assets valued at £12,088 is permanent endowment for The C.J. and E.J. Melbourne Trust (Charity No. 207812-1)

**Arthur Hurst Will Trust (Charity No. 207812-7):** This charity was transferred to Elizabeth Finn Care by the Public Trustee on 28 September 2013, following discharge of obligations to certain former beneficiaries. The income from this Trust is applied to the relief of distressed gentlewomen; clergy who have to retire through ill health; and education of clergy orphans.

**Dresden Homes Trust (Charity No. 207812-4):** This charity was represented by a permanent endowment fund until 19 January 2012 when the Charity Commission consented to the charity's resolution to release the restriction on expenditure on the permanent endowment at that date. £750,000 is held as permanent endowment to make grants for the relief of former residents of the Dresden Homes Trust.

RESTRICTED FUNDS							DESIGNATED FUND	UNRESTRICTED RESERVES	TOTAL FUNDS
Other	Edinburgh Trust	Arthur Hurst Will Trust	Dresden Homes Trust	The Lloyd's Support Fund	Homes' amenity funds	Total			
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
-	-	-	-	-	-	-	9,131	-	9,131
-	15,571	153	22	4,606	-	20,352	-	22,186	44,098
220	(40)	4	295	-	287	766	-	(1,495)	(729)
-	-	-	-	-	-	-	-	(123)	(123)
<b>220</b>	<b>15,531</b>	<b>157</b>	<b>317</b>	<b>4,606</b>	<b>287</b>	<b>21,118</b>	<b>9,131</b>	<b>20,568</b>	<b>52,377</b>
172	15,395	126	329	4,421	329	20,772	7,440	22,268	52,040
434	332	34	2	175	9	986	-	29,477	30,463
(386)	(469)	(13)	(14)	(42)	(51)	(975)	-	(30,293)	(31,268)
-	273	10	0	52	-	335	-	807	1,142
-	-	-	-	-	-	-	1,691	(1,691)	-
-	-	-	-	-	-	-	-	-	-
<b>220</b>	<b>15,531</b>	<b>157</b>	<b>317</b>	<b>4,606</b>	<b>287</b>	<b>21,118</b>	<b>9,131</b>	<b>20,568</b>	<b>52,377</b>

### RESTRICTED FUNDS

**The Edinburgh Trust** is a restricted fund that reflects the transfer to the Charity by the City of Edinburgh Council in July 2011 of its responsibility for 35 poverty related charities and trusts together with their £12m funds and a small 10 bed care home. The care home was transferred to a similar organisation during 2015/16 and the proceeds added to the Edinburgh Trust restricted fund.

**Arthur Hurst Will Trust:** Elizabeth Finn Care administers this fund. The objects of this Trust fall within those of Elizabeth Finn Care.

**Dresden Homes Trust (Charity No. 207812-4):** The income supports the general charitable activities of Elizabeth Finn Care, but preference must be given to making grants for the relief of former residents of the Dresden Homes Trust.

**The Lloyd's Support Fund (Charity 207812-6):** The income supports the general charitable activities of Elizabeth Finn Care, but preference must be given to making grants for the relief of severe financial hardship as a result of meeting or attempting to meet their respective underwriting liabilities at Lloyd's and the family of such persons.

**Homes' Amenity funds:** Funds have been raised or given over the years, and are used for the benefit of the residents of the Homes. These are therefore restricted funds.

**Other:** A collection of individual funds received for restricted purposes, the balance of which is being held over to be used according to the donors' wishes in future years.

## Notes forming part of the financial statements (continued)

## 16 Shown below are the separate results for the Charity and each of its subsidiaries

## a) Related Party transactions with wholly owned subsidiaries

Transactions with Turn2us' wholly owned subsidiaries consist of £3.5m rent for care homes, £28,000 recharge of IT expenditure in appropriate proportions based on attributable spend and £52,000 of net staffing recharges based on activity attributable to each activity.

## b) Financial activities of the Charity

	2018 £'000	2017 £'000
Gross incoming resources	7,036	7,263
Elizabeth Finn Trading covenant due	4	9
Elizabeth Finn Homes Limited covenant due	1,798	2,432
	<u>8,838</u>	<u>9,704</u>
<b>Expenditure on raising funds:</b>		
Income generation	(675)	(540)
Bank loan interest	(167)	(448)
Landlord refurbishment/maintenance of care homes	(568)	(536)
Investment management costs	(220)	(248)
<b>Expenditure on Charitable activities:</b>		
Support & Information Services (benefit calculator, grant search etc)	(2,488)	(2,499)
Assistance given to those in need (grants and allowances)	(4,117)	(3,658)
Casework	(1,349)	(1,164)
Trading activities for charitable benefit	(59)	(311)
Net (expenditure)/income	<u>(805)</u>	<u>300</u>
Investment gains/(losses)	583	5,977
Actuarial gains/(losses) on defined benefit pension scheme	192	(315)
Net realised gains on cessation of derivative	367	172
Net resource movement for year	<u>337</u>	<u>6,134</u>
Total funds brought forward	52,040	45,904
Capital Funds from other Trusts	-	2
Total funds carried forward	<u>52,377</u>	<u>52,040</u>

## c) Financial activities of Elizabeth Finn Homes Limited

	2018 £'000	2017 £'000
Income	27,430	27,198
Cost of care services	(25,632)	(24,766)
Net Surplus	1,798	2,432
Covenant to Charity	(1,798)	(2,432)
Retained surplus	<u>-</u>	<u>-</u>
Current assets	4,923	2,358
Current liabilities	(4,923)	(2,358)
Net assets (in £)	<u>£2</u>	<u>£2</u>
Share Capital (in £)	<u>£2</u>	<u>£2</u>



**Notes forming part of the financial statements (continued)****16 Shown below are the separate results for the Charity and each of its subsidiaries (continued)****d) Elizabeth Finn Trading Limited**

	2018 £'000	2017 £'000
Turnover	62	82
Cost of sales	(55)	(58)
Gross profit	<u>7</u>	<u>24</u>
<b>Administrative costs</b>	(3)	(15)
Operating profit	<u>4</u>	<u>9</u>
Interest income	-	-
<b>Profit / (loss) before and after tax</b>	<u>4</u>	<u>9</u>
Covenant payment to Elizabeth Finn Care	(4)	(9)
Retained profit / (loss)	-	-
Loss brought forward	-	-
Total reserves carried forward	<u>-</u>	<u>-</u>
Current assets	60	13
Current liabilities	(60)	(13)
Net liabilities (in £)	<u>£2</u>	<u>£2</u>
Share capital (in £)	£2	£2
Reserves	-	-
Total Funds (in £)	<u>£2</u>	<u>£2</u>

**17 Commitments**

Hythe House, 200 Shepherds Bush Road, London W6 7NL is the Head Office of the Charity. The Charity took out a 10 year lease (dated 26 October 2014) with a 5 year break point. The charity occupies 8,483 sq ft and is paying rent of £284,180+VAT pa and a service charge of £66,000+VAT pa (capped at £84,830 pa). A six month rent free period was granted from the start of the new lease in October 2014. The rent is reviewed after 5 years unless the break option is implemented. The total of minimum rent payments until the 5 year break in 25 October 2019 is £378,906 + VAT (2017: £662,992 + VAT).

As at 31 March 2018, the group had operating leases with £42,991 (2017: £61,106) falling due within one year; £60,625 (2017: £54,043) falling due between one and five years; and £0 (2017: £0) falling due after five years. The group recognised £58,000 (£54,000) of operating lease payments in expenditure during the year.

**18 Volunteers**

Our work is supported by 223 volunteers, the majority of these volunteers complete grant review visits to assist our Caseworkers in making decisions regarding the level of financial support (in the form of a grant) we are able to provide. Our volunteer befrienders provide a friendly face and a listening ear to vulnerable, isolated and lonely grant recipients; and our office volunteers provide administrative support to teams at our Head Office.

In the coming year we will continue to deliver on our Volunteer Strategy, growing our volunteer programme further to include a wider range of roles and opportunities, enriching our team with the skills, experience, motivation and enthusiasm which volunteers bring.

## Notes forming part of the financial statements (continued)

## 19 Defined benefit pension scheme

The charity has two pension schemes; one is the defined benefit scheme (the Scheme) which was closed to new members in 2001 and the other is the stakeholder pension scheme, which is open to all employees of the Charity and its subsidiary, Elizabeth Finn Homes Limited. As at 31 March 2015, an accrual of £44,000 had been made to finance the deficit on the defined benefit scheme, calculated as at the triennial valuation date of 30 June 2014. This amount was paid at the end of 2015, in accordance with the actuary's recommendations. The recent triennial (dated 30 June 2017) identified a further deficit of £14,000 which was accrued at 31 March 2018 and paid in May 2018.

FRS102, paragraphs 28.9 to 28.28 requires the Charity to include in its own accounts the net assets or liabilities based on fair values of the defined benefit pension scheme. The standard also requires the net operating cost of providing the retirement benefits to current staff members and finance costs or income to be included in the Charity's accounts. The SOFA meets the reporting requirements and the value of the Scheme's liabilities has been determined by the Scheme's actuary based on the results of the full actuarial valuation that was carried out as at 1 July 2017. The scheme was closed to future accrual on 31 March 2013.

	31 March 2018	31 March 2017
<b>Increases for pensions in payment:</b>		
Pre 31 October 2006 (RPI max. 5%)	3.10%	3.20%
Post 31 October 2006 (RPI max. 2.5%)	2.10%	2.20%
Liability discount rate	2.60%	2.60%
Inflation assumption (RPI)	3.30%	3.40%
Consumer Price Inflation	2.30%	2.40%
Deferred pension revaluation (CPI 2.5% cap)	2.30%	2.40%
Deferred pension revaluation (CPI 5% cap)	2.30%	2.40%
<b>Assuming retirement at age 65, the life expectancy in years is as follows:</b>		
For a male aged 65 now	21.6	22.9
At 65 for a male member aged 45 now	23.3	25.2
For a female aged 65 now	23.6	25.3
At 65 for a female member aged 45 now	25.5	27.6

The market value of assets in the scheme, the present value of the liabilities in the Scheme and the long term expected rate of return at the balance sheet date were as follows:

<b>ASSETS</b>	As at 31 March 2018	As at 31 March 2017
	£'000s	£'000s
Total market value of assets	3,595	3,595
<b>NET DEFINED BENEFIT LIABILITY</b>	As at 31 March 2018	As at 31 March 2017
	£'000s	£'000s
Total market value of assets	3,467	3,595
Value of funded obligations	(3,590)	(3,910)
Net pension (liability)/asset	(123)	(315)

The accrual of future benefits for active members was terminated with effect from 31 March 2013 and hence both future pension cost and future employee contributions are nil. The Actuary's interpretation for the years up to 31 March 2016 was that the pension asset should not be shown as an asset in the balance sheet because it could not be readily realised by the Group. Since then, the net pension liability as at 31 March 2017 and at 31 March 2018 has been recognised by the group.

Surplus/(deficits) for the current and previous four periods are as follows:

	2018	2017	2016	2015	2014
	£'000s	£'000s	£'000s	£'000s	£'000s
Defined benefit obligation	3,467	(3,910)	(3,197)	(3,394)	(2,884)
Plan assets	(3,590)	3,595	3,281	3,519	3,260
Surplus / (deficit)	(123)	(315)	84	125	376

## Notes forming part of the financial statements (continued)

## 19 Defined benefit pension scheme (continued)

## ANALYSIS OF THE AMOUNT CHARGED TO SOFA OPERATING RESULTS:

	2018 £'000s	2017 £'000s
Service cost	-	-
Net interest expense	8	(2)
Past service cost	-	-
Settlements on curtailments	-	-
<b>Total operating charge</b>	<b>8</b>	<b>(2)</b>

## ANALYSIS OF THE CHANGE IN THE DEFINED BENEFIT OBLIGATION:

	2018 £'000s	2017 £'000s
<b>Opening defined benefit obligation</b>	3,910	3,197
<b>Movement in year:</b>		
Current service costs	-	-
Interest cost	101	112
Actuarial loss/(gain)	(369)	778
Settlements or curtailments	-	-
Benefits paid	(52)	(177)
<b>Total movement in year</b>	<b>(320)</b>	<b>713</b>
<b>Closing defined benefit obligation</b>	<b>3,590</b>	<b>3,910</b>

The actuarial loss/(gain) on obligation is made up of the effect of change of assumptions for valuing obligations at the end of the year and an amount due to experience over the year differing from that assumed at the start of the year.

## ANALYSIS OF THE CHANGE IN THE FAIR VALUE OF PLAN ASSETS

	2018 £'000s	2017 £'000s
Opening fair value of plan assets	3,595	3,281
Interest income	93	114
Actuarial gains (losses)	(169)	377
Contributions	-	-
Benefits paid	(52)	(177)
<b>Closing fair value of plan assets</b>	<b>3,467</b>	<b>3,595</b>

The asset gain (loss) is the actual asset return over the year of (£76,000) (2017: £491,000) less the interest income of £93,000 (2017: £114,000).

The employer expects to make £14,000 of contributions to this defined benefit pension plan in the year to 31 March 2019 (year to 31 March 2018: nil, based on triennial calculations).

**Notes forming part of the financial statements (continued)****19 Defined benefit pension scheme (continued)**

Analysis of the actuarial loss recognised in the SOFA - Other recognised gains and losses.

	<b>2018</b>	<b>2017</b>
	<b>£'000s</b>	<b>£'000s</b>
Actual return less interest income recognised in the SOFA	(169)	377
Experience gains (losses) arising on benefit obligation	32	67
Effect of assumptions changes on benefit obligation	337	(845)
Actuarial gain (loss) recognised in SOFA	<u>200</u>	<u>(401)</u>
<b>Difference between the asset return and the interest income recognised in the SOFA (£'000):</b>	(169)	377
as % of scheme's assets	5%	10%
<b>Experience gains / (losses) on obligation (£'000):</b>	32	67
as % of obligation	1%	2%
<b>Total amount recognised in SOFA (£'000)</b>	200	(401)
as % of obligation	6%	10%

**Volatility of the net pension asset/liability**

As the scheme stands, the Trustees should expect the net pension asset or liability and the gains/losses recognised in the SOFA to be volatile from year to year. This is because the trustees currently invest the assets partly in equities, property and bonds whereas the liability value depends on the yield on long-dated corporate bonds. These asset classes can move in different directions, causing the pension disclosure on the balance sheet to improve or deteriorate rapidly.

**20 Related party transactions**

There have been no related party transactions (2017: None).

**21 Post balance sheet events**

Turn2us manages the Colehaven Trust (a registered Charity in England & Wales number 218609), which has as its major asset an almshouse on the outskirts of Birmingham. An alternative organisation (Yardley Great Trust) has been identified as a more suitable manager of this Trust, as it specialises in almshouses in the Birmingham area, whereas Turn2us specialises in care homes in the UK. Turn2us is in advanced negotiations to transfer the Trusteeship of the Colehaven Trust (and its linked charity of the Ellen Stanley Coleman Colehaven Trust) to the Yardley Great Trust.

# ACKNOWLEDGEMENTS

We would like to say a big thank you to the individuals and organisations who have given us their generous support, and to all our anonymous donors. You have helped us change lives.

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# CARE HOMES DIRECTORY





Elizabeth Finn Homes Limited is a wholly-owned subsidiary of the charity Turn2us. Operating a portfolio of ten high quality care homes located throughout England, Elizabeth Finn Homes provide the highest standards of care for the discerning individual.



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 Woodside Drive  
 Bradwell Village  
 Burford  
 OX18 4XA  
**01993 824225**  
 thecotswoldhome  
 @efhl.co.uk



**Eversfield**  
 56 Reigate Road  
 Reigate  
 Surrey  
 RH2 0QR  
**01737 229899**  
 eversfield@efhl.co.uk



**Grove Court**  
 Beech Way  
 Woodbridge  
 Suffolk  
 IP12 4BW  
**01394 446500**  
 grovecourt@efhl.co.uk



**Halliwell**  
 Kingswood Road  
 Tunbridge Wells  
 Kent  
 TN2 4UN  
**01892 525909**  
 halliwell@efhl.co.uk



**Hampden House**  
 120 Duchy Road  
 Harrogate  
 North Yorkshire  
 HG1 2HE  
**01423 566964**  
 hampdenhouse  
 @efhl.co.uk



**The Lodge**  
 22 Spicer Road  
 Exeter  
 Devon EX1 1SY  
**01392 271663**  
 thelodge@efhl.co.uk



**Merlewood**  
 Hollow Lane  
 Virginia Water  
 Surrey  
 GU25 4LR  
**01344 845314**  
 merlewood@efhl.co.uk



**Oak Hall**  
 Wispers Lane  
 Haslemere  
 Surrey  
 GU217AB  
**01428 744010**  
 oakhall@efhl.co.uk



**Rashwood**  
 Wychbold  
 Droitwich  
 Worcestershire  
 WR9 0BP  
**01527 861258**  
 rashwood@efhl.co.uk



**Rush Court**  
 Shillingford Road  
 Wallingford  
 Oxfordshire  
 OX10 8LL  
**01491 837223**  
 rushcourt@efhl.co.uk

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 ALL OUR VOLUNTEERS AND  
 FRIENDS FOR SUPPORTING  
 OUR RESIDENTS. OUR LOCAL  
 COMMUNITIES MAKE OUR  
 HOMES SUCH A SPECIAL  
 PLACE TO LIVE.**

# TURN2US

FIGHTING UK POVERTY

## CONTACT US:

Whether you're looking for support, or just want to find out more about what we do, visit our website or follow us on social media to find out more.

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