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for you

YOU!

TURN2US
FIGHTING UK POVERTY

We Said,
We Did,
We Will Do.

Turn2us Annual Report
and Financial Statements 2016/17

TURN2US
FIGHTING UK POVERTY

Thank
you

When my husband
ill. We thought
made homeless.
I was entitled to
10p a week, but it
with housing costs.
I'd stay in our home

TURN2US
FIGHTING UK POVERTY

THANK
YOU!

Words can not say how much
your funding means to me.

Now I can buy the batteries
for my Mobility Scooter and the
tyres. I have my Independence
Back.

I can pay the Vets Bill for
our old Collie who passed away
and so much more.

I have gone from desperation
to elation.

What wonderful people
you are.

Thank
you

ELIZABETH F
TURN

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THE TEAM

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LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE

Over the last year we've been able to help more people than ever before in the charity's long history. We'd like to think that it's because we're getting better at letting people know what we do.

But we know that this is only part of the story. The significant rise in the number of people coming to us for help and financial assistance reflects the stark reality that the type of support we provide is needed today, more than ever.

For that reason, we have committed to do even more. 2016/17 has been a watershed year for Turn2us. Some time ago we set

can, during their lives, find themselves unable to do so, often when it is least expected.

For many people a lot of the practical help is already out there, yet the process of accessing it is difficult, especially for those who have never needed to ask for help before. The support that is available, whether it be in the form of a charitable grant or by demystifying a complex system of benefits and tax credits, can be

hugely significant.

A lot has changed in the 120 years since we were founded but the basic principle behind what we do is the same. Our charity was founded out

of a human concern for those that couldn't manage a basic standard of living. Many of us are lucky enough to have support in place to help out if things get tough. But not everybody has that, and that's why we're here.

We hope that we don't need to be around in another 120 years' time because we want to see an end to poverty in the UK. It's not our job to do that alone, but it certainly is our role to be a big part of the fight. We are realistic, and recognise that it will take time, but our determination to play our part in that struggle remains unfaltering, which is why we are so thankful for all the support we are given from staff, volunteers, supporters, partners and the Elizabeth Finn Homes. We couldn't do it without you.

Bill Colvin Chairman
Simon Hopkins Chief Executive

THERE ARE OVER 14 MILLION PEOPLE IN THE UK LIVING IN POVERTY; AROUND HALF OF THESE ARE IN HOUSEHOLDS THAT ARE IN-WORK.

ourselves the target of getting the charity to a position of underlying financial sustainability by 2017. We're pleased to report that, with the support of our extraordinary colleagues in Elizabeth Finn Homes, we've reached that point. It means that Turn2us goes forward with the financial strength that it requires to support the programmes that will help more of those people living in poverty in the UK.

According to official figures there are over 14 million people in the UK living in poverty; around half of these are in households where an adult is currently in employment. At Turn2us we have purposely chosen not to be defined by one specific definition of poverty. Those helped by Elizabeth Finn back in 1897 wouldn't have described themselves as living in poverty, in the same way as the many of those who come to us today wouldn't either. Our objective is about helping those who cannot afford life's basic essentials. We know that anyone

It's Working!

In 2016/17, we helped more people than at any time in our history. Demand for our support remains very high, reflecting the reality that for many millions in the UK and Ireland it's simply too hard to meet the cost of the necessities most of us take for granted.

Poverty is a complex and persistent issue. We are proud to be part of a broader movement which works to reduce and ultimately eliminate poverty. In September we endorsed a crucial report by the Joseph Rowntree Foundation, setting out a strategy to solve poverty in the UK by 2030. The role we play within that wider movement is to ensure that people are better connected to the practical help that exists, help that too often goes unnoticed by those who need it most.

What makes Turn2us so effective is our absolute focus on providing timely, practical help for people in need. By providing modest financial grants we help with an immediate issue. Through Turn2us' practical resources we empower people to help themselves. By proactively working with partner organisations we more effectively help more people.





This is our 120th year of grant giving, which continues to provide much needed support to people from a range of professional backgrounds who are struggling financially.

During the last year our website had 7.1 million visits, an increase of 45%. We continue to develop our online help to make it easier for people to find what they need. Given the extent

to the changes in the welfare benefits system, we have had to regularly and rapidly update information pages as well as our Benefits Calculator, so that those using our services know

“ A GRANT REMAINS A HUGELY EFFECTIVE WAY OF GETTING HELP TO SOMEONE WHO IS LIVING IN POVERTY. THIS YEAR WE AWARDED £3.1M TO 3278 INDIVIDUALS AND FAMILIES. ”

A grant remains a hugely effective way of getting help to someone who is living in poverty. This year we awarded £3.1m to 3278 individuals and families, from 9 different funds within the charity. At the same time, we progressed our plans to extend the activity of the Edinburgh Trust by introducing the Community Grants Programme. This will award grants and support to assist groups or individuals at a grassroots level who seek to tackle poverty in their own neighbourhoods. We expect to support the set up of the Community Programmes in early 2017/18.

In addition, we have set up the Turn2us Response Fund, which is now making its first grants to individuals. This fund will be available to help those who have recently experienced a sudden life event such as bereavement, job loss or illness, and for whom one-off assistance in the form of a financial support could be genuinely life changing. The fund will be available through referrals from partner organisations, reinforcing our desire to work in partnership with like-minded bodies and helping us get through to those who are hard to reach.

that the help we are providing is up-to-date.

Our helpline also continues to provide a critical channel through which we support those struggling. In our bid to ensure that we always provide support in the most appropriate way we have successfully reduced calls from 81,000 to 76,000, promoting our online services and introducing our Web Chat Service, allowing us to help more people by promoting the most efficient channels that those who come to us want to use.

Intermediaries and volunteers continue to be an important part of our work. This year we had an average of 241 volunteers who provide an informed and supportive source of help to those applying for and receiving direct grants. Following reaccreditation of the Investors in Volunteering standard, we are extending our volunteering programme to include areas like a skills bank. We plan to pilot this in 2017/18.

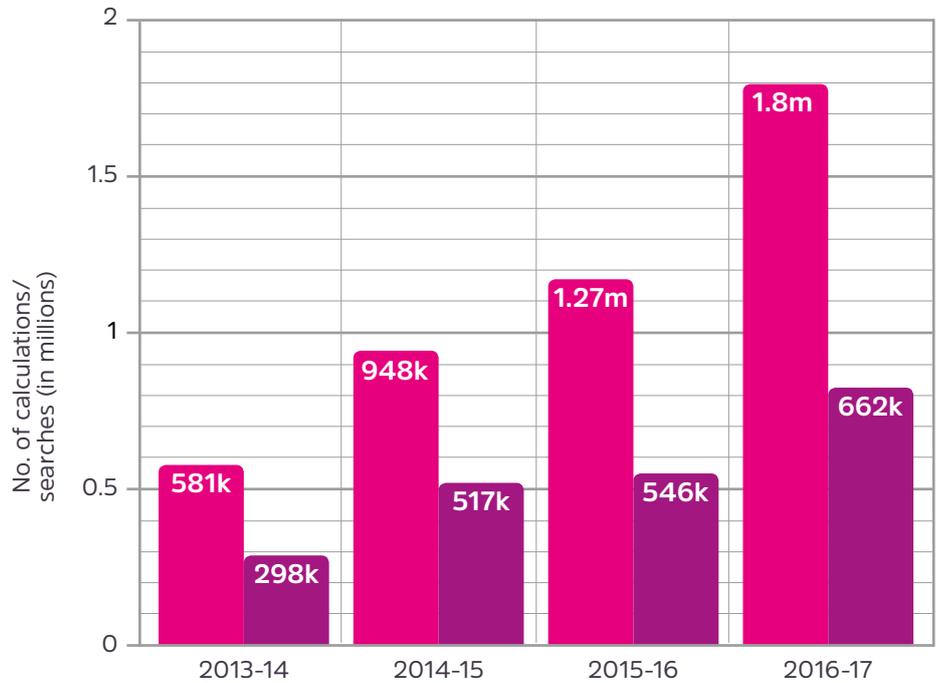
Much of our work relies heavily on intermediary organisations who bring a deep understanding of the needs of the communities they serve. In the last year, 2,478 people attended

OUR DEMAND

We have seen a steady increase in the number of people coming to Turn2us

 Benefit Calculations Completed

 Grants Searches Completed



workshop sessions to understand how to use our services to help their communities. Those workshops create a dramatic ripple effect, with each engaged Intermediary going on to help multiple individuals and families.

Raising awareness of the help which we can unlock remains a huge priority. In the last year, we saw a variety of press coverage. In December, we partnered with Sky News to draw attention to the growing problem of fuel poverty through our #NoColdHomes campaign. We took the unusual step of bringing together the 'Big Six' energy companies to look at practical ways in which we could not only raise awareness of help available to those living in cold homes, but also to explore how we could encourage people to feel more empowered to ask for help. We continue to work with those organisations, supported by other like-minded charities, to tackle this issue.

Our work needs to be continually underpinned by long-term financial sustainability and excellent governance. Our colleagues in Elizabeth Finn Homes (EFHL) delivered a record

not only contributes significant and reliable funding for our work but also provides the highest standards of care for residents. The strength of the group as a whole owes so much to Carolynne and under Richard's leadership we have every expectation that EFHL will continue to go from strength to strength.

Just as we empower those we help to ask for support, so will Turn2us be more explicit and targeted in asking for help ourselves among existing and new supporters. For this purpose we recruited an experienced Director of Development to oversee our long-term funding strategy. We are ambitious and determined to extend our programme of work to help even more people, and we are delighted to add Jamie Grier to the leadership team.

We also completed the restructure of our investment portfolio and we are delighted to welcome McInroy & Wood to work alongside Smith & Williamson in maximising the return from our investment assets. Our strategic property asset plan continues to progress and we are on track to release significant value from

non-core assets in the next 2-3 years.

Looking forward, one of our key priorities is to develop how we measure the impact of our

work. This work, which is already underway, includes allowing us to gain greater insights from the experiences of those that we help, which will in turn not only help guide our own strategy, but also the approach of the sector in general as it seeks to fight poverty in a more targeted manner.

AS THE CHARITY BECOMES SIGNIFICANTLY MORE EFFICIENT IT ALLOWS US TO TARGET EVEN MORE RESOURCES TO DIRECTLY HELPING THOSE WHO NEED IT

£5.4m of funding to support our work this year – in 2016/17 we were therefore able to deliver the first deficit-free result in a decade.

In April 2017, Carolynne Miller, the founding CEO of EFHL, retired. Carolynne hands over to her successor Richard Hawes a business that

HOW WE WORK

▶ FUNDRAISING

As a charity that receives no government funding we are reliant on the generous support of those who want to join us in the fight against UK poverty. Turn2us is supported in a variety of ways by a network of dedicated supporters. Find out more about our fundraising on page 22.

▶ INVESTMENTS

We are committed to running our affairs in a sustainable and professional manner and this has guided our investment strategy. Read more about our investments on page 29.

▶ ELIZABETH FINN HOMES LIMITED

The charity continues to be supported by Elizabeth Finn Homes Limited (EFHL). Not only does EFHL allow us to continue our work but they also provide an important link with those communities that we operate in. Read more about Elizabeth Finn Homes Limited on page 24.



OBJECTIVE #1

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



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



OBJECTIVE #3

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



OBJECTIVE #4

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



OBJECTIVE #5

To run our affairs in a professional and financially sustainable manner



DIRECT GRANT GIVING

Our charity was founded on the principle that a charitable grant can often be the most effective way of making a difference to someone's life, and that continues to be a core principle of our work. In 2016/17 Turn2us awarded £3.1m with a total of 3278 direct grants being awarded. Read more about the impact of our grant giving on page 12.

AWARENESS OF WELFARE AND OTHER SUPPORT

The Turn2us Benefits Calculator provides an easy way for those struggling financially to find out if they are missing out on support that they are eligible for. The charity carried out nearly 1.8 million benefit calculations in 2016/17 through its website and helpline, an increase of 42% on 2015/16.

A FOCAL POINT FOR GRANT GIVING

As a charity with over 120 years' experience in awarding direct grants we understand that it can sometimes be a confusing and difficult process to understand what help may be available. Turn2us brings together the details of nearly 3,000 grant giving funds. Additionally in 2016/17 we launched the Edinburgh Trust Community Grants Programme, furthering our role as a focal point for grant giving in the sector. Find out more on page 18.

INFORMATION AND SUPPORT

Knowledge has become one of the most powerful weapons at our disposal to help fight poverty in the UK. With 7.1 million visits to Turn2us.org.uk in 2016/17, an increase of 45%, we have continued to provide a trusted, impartial and easy to understand hub for those looking for information and support. In addition, we continue to have a strong presence in the media, providing expertise and reassurance to an even broader audience. Find out more about our impact on page 16.

FACE-TO-FACE SUPPORT

One of the ways that we are able to ensure that we get through to those hardest to reach is through working with individuals and organisations that provide face-to-face support. In 2016/17 Turn2us carried out a number of workshop sessions, alongside our programme of presentations. 2,478 professionals and volunteers have been shown how to use our tools to help those that they support. Find out more about our outreach work on page 16.

RAISING AWARENESS

Raising awareness continues to be an important way for us to target our support to even more people, as well as allowing us to work more closely with those that can provide help, such as fellow charities, parliamentarians and providers of essential services such as utility companies. Our successful **#NoColdHomes** campaign continues to garner attention from the press and politicians, and our "press spotlights" have allowed us to raise awareness throughout the year. Find out more on page 20.



OUR VOLUNTEERS

We depend on those who lend their time and skills to Turn2us. This is why there has been such a strong focus in 2016/17 on making sure that we provide a framework through which those that want to help can do so in a professional and supportive environment. Central to this has been the implementation of our Volunteering Strategy.

As part of this we are proud to have been successful in receiving reaccreditation

for the Investors in Volunteers quality standard. This reinforces our commitment to supporting our volunteers and our deep appreciation of the fact that they really do change people's lives.

Last year our volunteers provided over 2,000 hours of support for the charity, something that we're both incredibly proud of as well as very thankful for. We're always looking for ways in which we can use technology to work smarter too, which is why we have created a 'Volunteer Portal' on our website.

We have also continued to implement a 'Skills Bank' model which will allow us to utilise a greater range of other talents in our work. This includes a Befriending Scheme, which we are about to pilot, which will allow us to provide additional help to those who are particularly isolated (through one-on-one support).

WE'VE ALSO PROGRESSED A NUMBER OF OTHER AREAS:

- ▶ Our Volunteering Strategy has been created with an action plan to implement it
- ▶ We have put in place best practice volunteering policies to support those who contribute to our work
- ▶ We have seen a greater level of diversity amongst our volunteers in terms of both age and ethnicity, allowing us to better reflect the communities that we serve
- ▶ We have designed a new Volunteers Newsletter to improve how we share our work and communicate with our volunteers
- ▶ We have created a best practice standard in volunteer management training to ensure the volunteers receive a consistently high standard of support and information with whoever they are in contact with
- ▶ We have created new volunteering roles such as e-Campaigner, London Befriender, Christmas Card Retail Volunteer and Turn2us Ambassador
- ▶ New volunteering opportunities are targeted at university students such as the PJ 5000 (see page 23)
- ▶ We have introduced an annual Volunteers Survey to learn more about the experiences of those who support our work and inform the future development of our Volunteers Strategy

INTERVIEW

We hear from James Charles, who recently started volunteering for Turn2us, about his experience in giving up time to support our work



HOW DID YOU HEAR ABOUT TURN2US?

I knew about the work of Turn2us because, as a financial journalist, I'd seen some of its media campaigns and I was really interested in finding out a bit more. I wanted to volunteer with a charity working in the area of financial hardship, which is a cause that I really care about.

HOW DID YOU FIND THE PROCESS OF BECOMING A VOLUNTEER FOR TURN2US?

I can work quite long hours, and I'm not able to take substantial periods of time off to do volunteering. I found that Turn2us were quite flexible in terms of the commitment required from volunteers. Volunteer Visitors have a minimum requirement of 4 visits a year and the visits are an hour, so that felt like something that was much more achievable.

Signing up was a very straightforward process. I completed the application form and then went to a one-day training session. It gave me some really valuable background about the charity, as well as what I would be doing as a volunteer.

HOW DID YOU FIND YOUR FIRST VISIT?

My first visit was really great. I was shadowing a very experienced and knowledgeable existing volunteer on a visit to someone applying for a grant. She asked questions to better understand the applicant's circumstances, and make sure that they were asking for the right kind of support, while finding out if there was any additional help that they could access. She was very kind, warm and friendly.

I came out of it feeling really inspired. It reinforced the fact that the work of the charity is so important, and can

make a substantial difference to the lives of individuals. I find it very rewarding, it's great to be able to offer your time and personal resource to help a charity.

WHY DO YOU THINK VOLUNTEERING IS IMPORTANT?

Charities are finding it harder to provide services in the community, and if volunteers can support the work that they do, that must be a positive thing.

Employers see a real value in their staff volunteering too, as it shows that staff are engaged in a broad range of activities beyond purely their work, which I think is healthy. I also think employers are increasingly aware that there are lots of indirect benefits to them because they might be able to bring back new levels of understanding for their work.

WHAT ADVICE WOULD YOU GIVE SOMEONE THINKING ABOUT VOLUNTEERING?

It's easy to think that you won't have time, and that fitting volunteering around your life is going to be difficult. But if it's something that you are interested in doing, you shouldn't assume that you won't have time to do it. A lot of charities are willing to be flexible about how you can volunteer, as are employers. Give it a go!



OBJECTIVE #1

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



LET'S BE DIRECT

Sometimes the simplest and most effective way that we can help someone struggling is through awarding them a direct grant. It doesn't have to be paid back and can support an individual and their family in a number of ways.

It is, quite simply, a model that works; and that's why we've now been providing help in this way for 120 years. But there's always room for improvement, and we've been working hard to make easier the experience of applying for a grant from Turn2us. Technology has been a key part of this, and we have successfully implemented a more efficient online application process for all of our core grant giving funds. We are also commencing a major research project which will examine the impact of our grant giving activity.

This year saw the introduction of the first new direct grant fund from the charity in our 120 year history. This new fund is about providing targeted support for people who have been through an adverse life event in the last twelve months. It is not limited to those who

meet defined professional criteria, meaning that anyone whose circumstances meet our eligibility criteria is able to apply via one of our accredited Intermediaries. Intermediaries are a key part of the Turn2us Response Fund model because they ensure that we can extend our support to an even broader audience.

A grant, whether it be £500 or £1500, will never on its own change someone's life. But what it can do, and what we see every day from those that we help, is provide the first step in turning things around in a significant way. For someone who has become recently bereaved, diagnosed with a health condition, or just been made redundant, our grants can provide a vital lifeline to help that individual focus on rebuilding and moving on with their lives.



We Said

- ▶ We will develop our work with Intermediaries who can identify and support those who meet our eligibility criteria and support them in making an application for a grant
- ▶ We will implement our online application process across all funds to allow us to provide support more directly, as well as more efficiently
- ▶ We will be developing a full impact reporting standard for the work that we do

We Did

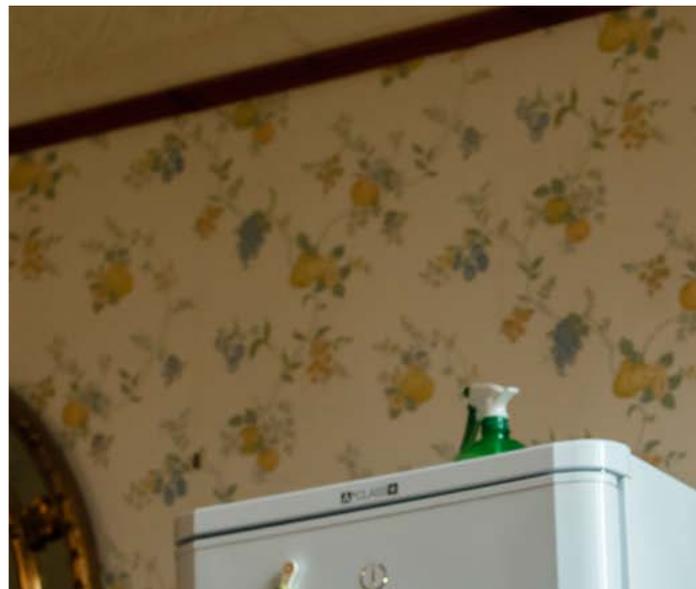
- ▶ Turn2us gave a total of £3.1m in grants in 2016/17 from all funds managed directly by the charity
- ▶ In 2016/17, the charity awarded a total of £2.4m from the Elizabeth Finn Fund
- ▶ We launched a new grant fund – the Turn2us Response Fund – building upon the heritage of the charity to create a fund that responds appropriately to current needs
- ▶ We now receive more grant applications online which has allowed us to process applications more efficiently and reduce our average grant processing time
- ▶ Turn2us has commenced a project with nfpSynergy to explore the impact of our grant giving

We Will Do

- ▶ 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 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



Helen, who has been previously supported by Turn2us, now helps others gain access to grants and benefits



This year marks the 120th year of grant giving for Turn2us. It's a significant milestone for us, and with over 3,000 individuals benefiting from a grant in 2016/17 it goes some of the way to showing the difference that we have made to the lives of so many.

Daniel worked as a Contracts Manager for a construction company, until the 2008 financial crisis forced his employer to close down. "It's usually the Contracts Manager that issues the redundancies," recalls Daniel. "I got mine off of the Director. I was absolutely gutted, it was soul destroying."

Having worked since the age of 16 as an apprentice carpenter, Daniel didn't know where he could turn for help. With work in the construction industry becoming hard to find he decided to investigate working in a different sector, but with the stress of redundancy, exacerbated by mounting worries about money, he found it hard to weigh up what his options were.

"I like driving, I like teaching, so I thought I'd try and become a driving instructor, but obviously there was a lot of money that had to be found for the courses, the training, and everything else."

Daniel poured all of his resources into gaining the qualifications needed, and was supported by the British Legion towards some of the cost of the training. But the financial pressure of being out of work meant that he couldn't cover the cost of essentials which made life increasingly hard.



It was Daniel's partner who suggested he might be able to apply for the Turn2us Elizabeth Finn Fund. "I had great help from my girlfriend who works for Citizen's Advice. She pointed me in the right direction," added Daniel.

"I thought it was an easy process, I couldn't ask for much more really. I thought the assistance they gave me was fantastic."

Daniel was visited by a Volunteer Visitor who guided him through the process of applying. "I was quite taken aback, she said 'you're trying to do a great thing and we're going to help you achieve it.' And that's what happened."

"I wouldn't be here and I wouldn't have got to where I am now without Turn2us and the Elizabeth Finn Fund"



"My caseworker was brilliant; she just helped me all the way. She was in touch every two to three months by email and phone asking how I was getting on, seeing how I was doing with the tests and asking if the money was helping. And it was."

The Elizabeth Finn Fund supported Daniel with the cost of essential items that he wasn't able to afford, allowing him to focus on getting the qualifications needed for his new career. "The Elizabeth Finn Fund gave me furniture that I didn't have, white goods and stuff like that."

With the additional support Daniel eventually passed all of the tests required and now works as a successful driving instructor. "I achieved what I set out to achieve," commented Daniel. "I wouldn't be here and I wouldn't have got to where I am now without Turn2us and the Elizabeth Finn Fund."

With a string of successful students and word of mouth spreading, life is looking a lot more positive for Daniel. "I've explained to a few people in a similar situation to me, I've spread the gospel about Turn2us. It's just a new lease of life now."



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



BEING THERE

Our website continues to be the main channel through which we help those struggling financially, allowing us to make a difference for many more people.

In 2016/17 we have seen a 45% increase in people coming to us through the website alone, with 7 in 10 of those using the Benefits Calculator, Grants Search or accessing information about further help.



most direct and effective ways that we can help those who, for one reason or another, are more suited to a helpline service than online support.

We achieve more when we work together, which is why collaboration is key to ensuring that we can have even more of an impact. Our Grants Search tool is one way that we do this, by bringing together 3,000 different charitable funds in one place, allowing those looking for support in the form of a grant to access the information that they need to apply through the Turn2us website. And as we develop the Grants Search this will become an even more effective tool.

MANY OF THOSE WHO ATTEND A TURN2US WORKSHOP ARE DIRECTLY SUPPORTING THE HARD TO REACH AND VULNERABLE

But not everyone can get online, which is why our helpline is so important. Turn2us has a team of fifteen advisors and last year handled 76,000 enquiries. The dedication and expertise of the helpline team ensures that it is one of the

As we collaborate with other charities, and organisations working with those struggling financially, we have seen growth in the number of people attending workshops and



OBJECTIVE #3

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



Grant giving is one of the most significant sources of support for those struggling financially, and yet it is sadly one of the most unknown.

COLLABORATION

With 120 years' experience in grant giving we take our role in supporting the wider grant sector seriously, and our Grants Search tool is one of the most effective ways that we do that.

This year saw the charity receive a major grant from the Oak Foundation which will fund a three-year Financial Hardship project. This will allow us to further delve into the support that we provide through our helpline, using the insights to inform our strategy as well as sharing them with the broader sector too.

This year the charity has decided to broaden the support that we provide in Edinburgh through the Edinburgh Community Grants Programme. The project allows local individuals and small charitable groups to apply for financial support for local

projects that help the community. In Ireland we launched a new website that provides tailored support for those living in the Republic of Ireland, including bringing together a range of funds specifically for the country.

During the year we also worked with providers of water, energy, transport, finance and communications to raise awareness of help available from Turn2us and to develop ways of working together. Irrespective of who we work with, Turn2us partnerships with external organisations have at their core the creation of better outcomes for economically vulnerable customers.

As one of the leading charities in this field we're also helping to promote grant giving through the Charity User Group, allowing us to work with other organisations and to find practical ways to provide help where it is needed.



We Said

- ▶ Our Grants Search will continue to provide a vital source of information, both for individuals and providers of support
- ▶ The charity will look at creating new areas of activity with the Edinburgh Trust
- ▶ We will seek new opportunities to work with other organisations in order to provide support to a broader range of people

We Did

- ▶ Our Grants Search tool continues to be relied upon within the sector as one of the most comprehensive, easy to use and accurate directories of charitable grants
- ▶ In 2016/17 not only did our work in this area allow more people to access our services but it also created income for the charity
- ▶ The creation of the Community Grants Programme in Edinburgh has allowed the charity to broaden how it provides support at the front line and allowed us to take a more collaborative approach with local communities
- ▶ In 2016/17 we launched our Ireland website specifically for those living in the Republic of Ireland

We Will Do

- ▶ In 2017/18 we will undertake a major enhancement of our Grants Search tool to make it even easier to provide information about how to apply for one of nearly 3,000 grant giving funds
- ▶ The Turn2us Response Fund will complete its first year at the end of 2017/18. We will continue to forge new links with Intermediaries as we implement this new fund
- ▶ We will continue to work collaboratively with the sector to ensure that more people struggling financially are made aware of the support available
- ▶ In 2017/18 we will continue to forge links with more organisations as part of our Vulnerable Customer Strategy



Turn2us hosted a meeting in Parliament with representatives of the 'Big Six' energy companies to discuss support for vulnerable people



OBJECTIVE #4

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



PRESS AND CAMPAIGNS

Turn2us continues to use press and campaigns to raise awareness of the practical support that is available for those living in poverty. In 2016/17 we made a real impact in this area, with the work of the charity attracting significant coverage on TV, radio and in both local and national press.

We have also seen much stronger coverage across digital media as we push to further integrate our online services with our press and campaigns activity.

As part of our annual #NoColdHomes campaign Turn2us brought together the big six energy companies, as well as smaller utility providers and representatives from other charities, to explore how we can work together to improve awareness of the help available to those struggling with fuel bills. Turn2us partnered with Sky News and conducted a survey of those that came to the charity for help. This fed into a three-minute news package which was shown hourly on the day of launch on the news channel. One

significant outcome of this has been the creation of a working group with those organisations, led by Turn2us, that will continue this important work.

The charity continues to build positive relationships with policymakers, allowing us to channel our services for harder to reach audiences such as those visiting their Member of Parliament for help. This included a visit to our helpline, based in Glasgow, from local MP Alison Thewliss, as well as an event in the Houses of Parliament that attracted a wide range of MPs. We also held an event in Stormont which attracted support for our work in Northern Ireland, further enhancing the scope of our work.

“ TURN2US PARTNERED WITH SKY NEWS AND CONDUCTED A SURVEY OF THOSE THAT CAME TO THE CHARITY FOR HELP. THIS FED INTO A THREE MINUTE NEWS PACKAGE WHICH WAS SHOWN HOURLY ON THE DAY OF LAUNCH.

WE'VE FEATURED IN

Bloomberg

The Mail

London Evening Standard

Politics Home

The Observer

theguardian



CITY A.M.

itv NEWS

sky NEWS

i

THE Sun

New Statesman

THE BIG ISSUE

DAILY STAR

BBC NEWS

THE WEEK

INDEPENDENT

DAILY Mirror

We Said

- ▶ We will continue to nurture the relationships that we have in the media to ensure that we can communicate the work that we do to an even bigger audience
- ▶ The charity will invest in raising awareness with a particular focus on areas where poverty is prevalent
- ▶ 21% of MPs were aware of us. We will seek to increase this figure
- ▶ We will adapt our campaigns to ensure greater consistency in our activity throughout the year

We Did

- ▶ We have seen a large increase in the amount of coverage and in 2016/17 we are reviewing how we track media coverage to ensure that we better understand the impact of our campaigns
- ▶ We have run a number of projects that seek to strengthen our relationships with parliamentarians
- ▶ Throughout 2016/17 we have used feedback from those at the frontline, such as our helpline, to better focus on subjects which are of most concern to those struggling financially
- ▶ We have also focussed press and media campaigns in areas of high deprivation including in the North East as part of our #BenefitsAware campaign

We Will Do

- ▶ We will continue to focus on press and media work throughout the year, including growing our relationship with broadcast producers
- ▶ We will use our monthly spotlights to allow our media and communications activity to be more responsive and to address specific audiences more likely to suffer from poverty
- ▶ We will work more closely with the fundraising team to take a more integrated approach to campaigns



Robin Swann MLA and Michelle Gildernew MLA were among a number of Members of the Northern Ireland Assembly to support our #BenefitsAware campaign at a special event held in Stormont



OBJECTIVE #5

To run our affairs in a professional and financially sustainable manner



Fundraising

We Said

“ In 2016/17 we plan on launching our first major fundraising campaign aimed at attracting new audiences, as well as developing relationships with existing supporters



“ Fundraising will continue to be the core part of our charity's income



“ We will continue to ensure that social media is used so that we can be at the forefront of online giving

“ An investment review is currently underway to review both asset allocation and manager selection

We Did

“ We have seen an 7.7% increase in Twitter followers and 5.6% increase in Facebook likes

“ We have put a much greater focus on promoting digital fundraising through these channels and we have seen an increase in donations from online channels. This is an area where we would hope to see considerable growth in future years

“ The charity has appointed a Director of Development to ensure that we put an even greater focus on the role of fundraising at Turn2us. This new role will support our traditional fundraising team, legacies, major donors, corporate development and the charity's asset plan



“ In 2016/17 we launched the PJ5000, a fundraising campaign that encourages university groups to raise money for Turn2us by running 5k in their pyjamas!

“ In 2016/17 we reviewed our investment management arrangements. As a result of this review it was decided to welcome McInroy & Wood to work alongside Smith & Williamson in maximising the return from our investment assets

We Will Do



“ We will develop Turn2us' existing community of supporters, through timely relevant communications that retain and build long term support from donations through to legacies

“ We will target distinct programmes of Turn2us work to appropriate funders and focus reporting upon impact

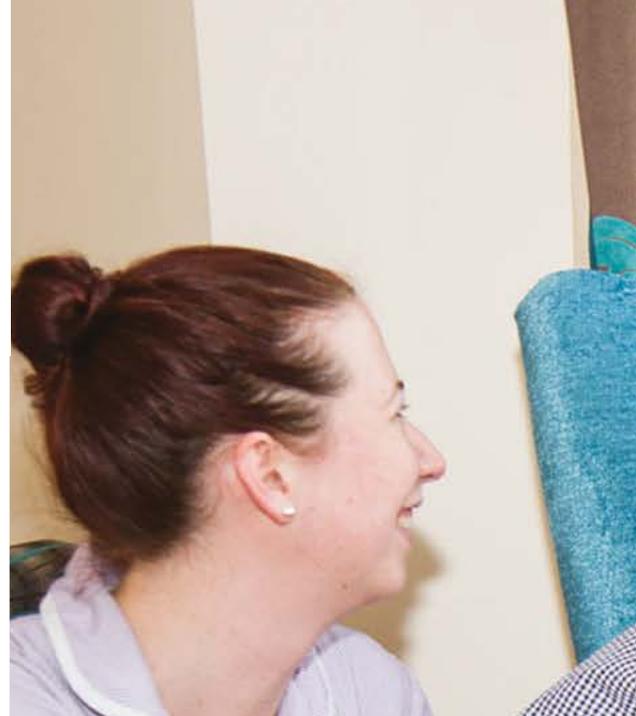


“ We will work with our County Committees to support their local fundraising and advocacy, Universities and Colleges to engage them in our PJ5000 initiative, and third party events as an opportunity to attract new supporters



“ We will further develop how we use digital channels, including social media and the Turn2us website, to better integrate our fundraising activity to reach a broader audience

“ We will target businesses to create partnerships that provide positive outcomes among their customers and employees who could be vulnerable to financial difficulties



Elizabeth Finn Homes Limited (EFHL) allows us to continue our work at Turn2us whilst providing the very highest standard for residents.

Operating nine care homes across the UK, EFHL is run separately from Turn2us with surplus and rent being invested back into the charity.

In 2016/17 EFHL saw an occupancy rate of 94%, a fantastic achievement which compares very favourably within the sector. This performance has been achieved against a backdrop of high levels of competition in the homes' respective local communities, particularly in the self-pay arena in which the Company operates. In total EFHL provided either nursing or personal care to an average of 448 residents.

In 2016-17 EFHL contributed £5.4m in rent and surplus to Turn2us. This is after taking into account £1.6m that has been reinvested into the homes over the past 12 months to help ensure that they continue to provide the highest standard of comfort for our residents.

The ongoing programme of upgrading the homes will continue, ensuring that each one exceeds resident expectations,

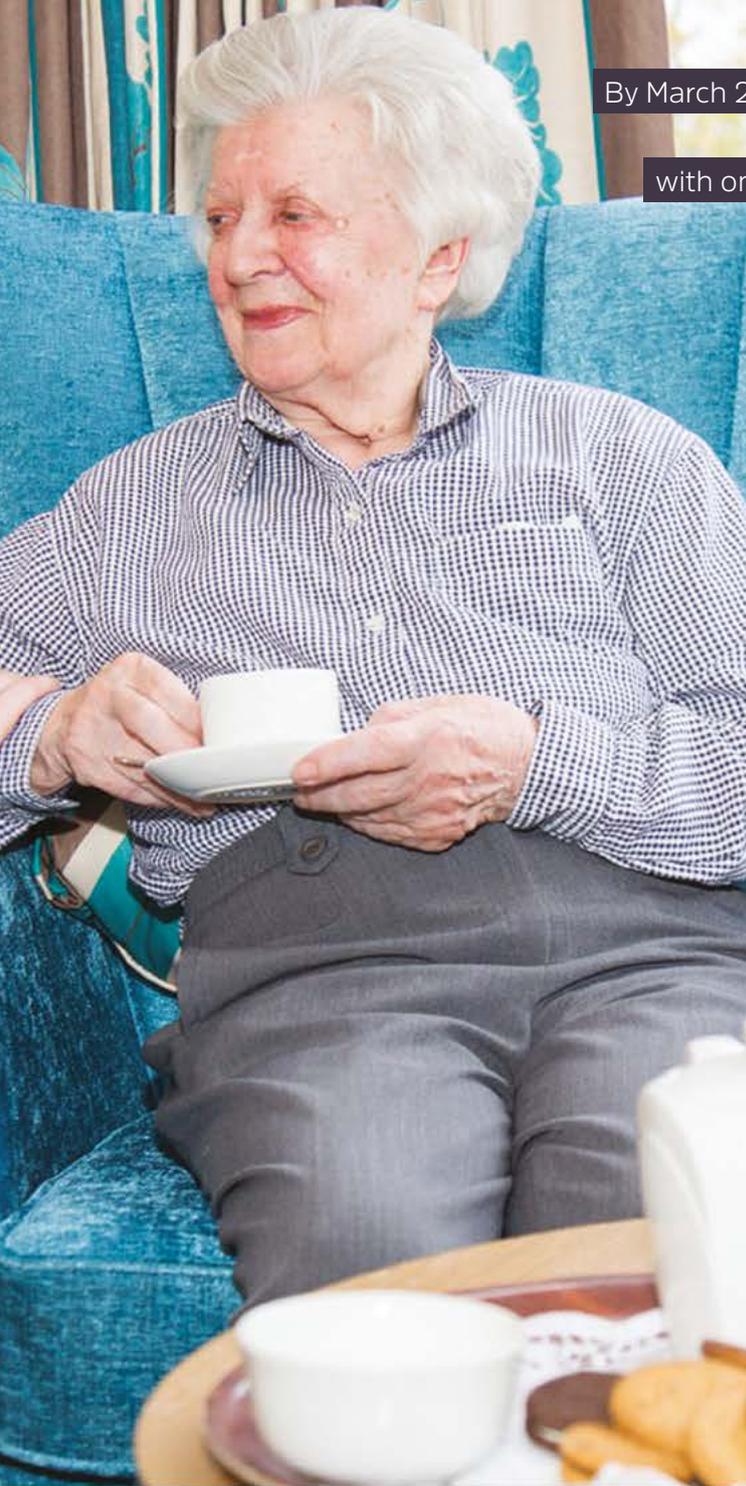
Home Turf

remains competitive in their local community and provides the highest quality environment possible.

Building work commenced during 2016-17 on an extension at The Lodge, Exeter, which will see the number of beds increase by 16. It is anticipated that the extension will be complete by the end of December 2017.

By March 2017 one-third 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

By March 2017 one-third 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.



level possible. A further third of our homes are working towards the accreditation.

This success has only been possible thanks to the leadership of Carolynne Miller, who retired in April 2017 after 13 years as Chief Executive of EFHL. We are indebted to Carolynne for making the Elizabeth Finn Homes brand synonymous with providing the very highest quality of care within the sector, as well as ensuring that it is a commercial success in its own right. Under our new Chief Executive Richard Hawes, we can be confident that EFHL has the strongest foundations, allowing it to continue to support the work of Turn2us.



Carolynne Miller, former Chief Executive of Elizabeth Finn Homes Limited

FINANCE MATTERS

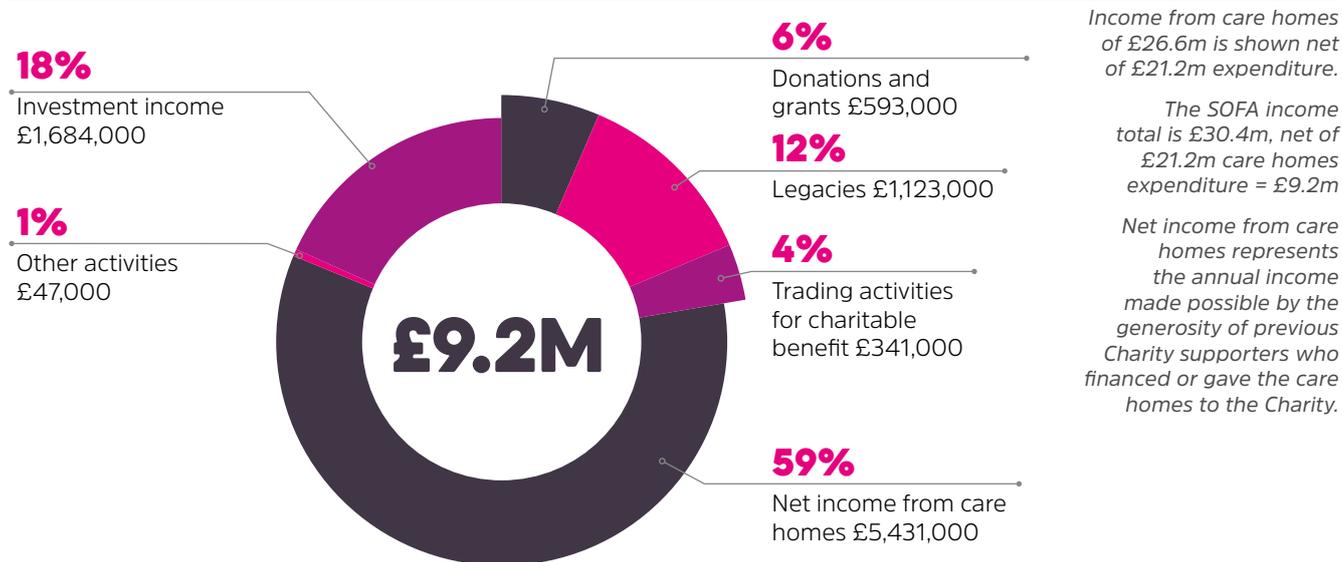
The Charity, its two trading subsidiaries, Elizabeth Finn Homes Limited (EFHL) and Elizabeth Finn Trading Limited (EFTL), and the six charities for whom the Charity was the sole trustee during the year are included in the Consolidated Statement of Financial Activities (SOFA), Balance Sheets, Cashflow Statements and Associated Notes set out on pages 35 to 54.

Four years ago the group had an annual underlying deficit of £5.6m. After the careful implementation of its financial sustainability plan over these four years, the group has now reached its financial sustainability target on time, and has even surpassed it, with a net income for the year of £300k (before investments) in the year to 31/3/17. This net income will be going straight out again in the form of assistance to be given to those in need, because the charity had already planned to increase its grant expenditure by £300k during 2017/18, to meet the growing demand for its services.

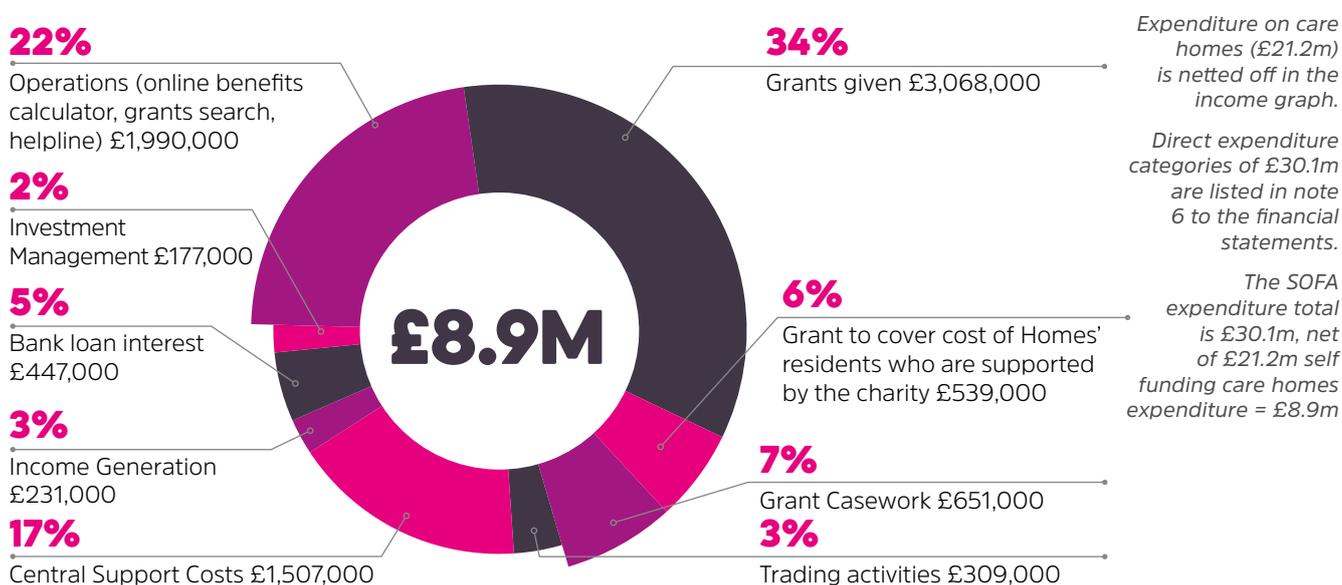
Overall, income rose by 4%, with an increase in the commercial trading income of EFHL of 6%, offset by a 62% reduction in charitable trading activities and a 35% reduction in grants received.

The EFHL trading subsidiary runs nine care homes in England (described as 'residential and nursing care' in the Consolidated Statement of Financial Activities). The average number of residents, 448 (2016: 440) represented an occupancy ratio of 94% (2016: 92%). This level of occupancy compared very

TURN2US CONSOLIDATED INCOMING RESOURCES 2016/17



TURN2US CONSOLIDATED OUTGOING RESOURCES 2016/17



favourably with the industry as a whole, and was achieved against a backdrop of high levels of competition in the homes' respective local markets. Income increased by 6% over the prior year, with an increase in year on year occupancy, and an improvement in average weekly fee.

Legacies are £230k (26%) higher than the previous year. Numbers of legacies in the pipeline have reduced over the year, and so a focused effort is being made to promote the benefit of assisting those in financial need in the future, through legacies to Turn2us.

Income from charitable activities is £560k (62%) less than the previous year. In March 2016 HM Treasury announced that the national Money Advice Service would be abolished and replaced by a smaller advice service. Turn2us had been under contract for a number of years to provide the national helpline part of the Money Advice Service, and indeed, continued to provide the helpline until the contract expiry date of 31/7/16.

A high proportion of donations and grant income are given for restricted purposes, reflecting success in our appeals to support additional activities such as training workshops and financial assistance grants to beneficiaries in specific geographical areas, particularly in the Republic of Ireland. In 2016 the charity received two grants for multiple years' activity. Therefore the activity levels are similar in 2017, albeit the funds received for grants are £85k (35%) lower than in 2016.

Investment income is £149k (9.7%) higher than in the previous year. There is no minimum income requirement specified for the portfolio and so investment managers are able to choose investments without regard as to whether their primary yield is gained through capital gains or through annual income.

A periodic review of investment managers and investments was undertaken during the year with the help of investment consultants. The review covered the investment policy, risk tolerance, asset allocation, and manager selection. The result of the review and tender processes was that an existing manager (Smith & Williamson) was retained to manage a larger proportion of overall funds and was given a widened asset allocation mandate (to include overseas funds rather than just the UK investment portfolio). A new manager, Mclnroy & Wood was appointed because of its strategic focus upon stock picking growth assets. The primary performance benchmark on a total return basis remains 3 month LIBOR + 5%. Just prior to the transitions to new managers, as at 31/12/16, the 1 year and 5 year returns were well ahead of benchmark: The 1 year return was 14.4% vs a 5.59% benchmark and the 5 year return was 8.7% vs a 5.65% benchmark. The transition of holdings between managers and between asset allocations started on 1/1/17 and, having made the substantial transitions of almost all the portfolios' investments by 31/3/17, these managers will be formally monitored on their investment performance for the new asset allocations from 1/4/17 onwards.

Total expenditure before investments reduced year on year by £519k (1.7%). However, when the nursing home subsidiary's residential and nursing care heading on the SOFA is excluded, the Charity's own expenditure has reduced by a full £837k (8.6%). Much of this reflects the broader internal change programme as we have been undergoing the restructuring necessary to achieve financial sustainability overall. In addition the outsourced helpline costs for the Money Advice Service are no longer being incurred.

Under the heading of 'Expenditure on raising funds', income generation costs dropped by £180k (25%), reflecting a change of income generation strategy as part of the Financial Sustainability Plan and they will increase again in the year to 31/3/18 as new plans go in place and new income is generated.

Costs of residential and nursing care rose by 1.5% in EFHL, reflecting the increased staff costs required to recruit and retain the highest calibre staff and to look after the increased average number of residents, as well as improvements to the homes. The capital investment in the homes ensures that homes meet resident expectations, remain competitive in their local markets and provide the highest quality environment possible.

Bank loan interest payable dropped by 6.8% this year as

planned. Interest is payable quarterly on the outstanding balance of the Santander secured medium term loan. Quarterly capital repayments amounting to £743k pa are payable until 2020. The loan is secured with a floating charge over all group assets and is scheduled to be completely repaid by April 2020. The loan was taken out in 2012 to finance major developments at two of our care homes.

Under the heading of expenditure on charitable activities, the assistance given to those in need (grants) has risen by £79k (2.6%), to be closer to our targeted giving level. The reduction in cost for the trading activities for charitable benefit of £494k (57%) is largely due to the cessation of the Money Advice Helpline's running costs.

Stock market valuations of the charity's investments were £52.3m at 31/3/17 whereas they had been at £46.3m at 31/3/16. This movement in market valuations led to £5m of realised gains and £1m of unrealised gains being recorded for the year to 31/3/17. (2016: £1.7m realised gain, £4.2m unrealised losses). The majority of the gains were realised ones in the year to 31/3/17. These gains became realised upon the planned sale of a high percentage of the existing holdings following the changeover of investments which took place over the last 3 months of the financial year.

BALANCE SHEET

Net assets increased by £6.1m over the year, primarily because of the £6m realised and unrealised gains on investments as at 31/3/17, due to the much higher stock market valuations as at 31/3/17.

Fixed assets' cost increased by £419k due to the ongoing investment in an extension to the care home in Exeter, one of the 9 care homes administered by Elizabeth Finn Homes Limited.

The Santander long term bank loan is supported by a SWAP agreement with Santander. Under FRS102, the movement in fair value of the SWAP agreement (£172k gain: 2016: £80k gain) is shown on the face of the Statement of Financial Activities and the full fair value is shown as a liability falling due within one year on the balance sheet (£685k loss: 2016 £857k loss).

The defined benefit pension scheme, which was closed to future accrual in 2013, has been in funding surplus since 2013. At 31/3/17 however, the actuary of the scheme recommended that the group make provision for a deficit of £315k, pending the formal triennial valuation to take place as at 31/6/17.

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; 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 scaleable 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.

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 direct effectively 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. During 2016/17 a formal triennial review took place and some refinements were made which complement the Charity's new strategy and business model. Greater emphasis was placed upon the full skill sets needed in the governance sub-committees and as a result, Trustees who could offer the additional skills were invited to join those sub-committees. In addition, an extra meeting of the Nominations Committee was held to review the Trustee skills mix and to identify any gaps, particularly in view of newer strategy areas. Targeted trustee recruitment is taking place as a result.

CHANGES TO TRUSTEES

During the year Matthew Baker stood down as a trustee after 8 years on the Board. Matthew has been a constant and generous source of support and advice for both fellow trustees and management over the last few momentous years. Matt combines a tremendous expertise in communications, marketing and brand with a truly forensic ability to focus on the key issues across the charity. His support and advice will be sorely missed.

Olivia Curno joined the board as trustee in April

2016, bringing great expertise in 21st century fundraising and supporter recruitment.

Janice Leightley also joined the board as trustee in April 2016. She brings huge depth and breadth of experience in the advice and support sector and in effective ways of getting practical help to those who need it most.

PUBLIC BENEFIT STATEMENT

As its main activity, the Charity must have charitable purposes or 'aims' that are for the public benefit. The Trustees have had regard to the Charity Commission's Guidance on public benefit. The Charities Act 2011 provides specific descriptions of charitable purposes that are for public benefit and one specific description is 'the prevention or relief of poverty'.

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. The Trustees confirm that they comply with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

RESERVES POSITION & 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. We are planning to increase the £2.5m level of grants we currently give to those in need from unrestricted funds by £300,000 in 2017/18 increasing to £500,000 in subsequent years. To enable the charity to make such commitments to our beneficiaries and to avoid any risk of interruption to this primary objective, our prudent reserves policy is to retain between 6 and 12 months' of group expenditure in free reserves.

As at 31 March 2017, total liquid funds were £52m, total group expenditure was £30m and free reserves were £22m. Free reserves represented almost 9 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's investment policy recognises three critical groups of assets:

- ▶ 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.

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). Those properties which do not form part of the care home portfolio are reviewed regularly by senior management to determine their most appropriate use in maximising return.

The Charity's Investment Committee monitors the performance of the funds under their control on a regular basis using defined benchmark criteria. In last year's Trustee report, the Trustees indicated their intention to conduct a comprehensive review of investment management arrangements during 2016/17.

A periodic review of investments was therefore undertaken during the year with the help of investment consultants. The review covered the investment policy, risk tolerance, asset allocation, and manager selection. At the manager selection stage, the existing managers were invited to tender, alongside 5 other investment managers who fulfilled the criteria of: excellent investment performance over time across the range of asset allocation being considered; good customer service (particularly with transitions); and presence in Scotland as well as in London (because of the large proportion of restricted funds invested for work in and around Edinburgh).

The result of the review and tender processes was that an existing manager (Smith & Williamson) was retained to manage a larger proportion of overall funds and was given a widened asset allocation mandate (to include overseas funds rather than just the UK investment portfolio). A new manager, McInroy & Wood was appointed to manage 50% of the Edinburgh Trust's fund and 25% of the main portfolio, because of their particular focus

upon stock picking growth assets. The transition of holdings between managers and between asset allocations started on 1st January 2017 and, having made almost all portfolio changes by 31st March 2017, these managers will be formally monitored on their investment performance from 1st April 2017 onwards. The primary performance benchmark remains 3 month LIBOR + 5%.

The Edinburgh Trust has a separate investment portfolio which has performance benchmarks which reflect its operational requirements and the nature of its activities. This portfolio is ring fenced by fund managers given its size and the specific nature of its activities. For the other Restricted Funds their respective investments are comingled into the main discretionary portfolio to optimise total returns in the long term.

The Charity seeks to maximise its total return in the long run in order to support as many people in need as possible. At the same time Trustees recognise that the Charity needs a certain level of assets that behave in a predictable fashion in terms of retaining absolute value and which therefore mitigate against the adverse impact of volatility. The Charity wishes to guard against a scenario in which assets held for long term return may have to be liquidated at undervalue.

Within that part of the portfolio managed on a discretionary basis, the Charity therefore retains a deliberate group of assets known as the Cash Buffer. This holding is restricted to specific types of asset which are considered less volatile by Trustees. The size of this is determined following periodic long term risk modelling conducted by senior management. The value of this asset group at the year-end reflects the amount that Trustees have assessed would allow the Charity to take controlled remedial action in the event of the worst credible cash flow scenario.

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 maintain the profile of the Charity. Our volunteer visitors tirelessly go the extra mile for those whom we help directly. As at 31 March 2017 we had 241 volunteers, including those in Scotland, fulfilling this vital role in the Charity's work.

STAFF

We have a paid workforce of 692 full time equivalent staff (2016: 689), who are based across the UK. Of this workforce, 627 (2016: 619) 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 adheres to the Institute of Fundraising Code of Practice and is committed to listing with the new Fundraising Regulator and complying with new regulatory standards. For the 12 months to 31 March 2017 Turn2us received no complaints in relation to our fundraising activities. Via written policies and training, staff receive guidance regarding Data Protection and managing communications with vulnerable members of the public.

NATIONAL AND REGIONAL REPRESENTATION

The Charity has 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 ten volunteers as visitors and supported 1,822 (2015/16: 1407) beneficiaries in Scotland, with grants totalling £477,000 in 2016/17 (2015/16: £416,000). The Turn2us website was widely used in Scotland for benefit checks and grants searches. Around 4% 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 in 2011 its responsibility as custodian for 35 poverty related charities and trusts to the Charity. The 35 charities and trusts together with their £13.7m funds and a small 10 bed care home were consolidated to become a single restricted fund. The care home was known as Haugh Street Care Home and in May 2015 agreement was reached to sell the home to Bield Housing and Care Association, who had managed the home on behalf of the Trust and its predecessor bodies for many years. In the opinion of the Trustees, this sale provided strong continuity and security for the residents of the home. The surplus of £483,000 realised from the sale was ring-fenced and is being used exclusively for the purposes of the Edinburgh Trust.

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

▶ **THE EDINBURGH SUPPORT FUND**

Residents of Edinburgh

▶ **TRINITY HOSPITAL FUND**

Older people (over 55)

▶ **SIR JAMES STEEL FUND**

Older people, with a preference for the building trade

▶ **JOHN WATSON FUND**

Residents of Leith, Cramond or Corstorphine

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

1,652 beneficiaries were supported in the year 2016/17 through the Edinburgh Trust (2015/16: 1,239) with grants totalling £354,500 (2015/16: £345,000 including the last nursing home financial contribution before ownership was transferred).

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 27 June 2017 and those who served as a Trustee in the financial year ended 31 March 2017 were as follows:

Mr Bill Colvin CA* (Chairman)

Ms Sally O'Sullivan (Deputy Chair)

Mr Richard Midmer* (Hon Treasurer)

Mr Matthew Baker* (Retired 27 September 2016)

Mr Henry Elphick

Mr Mark Guymer

Ms Catherine Hamp

Ms Christine Lenihan

Mr Jeremy Nettle*

Mr Neeraj Kapur*

Dr Olivia Curno (Appointed 12 April 2016)

Ms Janice Leightley (Appointed 12 April 2016)

Mr Richard Carter (Appointed 27 June 2017)

Mr Steven Hunter (Appointed 27 June 2017)

**Members of the Audit and 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

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 of the group's operations including our commercial and investment operations which provide significant income for the charity.

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 2017 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



Simon Hopkins
Secretary 27 June 2017

BANKERS AND PRINCIPAL ADVISORS

Auditors

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

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

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

Websites

www.turn2us.org.uk www.efhl.co.uk

Charity Commission Registration numbers

England and 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 AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELIZABETH FINN CARE, (TRADING AS TURN2US)

We have audited the financial statements of Elizabeth Finn Care (trading as Turn2us) for the year ended 31 March 2017 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 31 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.

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 responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the



financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2017 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).

Opinion on other matter 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' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light and the knowledge and understanding of the 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 and 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 proper and adequate 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.

Kingston Smith LLP

Date: *20th July 2017*

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

Elizabeth Finn Care, trading as Turn2us
31 March 2017
Consolidated Statement of Financial Activities (incorporating income and expenditure account)

	Notes	Unrestricted Funds 2017 £'000	Restricted Funds 2017 £'000	Endowment Funds 2017 £'000	Total Funds 2017 £'000	Total Funds 2016 £'000
INCOME AND ENDOWMENTS FROM:						
Donations and legacies:						
Donations	3	336	101	-	437	431
Legacies	3	1,033	90	-	1,123	893
Charitable activities:						
Grants		-	156	-	156	242
Trading activities for charitable benefit		341	-	-	341	901
Other trading activities:						
Residential and nursing care income		26,608	-	-	26,608	25,115
Other activities	4	47	-	-	47	44
Investments:						
	5	982	703	-	1,685	1,535
Total income and endowments		29,347	1,050	-	30,397	29,161
Expenditure						
Expenditure on raising funds:						
Income generation	6a	552	-	-	552	732
Residential and nursing care expenditure	6a	21,177	-	-	21,177	20,860
Bank loan interest	6a	448	-	-	448	481
Investment management costs	6a	182	67	-	249	220
Total Cost of Raising Funds		22,359	67	-	22,426	22,293
Net income available for charitable activities		6,988	983	-	7,971	6,868
Expenditure on Charitable activities:						
Operations (benefit calculator, grant search etc)	6a	2,515	-	-	2,515	2,531
Assistance given to those in need (grants and allowances)	6a	2,336	732	-	3,068	2,989
Casework	6a	1,052	125	-	1,177	1,388
Costs of caring for Homes' residents who are supported by the Charity	6a	539	-	-	539	550
Trading activities for charitable benefit	6a	372	-	-	372	865
Expenditure in furtherance of charitable objectives		6,814	857	-	7,671	8,323
Total expenditure		29,173	924	-	30,097	30,616
Net income/(expenditure) for the year before investments		174	126	-	300	(1,455)
Net gains/(losses) on investments						
Net realised gains/(losses) on investments		3,244	1,778	-	5,022	1,699
Net unrealised gains/(losses) on investments	9	432	523	-	955	(4,257)
Net unrealised gains in fair value of derivative		172	-	-	172	80
		3,848	2,301	-	6,149	(2,478)
Net income/(expenditure) for the year before transfers		4,022	2,427	-	6,449	(3,933)
Transfers between funds		-	-	-	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension scheme	19	(315)	-	-	(315)	-
Net movement in funds		3,707	2,427	-	6,134	(3,933)
Reconciliation of funds:						
Total funds brought forward	15	26,001	18,345	1,558	45,904	49,835
Capital received from other Trusts		-	-	2	2	2
Total funds carried forward at 31 March 2017		29,708	20,772	1,560	52,040	45,904

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 39 to 54 are an integral part of this financial statement.

Elizabeth Finn Care, trading as Turn2us
31 March 2017

Consolidated Statement of Financial Activities for prior year (year to 31 March 2016)

	Notes	Unrestricted Funds 2016 £'000	Restricted funds 2016 £'000	Endowment Funds 2016 £'000	Total Funds 2016 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies:					
Donations	3	286	145	-	431
Legacies	3	828	65	-	893
Charitable activities:					
Grants		5	237	-	242
Trading activities for charitable benefit		901	-	-	901
Other trading activities:					
Residential and nursing care income		25,115	-	-	25,115
Other activities	4	44	-	-	44
Investment Income:					
	5	879	656	-	1,535
Total income and endowments		28,058	1,103	-	29,161
EXPENDITURE					
Expenditure on raising funds:					
Income generation	6b	732	-	-	732
Residential and nursing care expenditure	6b	20,860	-	-	20,860
Bank loan interest	6b	481	-	-	481
Investment management costs	6b	171	49	-	220
Total cost of raising funds		22,244	49	-	22,293
Net income available for charitable activities		5,814	1,054	-	6,868
Expenditure on Charitable activities:					
Operations (benefit calculator, grant search etc)	6b	2,531	-	-	2,531
Assistance given to those in need (grants and allowances)	6b	2,455	534	-	2,989
Casework	6b	1,281	107	-	1,388
Costs of caring for Homes' residents who are supported by the Charity	6b	550	-	-	550
Trading activities for charitable benefit	6b	865	-	-	865
Total expenditure on charitable activities		7,682	641	-	8,323
Total expenditure		29,926	691	-	30,616
Net (expenditure)/income for the year before investments		(1,868)	413	-	(1,455)
Net gains/(losses) on investments					
Net realised gains/(losses) on investments		709	990	-	1,699
Net unrealised gains/(losses) on investments		(2,698)	(1,559)	-	(4,257)
Net unrealised gains/(losses) on derivative		80	-	-	80
Gain from sale of property		-	-	-	-
		(1,909)	(569)	-	(2,478)
Net (expenditure)/income for the year before transfers		(3,777)	(156)	-	(3,933)
Transfers between funds	15	55	-	(55)	-
Net movement in funds		(3,722)	(156)	(55)	(3,933)
Total funds brought forward adjusted for FRS102		29,723	18,501	1,611	49,835
Capital received from other Trusts	15	-	-	2	2
Total funds carried forward 31 March 2016		26,001	18,345	1,558	45,904

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 39 to 54 are an integral part of this financial statement.

Elizabeth Finn Care, trading as Turn2us
31 March 2017

Consolidated and Charity Balance Sheets as at 31 March 2017

	Notes	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Fixed Assets					
Tangible assets	8	7,440	7,158	506	117
Investment properties used by a group company	8	-	-	6,934	7,041
Investments	9	53,975	48,715	53,975	48,715
Total fixed assets		<u>61,415</u>	<u>55,873</u>	<u>61,415</u>	<u>55,873</u>
Current Assets					
Debtors	11	1,243	1,417	526	686
Cash at Bank and in hand	12	<u>1,593</u>	<u>1,450</u>	<u>658</u>	<u>475</u>
Total current assets		<u>2,836</u>	<u>2,867</u>	<u>1,184</u>	<u>1,161</u>
Liabilities					
Amounts falling due within one year	13	<u>(5,249)</u>	<u>(5,446)</u>	<u>(3,597)</u>	<u>(3,740)</u>
Net current assets / (liabilities)		<u>(2,413)</u>	<u>(2,579)</u>	<u>(2,413)</u>	<u>(2,579)</u>
Total assets less current liabilities		<u>59,002</u>	<u>53,294</u>	<u>59,002</u>	<u>53,294</u>
Creditors: Amounts falling due after more than one year	14	(6,647)	(7,390)	(6,647)	(7,390)
Provisions for liabilities:					
Defined benefit pension scheme liability	19	(315)	-	(315)	-
Net assets	15	<u>52,040</u>	<u>45,904</u>	<u>52,040</u>	<u>45,904</u>
The funds of the charity:					
Permanent Endowment	15	1,560	1,558	1,560	1,558
Restricted	15	20,772	18,345	20,772	18,345
Designated	15	7,440	7,158	7,440	7,158
Unrestricted Reserves	15	22,268	18,843	22,268	18,843
Total charity funds	15	<u>52,040</u>	<u>45,904</u>	<u>52,040</u>	<u>45,904</u>

The accompanying notes on pages 39 to 54 are an integral part of these balance sheets.

Approved by the Board of Trustees on 27 June 2017 and signed on their behalf on 29 June 2017 by:



William Colvin
Chairman

Company Number: 515297

Consolidated Cashflow Statement for the year ended 31 March 2017

	2017		2016
	£'000		£'000
a) Reconciliation of net incoming resources for the year to net cash inflow from operating activities:			
Net (expenditure)/income for the year before transfers	6,134		(3,933)
Deduct dividend and interest income shown in investing activities	(1,685)		(1,535)
Add back depreciation charge	142		144
(Deduct gains)/add back unrealised losses on investments	(955)		4,258
Decrease/ (Increase) in debtors	174		(177)
Increase/(Decrease) in creditors	(197)		(453)
Increase in pension provision	315		-
Net cash provided/(used) in operating activities	<u>3,928</u>		<u>(1,696)</u>
Cash flows from investing activities:			
Dividends	1,245		1,054
Interest	<u>440</u>	1,685	<u>481</u>
Purchase of fixed assets		(424)	(21)
Purchase of investment securities		(31,151)	(7,801)
Receipts from sale of investment securities		26,173	8,310
Decrease (increase) in short-term deposits held by investment managers		673	(587)
Net cash (used)/provided by investing activities		<u>(3,044)</u>	<u>1,436</u>
Cash flows from financing activities:			
Receipt of endowment and restricted funds from Trusts		2	2
Bank loan (decrease)		(743)	(743)
Net cash used by financing activities		<u>(741)</u>	<u>(741)</u>
Change in cash and cash equivalents in the year		<u>143</u>	<u>(1,001)</u>
Cash and cash equivalents brought forward		1,450	2,451
Cash and cash equivalents carried forward		<u>1,593</u>	<u>1,450</u>

Elizabeth Finn Care, trading as Turn2us

31 March 2017

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 30. 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.

Notes forming part of the financial statements (continued)

2 Accounting Policies (Continued)

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

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 2017. 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 2017.

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.

Elizabeth Finn Care, trading as Turn2us 31 March 2017

Notes forming part of the financial statements (continued)

2 Accounting Policies (Continued)

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 makes an estimate of the fair value of the SWAP agreement at the end of each financial year. The derivative calculations used are subject to inflation, interest rates and estimated scenarios of future investment market movements.

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.

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.

Notes forming part of the financial statements (continued)

2 Accounting Policies (Continued)

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.

Elizabeth Finn Care, trading as Turn2us
31 March 2017
Notes forming part of the financial statements (continued)
INCOME
3 Donations and legacies

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Donations					
Donations	288	100	-	388	366
County treasurers	48	1	-	49	65
	<u>336</u>	<u>101</u>	<u>-</u>	<u>437</u>	<u>431</u>
Legacies	1,033	90	-	1,123	893
	<u>1,369</u>	<u>191</u>	<u>-</u>	<u>1,560</u>	<u>1,324</u>

The Charity has received notification of 3 legacies with estimated future distributions of £6,000 (2016: £217,000), which have not been recognised as income as at 31 March 2017. They will be recognised when appropriate in future periods.

4 Other Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Property rent and services	47	-	-	47	44
	<u>47</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>44</u>

5 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2017 £'000	Total 2016 £'000
Dividends	614	631	-	1,245	1,053
Interest on bonds and short term deposits	368	72	-	440	481
	<u>982</u>	<u>703</u>	<u>-</u>	<u>1,685</u>	<u>1,535</u>

Notes forming part of the financial statements (continued)

6a Expenditure (year ended 31 March 2017)

Activities	CENTRAL SUPPORT COSTS										DIRECT COSTS	2017		2016	
	Chief Executive Office	Finance	Human Resources	IT	Property Services**	Administration	Governance	Total	£'000	£'000		£'000	£'000	£'000	£'000
Income Generation	77	22	8	74	113	17	10	321			231	552	732		
Refurbishment and maintenance for the care homes*	-	-	-	-	-	-	-	-	-	-	503	503	558		
Residential & nursing care expenditure*	-	-	-	-	-	-	-	-	-	20,641	20,641	20,641	20,255		
Refurbishment & maintenance of let property*	-	-	-	-	-	-	-	-	-	33	33	33	47		
Bank loan interest	-	-	-	-	-	-	-	-	-	448	448	448	481		
Investment management	-	67	-	-	-	-	5	72	-	177	177	249	220		
Operations	90	56	31	74	188	66	20	525	-	1,990	1,990	2,515	2,531		
Grants & allowances	-	-	-	-	-	-	-	-	-	3,068	3,068	3,068	2,989		
Casework	77	67	25	74	215	53	15	526	-	651	651	1,177	1,388		
Costs of caring for Homes' residents who are supported by the Charity	-	-	-	-	-	-	-	-	-	539	539	539	550		
Trading activities for charitable benefits	13	11	-	18	21	-	-	63	-	309	309	372	865		
Total	257	223	64	240	537	136	50	1,507	28,590	30,097	30,097	30,616			

	2017	2016
	£'000	£'000
Auditors' remuneration (excl VAT) includes the following:		
Auditors remuneration - audit of charity	14	14
Auditors remuneration - audit of subsidiaries	16	14
Auditors remuneration - Internal Audit	5	3
Auditors remuneration - Defined Benefit Pension Scheme audit	6	4
Auditors remuneration - Tax advice & tax returns	4	1
Auditors remuneration - Audit Committee	4	4
Total	49	40

In 2016/17 we awarded 3,278 grants to 4,401 beneficiaries (including family members). In 2015/16 we awarded 3022 grants to 4,146 beneficiaries (including family members).

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

	2017	2016
	£'000	£'000
Auditors remuneration - audit of charity	14	14
Auditors remuneration - audit of subsidiaries	16	14
Auditors remuneration - Internal Audit	5	3
Auditors remuneration - Defined Benefit Pension Scheme audit	6	4
Auditors remuneration - Tax advice & tax returns	4	1
Auditors remuneration - Audit Committee	4	4
Total	49	40

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

Elizabeth Finn Care, trading as Turn2us
31 March 2017

Notes forming part of the financial statements (continued)

6b Prior Year's Comparative for Expenditure (year ended 31 March 2016)

		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	£'000
		110	25	6	75	104	26	18	364	732
	Income Generation	-	-	-	-	-	-	-	-	558
	Refurbishment and maintenance for the care homes*	-	-	-	-	-	-	-	-	20,255
	Residential & nursing care expenditure*	-	-	-	-	-	-	-	-	47
	Refurbishment & maintenance of let property*	-	-	-	-	-	-	-	-	481
	Bank loan interest	-	74	-	-	-	-	-	83	220
	Investment management	129	62	26	75	172	106	35	605	2,531
	Grants & allowances	-	-	-	-	-	-	-	-	2,989
	Casework	110	74	20	75	197	85	26	587	1,388
	Costs of caring for Homes' residents who are supported by the Charity	-	-	-	-	-	-	-	-	550
	Trading activities for charitable benefits	18	12	-	17	20	-	-	67	798
	Total	367	247	52	242	493	217	88	1,706	28,910

Grants and allowances were paid to 4,146 individuals in the year (2014/15 4,813)

* 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 £2,580 (2016 - £1,726)

Aggregate staff costs are made up as follows:	2017	2016
	£'000	£'000
Wages and salaries	15,558	15,638
Agency staff	545	563
Social security costs	1,249	1,203
Employer's contribution to defined contribution schemes	626	636
Other staff related costs	105	111
Redundancies and Terminations	-	48
	<u>18,083</u>	<u>18,199</u>
Operating costs of closed defined benefit scheme	23	35
	<u>18,106</u>	<u>18,234</u>

2016 categories and content have been amended to directly align with specified categories and content in the SORP.

The average number of employees, both full and part time, during the year was 775 (2016: 791), representing full time equivalents of 692 (2016: 689)

The total, stated on a full time equivalent basis, comprised:

	2017	2017	2016	2016
	Full-time	Part-time	Full-time	Part-time
In the Homes	316	311	320	299
At Headquarters:				
Homes Department	5	1	5	1
Operations	27	4	25	7
Fundraising	5	1	6	2
Finance	5	-	5	1
IT	3	-	3	-
Human Resources	5	-	5	-
Chief Executive's Department and Communications	9	-	9	1
	<u>375</u>	<u>317</u>	<u>378</u>	<u>311</u>

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

	2017	2016
£60,001 to £70,000	5	6
£70,001 to £80,000	2	1
£80,001 to £90,000	3	3
£90,001 to £100,000	-	-
£100,001 to £110,000	0	1
£110,001 to £120,000	1	1
£120,001 to £130,000	2	1
£130,001 to £140,000	-	-
£140,001 to £150,000	-	1
£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 £101,775 (2016: £99,603). 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 three Directors of the Charity (2016:three), and eleven (2016: 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 three Directors of the Charity (2016: four) in post during the year. The total employee benefits of the charity's key management personnel were £325,790 (2016: £371,937 which included termination payments of £20,867).

Trustees are not remunerated.

Elizabeth Finn Care, trading as Turn2us

31 March 2017

Notes forming part of the financial statements (continued)

8 Tangible Fixed Assets	Freehold		Buildings	Furniture and	Mini Buses	IT	Total
	Land	Buildings	Work in Progress	Equipment	and Motor Cars	Infrastructure Hardware	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost at 1 April 2016	1,685	8,307	12	29	165	126	10,324
Additions	-	-	419	2	-	3	424
Disposals	-	-	-	-	(33)	-	(33)
Cost at 31 March 2017	1,685	8,307	431	31	132	129	10,715
Accum. Depreciation at 1 April 2016	-	2,951	-	5	143	67	3,166
Disposals	-	-	-	-	(33)	-	(33)
Charge for year	-	107	-	3	6	26	142
Accum. Depreciation at 31 March 2017	-	3,058	-	8	116	93	3,275
Net Book Amount at							
31 March 2017	1,685	5,249	431	23	16	36	7,440
31 March 2016	1,685	5,356	12	24	22	59	7,158

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 change classification to 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 because the fair value cannot be measured reliably without undue cost or effort, on an ongoing basis.

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
Market value:						
At 1 April 2016	2,206	46,324	185	48,715	-	48,715
Additions at cost	-	31,151	-	31,151	-	31,151
Disposals at cost	-	(26,173)	-	(26,173)	-	(26,173)
Movement in cash	(673)	-	-	(673)	-	(673)
Net investment gains / (losses) unrealised	-	955	-	955	-	955
At 31 March 2017	1,533	52,257	185	53,975	-	53,975

Listed investments at market value comprised :

	Total 2017	Total 2016
	£'000	£'000
UK Listed equities	16,398	12,740
UK Fixed Interest investments	7,789	9,194
UK funds	310	-
Unlisted Investments	545	22,419
Overseas funds	20,255	-
Listed or regulated overseas	6,960	1,971
	52,257	46,324

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.

Changes in asset allocation and investment managers during the year

A periodic review of investments was undertaken during the year with the help of investment consultants. The review covered investment policy, risk tolerance, asset allocation, and manager selection.

The result of the review and tender processes was that an existing manager (Smith & Williamson) was retained to manage a larger proportion of overall funds and was given a widened asset allocation mandate (to include overseas funds rather than just the UK investment portfolio). A new manager, McInroy & Wood was appointed to manage 50% of the Edinburgh Trust's Fund and 25% of the main portfolio, because they focus particularly on stock picking of growth assets. The transition of holdings between managers and between asset allocations took place on 1st January 2017 and, having made almost all portfolio changes by 31st March 2017, these managers will be formally monitored on their investment performance from 1st April 2017 onwards. The primary performance benchmark remains LIBOR + 5%.

The split of investments (in the 'Investments at market value' table above) has changed, reflecting a different approach adopted by the new investment managers. At 31/3/16 a number of overseas collective funds (such as open-ended investment companies, investment trusts and unit trusts) were held, and were shown as unlisted investments. The transition of managers and asset allocations has changed the split between the investments to reflect a greater emphasis upon UK listed equities and overseas funds (comprising investments such as investment trusts, unit trusts and open-ended funds, whose underlying assets are all invested in listed securities, both in the UK and on other overseas regulated stock exchanges).

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31 March 2017

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	3499586	England & Wales
Elizabeth Finn Homes	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 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Amount due from subsidiaries	-	-	4	36
Trade debtors	622	972	-	288
Other debtors	13	8	12	6
Prepayments and accrued income	608	437	510	356
	<u>1,243</u>	<u>1,417</u>	<u>526</u>	<u>686</u>

Group financial assets (within the above) which are debt instruments (ie under contract to a 3rd party) measured at amortised cost are £1,082,677 (2016: £1,256,190)

12 Cash at Bank

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Cash at Bank and in hand	<u>1,593</u>	<u>1,450</u>	<u>658</u>	<u>475</u>

13 Creditors: Amounts falling due within one year

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Amount due to subsidiaries	-	-	1,396	1,291
Trade creditors	788	871	255	308
Social security and other taxes	313	345	54	76
Accruals and deferred income*	2,689	2,603	443	445
Sundry Creditors	31	26	21	19
Fair value of derivative (SWAP agreement)	685	858	685	858
Amount of bank loan repayable (note 14)	743	743	743	743
	<u>5,249</u>	<u>5,446</u>	<u>3,597</u>	<u>3,740</u>

Group financial liabilities (within the above) measured at amortised cost are £3,335,572 (2016: £3,305,378).

*Movement in Deferred Income

	Group 2017 £'000	Group 2016 £'000
Amount brought forward	938	1,061
Increase in deferred income	-	-
Released in the year	(23)	(123)
Amount carried forward	<u>915</u>	<u>938</u>

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.

Security is a floating charge over all assets of the group. The Santander loan is repayable over the eight year period from 30 April 2012 to 30 April 2020, with a balloon payment of the outstanding balance on 17 August 2020. The amount of £743,333 is repayable in the year 2017/18 (2016/17 £743,333). The interest rate is 3 month LIBOR + 2%, offset by a SWAP agreement.

Maturity of Loan:	2017 £'000	2016 £'000
Amounts due in less than one year	743	743
Amounts due between two and five years	6,647	7,390
Amounts due in more than 5 years	-	-

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Notes forming part of the financial statements (continued)

15 Analysis of Group Net Assets as at 31 March 2017 between Funds

	Permanent Endowment Funds				Restricted Funds					Total Funds		
	Arthur Hurst Will Trust		Dresden Homes Trust		Edinburgh Trust	Arthur Hurst Will Trust	Dresden Homes Trust	The Lloyd's Support Fund	Homes' amenity funds		Designated Fund	Unrestricted Reserves
	Other	£'000	750	£'000								
Fixed assets	-	-	750	-	-	-	-	-	-	7,440	-	7,440
Investments	-	73	733	750	15,199	-	22	3,077	-	-	34,121	53,975
Net current assets	-	4	-	4	196	126	307	1,344	329	-	(4,206)	(1,728)
Long Term Creditor (Santander)	-	-	-	-	-	-	-	-	-	-	(6,647)	(6,647)
Actuarial unrealised pension deficit	-	-	-	-	-	-	-	-	-	-	(315)	(315)
Fair value of derivative	-	-	-	-	-	-	-	-	-	-	(685)	(685)
Net Assets	73	737	750	1,560	15,395	126	329	4,421	329	7,440	22,268	52,040
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funds												
Balances at 1 April 2016	71	737	750	1,558	13,543	-	339	3,909	273	7,158	18,843	45,904
Income	-	-	-	-	609	31	1	91	97	-	29,347	30,397
Expenditure	-	-	-	-	(479)	(16)	(14)	(44)	(41)	-	(29,173)	(30,097)
Gains/(losses)/(provisions)	-	-	-	-	1,722	111	3	465	-	-	3,533	5,834
Transfers to unrestricted funds	-	-	-	-	-	-	-	-	-	282	(282)	-
Funds from other organisations	2	-	-	2	-	-	-	-	-	-	-	-
Balances at 31 March 2017	73	737	750	1,560	15,395	126	329	4,421	329	7,440	22,268	52,040

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.

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

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, 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 donor's wishes in future years.

Designated Fund: This fund is set aside to ring fence the value of fixed assets, to emphasise that this part of reserves is not represented by a cash asset.

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

The charity has taken advantage of the exemption given by Financial Reporting Standard 8, Related Party Disclosures', from disclosing transactions with its wholly owned subsidiaries.

b) Financial activities of the Charity

	2017	2016
	£'000	£'000
Gross incoming resources	7,263	7,528
Elizabeth Finn Trading covenant due	9	2
Elizabeth Finn Homes Limited covenant due	<u>2,432</u>	<u>1,286</u>
	9,704	8,816
Expenditure on raising funds:		
Income generation	(540)	(717)
Bank loan interest	(448)	(481)
Landlord refurbishment/maintenance of care homes	(536)	(605)
Investment management costs	(248)	(218)
Expenditure on Charitable activities:		
Operations (benefit calculator, grant search etc)	(2,499)	(2,507)
Assistance given to those in need (grants and allowances)	(3,068)	(2,989)
Casework	(1,164)	(1,371)
Costs of caring for Homes' residents who are supported by the Charity	(590)	(578)
Trading activities for charitable benefit	(311)	(806)
Net expenditure	<u>300</u>	<u>(1,455)</u>
Investment gains / (losses)	5,977	(2,558)
Actuarial gains/(losses) on defined benefit pension scheme	(315)	-
Net unrealised gains on derivative	172	80
Net resource movement for year	<u>6,134</u>	<u>(3,933)</u>
Total funds brought forward	45,904	49,835
Capital Funds from other Trusts	<u>2</u>	<u>2</u>
Total funds carried forward	<u>52,040</u>	<u>45,904</u>

c) Financial activities of Elizabeth Finn Homes Limited

	2017	2016
	£'000	£'000
Income	27,198	25,637
Cost of care services	(24,766)	(24,351)
Net Surplus	<u>2,432</u>	<u>1,286</u>
Covenant to Charity	(2,432)	(1,286)
Retained surplus	<u>-</u>	<u>-</u>
Current assets	2,358	2,992
Current liabilities	(2,358)	(2,992)
Net assets	<u>-</u>	<u>-</u>
Share Capital	<u>£2</u>	<u>£2</u>

Elizabeth Finn Care, trading as Turn2us

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Notes forming part of the financial statements (continued)

16 continued

d) Elizabeth Finn Trading Limited

	2017 £'000	2016 £'000
Turnover	82	63
Cost of sales	(58)	(58)
Gross profit	<u>24</u>	<u>5</u>
Administrative costs	(15)	(3)
Operating profit	<u>9</u>	<u>2</u>
Interest income	-	-
Profit / (loss) before and after tax	<u>9</u>	<u>2</u>
Gift payment to Elizabeth Finn Care	(9)	(2)
Retained profit / (loss)	<u>-</u>	<u>-</u>
Loss brought forward	-	-
Total reserves carried forward	<u><u>-</u></u>	<u><u>-</u></u>
Current assets	13	41
Current liabilities	<u>(13)</u>	<u>(41)</u>
Net liabilities	<u><u>-</u></u>	<u><u>-</u></u>
Share capital	-	-
Reserves	<u>-</u>	<u>-</u>
Total Funds	<u><u>-</u></u>	<u><u>-</u></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 £ 662,992 + VAT (2016: £947,267 + VAT).

As at 31 March 2017, Elizabeth Finn Homes Limited had operating leases with £61,106 (2016: £60,156) falling due within one year; £54,043 (2016: £91,454) falling due between one and five years; and £0 (2016: £0) falling due after five years.

A building contract for an extension at the Exeter Care Home is in progress and at the balance sheet date the amount committed by contract was £1.4m + VAT.

18 Volunteers

Our work is currently supported by 241 volunteers in our visitor role, eg conducting home visits to assist our Caseworkers in making decisions regarding the level of financial support (in the form of grants) that we can provide.

An exciting development over the last year has been the start of the implementation of our new Turn2us Volunteering Strategy which is aligned with the overarching organisational objectives and business plan.

We will be growing the volunteering programme through developing wider opportunities to appeal to a wider audience, over the coming year.

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) that 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 accrued as at 31 March 2015 and paid by staged payments between October 2015 and January 2016, in accordance with the actuary's recommendations. No amount was due to the Scheme as at 31 March 2017.

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 2014. The scheme was closed to future accrual on 31 March 2013.

	31 March 2017	31 March 2016
Increases for pensions in payment:		
Pre 31 October 2006 (RPI max. 5%)	3.20%	3.00%
Post 31 October 2006 (RPI max. 2.5%)	2.20%	2.00%
Liability discount rate	2.60%	3.60%
Inflation assumption (RPI)	3.40%	3.10%
Consumer Price Inflation	2.40%	2.10%
Deferred pension revaluation (CPI 2.5% cap)	2.40%	2.10%
Deferred pension revaluation (CPI 5% cap)	2.40%	2.10%

Assuming retirement at age 65, the life expectancy in years is as follows:

For a male aged 65 now	22.9	22.9
At 65 for a male member aged 45 now	25.2	25.1
For a female aged 65 now	25.3	25.1
At 65 for a female member aged 45 now	27.6	27.5

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:

Assets

	As at 31 March 2017 £'000	As at 31 March 2016 £'000
Total market value of assets	<u>3,595</u>	<u>3,281</u>

Net Defined Benefit Liability

	As at 31 March 2017 £'000	As at 31 March 2016 £'000
Total market value of assets	3,595	3,281
Value of funded obligations	<u>(3,910)</u>	<u>(3,197)</u>
Net pension (liability)/asset	<u>(315)</u>	<u>84</u>

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. However, the Actuary's interpretation at 31 March 2016 was that this pension asset should not be shown as an asset in the balance sheet because it could not be readily realised by the Group. The net pension liability as at 31 March 2017 has been recognised by the group.

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

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Defined benefit obligation	(3,910)	(3,197)	(3,394)	(2,884)	(2,860)
Plan assets	<u>3,595</u>	<u>3,281</u>	<u>3,519</u>	<u>3,260</u>	<u>3,176</u>
Surplus / (deficit)	<u>(315)</u>	<u>84</u>	<u>125</u>	<u>376</u>	<u>316</u>

Elizabeth Finn Care, trading as Turn2us
31 March 2017

Notes forming part of the financial statements (continued)

19 Defined benefit pension scheme (continued)

Analysis of the amount charged to SOFA operating results:

	2017 £'000	2016 £'000
Service cost	-	-
Net interest expense	(2)	(6)
Past service cost	-	-
Settlements on curtailments	-	-
Total operating charge	<u>(2)</u>	<u>(6)</u>

Analysis of the change in the defined benefit obligation:

	2017 £'000	2016 £'000
Opening defined benefit obligation	3,197	3,394
Movement in year:		
Current service costs	-	-
Interest cost	112	113
Actuarial loss/(gain)	778	(157)
Settlements or curtailments	-	-
Benefits paid	(177)	(153)
Total movement in year	<u>713</u>	<u>(197)</u>
Closing defined benefit obligation	<u>3,910</u>	<u>3,197</u>

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

	2017 £'000	2016 £'000
Opening fair value of plan assets	3,281	3,519
Interest income	114	119
Actuarial gains (losses)	377	(248)
Contributions	-	44
Benefits paid	(177)	(153)
Closing fair value of plan assets	<u>3,595</u>	<u>3,281</u>

The asset gain (loss) is the actual asset return over the year of £491,000 (2016: £129,000) less the interest income of £114,000 (2016: 119,000).

The employer expects to make £0 of contributions to this defined benefit pension plan in the year to 31 March 2018 (year to 31 March 2016: £44,000 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.

	2017 £'000	2016 £'000
Actual return less interest income recognised in the SOFA	377	(248)
Experience losses arising on benefit obligation	67	31
Effect of assumptions changes on benefit obligation	(845)	126
Actuarial loss recognised in SOFA - Other recognised gains and losses	<u>(401)</u>	<u>(91)</u>
Difference between the asset return and the interest income recognised in the SOFA (£000):		
as % of scheme's assets	377 10%	(248) 8%
Experience gains / (losses) on obligation (£000):		
as % of obligation	67 2%	31 1%
Total amount recognised in SOFA (£000)	(401)	(91)
as % of obligation	10%	3%

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 (2016: None).

21 Post Balance Sheet Events

There have been no significant post balance sheet events.



ACKNOWLEDGEMENTS

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 Maud Elkington
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CARE HOMES DIRECTORY



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



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“**ELIZABETH FINN HOMES WOULD LIKE TO THANK ALL THE VOLUNTEERS AND FRIENDS OF THE HOMES WHO HAVE WORKED SO HARD THROUGHOUT THIS YEAR TO SUPPORT OUR RESIDENTS AND ASSIST TO MAKE OUR HOMES SUCH SPECIAL PLACES IN WHICH TO LIVE.**”



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FIGHTING UK POVERTY

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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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